

### UAE **ECONOMIC BULLETIN**



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Emirates Airline president Sir Tim Clark is confident the Dubai-based carrier will get back to profitability "fairly quickly". ...

Read more about Emirates Airlines post COVID-19 comeback on page 6.



#### Dubai 2040 Plan will 'strengthen allure' of the emirate, says leading economist

People-centric plan charts a comprehensive future map for sustainable urban development in the city



The Dubai 2040 Urban Master Plan will cement the emirate's place as the preferred destination in the Gulf for relocation amid increasing competition from neighbouring countries, according to a leading economist. In recent times Dubai has announced a series of reforms designed to attract investment and human capital, with a focus on foreign ownership, visa regulations and citizenship. Scott Livermore, ICAEW economic advisor and chief economist at Oxford Economics, told Arabian Business, this was not just about boosting the recovery from the Covid-19 pandemic - the city's economy is forecast to grow 4 percent this year after contracting 6.2 percent in 2020 but also "about putting some of the building blocks in place needed to achieve the Dubai 2040 Urban Master Plan".

He said: "Dubai was already attractive to foreign businesses and expats as a base

and this strengthens those perceptions. However, there was a risk that although Dubai was seen as the preferred place to locate in the Gulf, the big growth opportunities were elsewhere. "The Master Plan goes someway to rebalancing those perceptions and, while it is hard to compete with opportunities offered for Vision 2030 in Saudi Arabia, this will strengthen the allure of Dubai." Saudi's Crown Prince Mohammed bin Salman is driving a strategy to double the size of the capital, Riyadh, while last month it was announced the global companies looking to win government contracts will need to relocate their headquarters to the kingdom.

Scott Cairns, managing director of Creation Business Consultants, believed the plan is not a direct response to Saudi's announcement although he conceded the announcement by Dubai can be seen as quite a strong counter-argument for > those debating on where to set-up shop. "It appears that Dubai has taken a different tact, targeting more the environmental aspects, sustainability and lifestyle for those potentially looking to choose between KSA and the UAE," he said. "Although those with solely a bottom line to answer for may be forgiven for only considering the ability to bid for Saudi's government work, Dubai's strategy will definitely be strong food for thought for companies looking for a more balanced choice for their operations and employees alike." The people-centric plan, revealed on Saturday by Sheikh Mohammed bin Rashid Al Maktoum, vice president and prime minister of the UAE and ruler of Dubai, charts a comprehensive future map for sustainable urban development in the city. A key element is a jump in population from 3.3 million people today, to 5.8 million by 2040.

Livermore said: "If Dubai achieves this population growth, then it will be of a similar size as Singapore and Dubai will want to replicate some of Singapore's success in other areas." According to a joint report from Boston Consulting Group (BCG) and Bayt.com, titled 'Decoding Global Talent, Onsite and Virtual', Dubai rose from number six in 2018 to number three for best cities for relocation in 2020, with respondents citing renewed Expo 2021 potential and the swift restart and support of the private sector during recent times as particular attraction points. Gabriella De la Torre, director, consulting, at CBRE, told Arabian Business: "What will be critical in attracting companies and foreign investment will be the integration and implementation of the Master Plan in conjunction with the range of economic initiatives and reforms which have been

announced over recent years, such as the retirement visa, 100 percent foreign ownership and others. These initiatives, coupled with continued focus on residents' quality of life, will play a pivotal role in supporting economic growth."

The plan is focused on development and investment in five main urban centres three existing and two new centres that support growth of economic sectors and increased job opportunities for Dubai's diverse population, in addition to providing a wide range of lifestyle facilities. The existing urban centres include Deira and Bur Dubai, historic areas that highlight the emirate's tradition and heritage; the business and financial heart of the city encompassing Downtown and Business Bay; and the hospitality and leisure centre taking in Dubai Marina and JBR that serves as an international tourism and leisure hub. The two new centres include Expo 2020 Centre, an economic and growth hotspot featuring affordable housing and a focal point for the exhibitions, tourism and logistics sectors; and Dubai Silicon Oasis Centre, a science and technology and knowledge hub that drives innovation, digital economy development and talent generation. Under the plan, the government envisages that more than half of the population will live within 800 meters (0.5 miles) of public transport and 60 percent of the desert emirate's land will be protected as a natural reserve. A new urban planning law will be issued to support sustainable development at a time the government is looking to provide better housing for citizens.

De la Torre said: "There are numerous factors which influence business and economic activity, two of which are front

and centre in the 2040 Master Plan - infrastructure development as well as talent pool development and attraction. Dubai benefits from world-class infrastructure as it is, however, the continued focus on enhancing this infrastructure and integrating new technologies serves to support future business needs and creates opportunities for new companies and business models. "Similarly, having access to top talent is a major consideration for all businesses. Through the continued focus on quality of life, as evidenced in greater dedication of space to healthcare and educational facilities, enhancements to the public realm and provision of new leisure and tourism activities, Dubai is poised to enhance its attractiveness as a destination to live, work and play."

Companies which utilise cutting edge technology that contributes to sustainability will be in "high demand" as a result of the newly published plan, according to Cairns. And he said he expects "a flood of new companies into the market to supply these much-needed services". He said: "One of the biggest draw cards for businesses looking to call Dubai home will be the environment within which their staff will be able to live and raise families. There is a heavy focus on sustainability, with lifestyle at the forefront of new developments. Families will benefit from many new public beaches, parks, cycling paths and other attractions. This heavy focus to transform Dubai into a greener city will make those coming from more leafy green homelands feel much more at home."

https://www.arabianbusiness.com/construction/460257-dubai-2040-planwill-strengthen-allure-of-the-emirate-says-leading-economist

#### UAE joins 'big players club' with Barakah achievement

The announcement of the issuance of an operating licence for Unit 2 of the Barakah Nuclear Power Plant is another example of how the UAE continues to implement its mega development projects despite the exceptional circumstances and challenges imposed by the outbreak of COVID-19.

The Barakah project has taken the development path of the UAE to advanced stages, placing the country within the "big players' club" which fittingly complements its commitment to building a diverse national economy that is com-

patible with global requirements and standards that meet the challenges of climate change, preserve the sustainability of natural resources, and reduce carbon emissions.

The project is one in a series of projects that have been implemented by the UAE in recent years, through which it builds the future of the country as it enters the post-50-year era since its establishment. In this context, the successes of the UAE is being highlighted across many sectors such as space, renewable energy, and projects such

as Etihad Rail, and the building of sustainable and smart cities.

Barakah strengthens the soft power of the Emirates, which has become the first in the Arab world and the 31st in the world to produce electricity using nuclear technology. It has also become the first country in the world to adopt four peaceful nuclear units at once according to the highest and best international security and safety standards.

Through Barakah, the UAE has once again demonstrated the uniqueness of its meth-

ods for development, which begins from where others have ended – achieving major strategic goals in record time by relying on national cadres who have been trained and qualified to lead and operate the largest technological and knowledge projects in the region and the world.

The project includes a set of strategic goals, especially from the economic and environmental perspectives. When the four units of the plant are fully operational, they will produce 5.6 gigawatts of electricity and will reduce 21 million tonnes of carbon emissions annually, which is equivalent to removing 3.2 million cars from the country's roads every year, and these numbers reflect the size of the achievement and confirm the extent of the UAE's keenness to contribute seriously to reducing levels of global warming.

The project achieves several indirect positive returns on the national economy, foremost of which is the accumulation of technical, scientific, technological and research expertise with the national companies that participated in the stages of building and operating the project. The project also supports the UAE's globally competitive position as a regional centre for new and renewable energy projects, whether with the accumulated experience and knowledge, or by its position as the main attraction for expertise and experts working in this vital field.

Through the Barakah project, the UAE has provided a model to follow for new countries joining the nuclear energy sector or those planning to join in terms of commitment to implementing the highest levels of transparency, whereby the UAE has signed more than 13 international agreements related to nuclear energy, such as safeguard agreements and its protocol to the International Atomic Energy Agency (IAEA), the Nuclear Safety Agreement, as well as others.

Over the past decade, the UAE received 11 international missions from the IAEA to review and evaluate various aspects of its nuclear infrastructure, its legal and regulatory framework, nuclear safety and security standards, and the country's level of preparedness for emergencies and non-proliferation. All these missions praised the UAE's efforts to ensure the peacefulness of its nuclear programme.

The Barakah journey, which introduced the UAE and the Arabs to the era of peaceful nuclear technology, began in 2008, with the issuance of the UAE's policy on



the Evaluation and Potential Development of Peaceful Nuclear Energy, based on six basic pillars - complete operational transparency, commitment to the highest standards of non-proliferation, establishing the highest standards of safety and security, to coordinate directly with the IAEA and adherence to its standards, to build solid partnerships with responsible countries and institutions with experience, and lastly to ensure the long-term sustainability of the nuclear energy programme.

In December 2009, the Emirates Nuclear Energy Corporation (ENEC) was established by a Presidential Decree to provide safe, environmentally-friendly, reliable and efficient nuclear energy in the UAE.

The establishment of the ENEC coincided with the establishment of the Federal Authority for Nuclear Regulation (FANR) which began its work in September 2009, as a supervisory authority responsible for regulating the country's nuclear sector.

In 2010, Barakah, located in the Al Dhafra region, was selected as the project site, after lengthy studies conducted by FANR, the Electric Power Research Institute, the US Nuclear Regulatory Commission and the International Atomic Energy Agency (IAEA) took into account various factors, including earthquake activity in the region, being located far from densely populated areas, and its proximity to water resources and electric grids.

In July 2012, the FANR approved a licence to construct the first and second units in Barakah, to start immediately pouring the safety concrete in the first unit to start construction work, and in February 2013, ENEC submitted a request to FANR to obtain a building permit for the third and fourth units.

Over the next two years, the UAE proceeded to complete the four units. However, February 2015 was a significant date in the project, as experts from the IAEA praised the progress of the UAE's nuclear regulatory framework. In March of the same year, the ENEC submitted a request to the FANR to issue a licence to operate the first and second units.

In January 2017, the FANR issued two licences, the first permitting the transfer of new, non-radioactive nuclear fuel to the Barakah Nuclear Power Plant, and the second allowing the storage of this fuel in the first unit of the plant. In June 2018, the IAEA mission praised the integrated nuclear infrastructure in the UAE after reviewing it is made up of nine international experts and affiliated personnel.

In February 2020, the FANR issued a licence to operate the first unit of the Barakah Nuclear Power Plant, which was officially commissioned on 1st August the same year, and today, 9th March, 2021, the authority announced the issuance of a licence to operate the second unit of the station.

Qualifying Emiratis to work on the project, especially in jobs that require high scientific knowledge, was a priority for the UAE's decision-makers. Accordingly, in 2009 the ENEC launched the Energy Pioneers Programme to attract UAE nationals, providing them with studying and training opportunities to equip them to work in the nuclear energy sector. Today, 60 percent of the workforce at Nawah Energy Company, which operates the Barakah plant, are Emiratis.

https://www.wam.ae/en/details/1395302916568

#### Over 16,000 new member companies joined Dubai Chamber in 2020



Over 16,000 new member companies joined Dubai Chamber of Commerce and Industry in 2020 as the organisation responded to new challenges and adapted its services and offerings to meet the changing needs of the business community.

In 2020, Dubai Chamber saw the return on its investment in digital transformation over the years. The Chamber was digitally prepared as it made 98 percent of its core services available online, which enabled it to serve its members and customers remotely and efficiently.

The Chamber's performance figures, key achievements and activities in 2020 are highlighted in a brand new interactive and dynamic annual report, which can be viewed here.

During the early stages of the COV-ID-19 outbreak, the Chamber launched the #BeSafeWorkSmart campaign as it encouraged companies to implement preventive measures enforced by the government and offered valuable guidance on the transition to remote working.

The Chamber processed more than 659,000 e-transactions during the year, with more than 78 percent of the customers having to wait less than 5 minutes to be served. In March 2020, it launched

an electronic attestation service and the authentication of signatures on documents. This seamless digital transformation was reflective of the Chamber's ability to quickly adapt to global changes due to its technological preparedness.

Joining forces with Google, Dubai Chamber unveiled plans to get 50,000 local businesses online by listing them on Google my Business and training them in digital marketing. This initiative has helped 100,000 businesses across the UAE get verified over the last two years. A separate partnership with Amazon was established to help Dubai Chamber member companies expand their digital presence, capitalise on new business opportunities and learn about the benefits of selling online.

The value of exports and re-exports of Dubai Chamber members amounted to AED 185 billion and a total of 632,436 certificates of origin were issued by the organisation last year. Meanwhile, 2,914 ATA Carnets worth AED 3.3 billion were issued and received by the Chamber. The ATA Carnet system is managed by Dubai Chamber in cooperation with Dubai Customs, facilitating the temporary entry of imports to Dubai.

In line with its role as the voice of the business community, Dubai Chamber reviewed 62 draft local and federal laws and ministerial decisions during the year 2020, with the aim of ensuring a favourable business environment. The organisation's Legal Services department received 334 mediation cases, 148 of which were settled amicably, while the Dubai International Arbitration Centre (DIAC), an initiative of Dubai Chamber, received 230 arbitration cases in 2020.

Hamad Buamim, President & CEO of Dubai Chamber, credited the Chamber's positive performance and various achievements in 2020 to a number of important factors such as proactive communication, leadership, innovation, digital preparedness and close public-private sector cooperation, which helped the organisation overcome unprecedented challenges and guide the business community through various stages of the pandemic.

"Dubai Chamber remains fully committed to supporting businesses in Dubai as they adapt to a new reality and providing access to new growth opportunities at home and abroad," Buamim added.

A virtual mediation service was launched to ensure the continuity of services during unprecedented circumstances, making the Chamber one of the first organisations of its kind in the region to offer this option. The Chamber received 215 virtual mediation cases during the year.

Another major initiative launched in 2020 was Business Connect, an information portal providing useful information and resources designed to help businesses deal with the impact of the pandemic. The Chamber released a comprehensive guide on various economic stimulus packages launched by the government and launched the "Ask the Expert" video series across its social media channels, which answered commonly asked business-related questions.

Webinars and virtual events organised by Dubai Chamber throughout the year tackled a wide range of timely issues impacting businesses, such as banking and funding, legal implications of Covid-19 on business, new measures to ensure employee health and safety, sustainability best practices.

A prime example of Dubai Chamber's proactive approach to using innovation to curb the spread of COVID-19, help businesses drive growth is the Rapid Response Initiative – a new online marketplace for registration for Personal Protection Equipment (PPE), which saw a 340 percent surge in registration after its launch.

During this period, the Chamber created new channels for constructive and open dialogue between public and private sector stakeholders. These platforms provided an opportunity for businesses to share their concerns and policy recommendations. Such efforts supported the Chamber's position of being the voice of the private sector and advocating on its behalf with the aim of ensuring a favourable business environment in Dubai.

Through its entrepreneurship arm Dubai Startup Hub (DSH), Dubai Chamber ensured that SMEs and entrepreneurs received all of the guidance and support needed to navigate through new challenges and capitalise on new opportunities. A total of 2,166 entrepreneurs benefited from Dubai Startup Hub programs in 2020, 19% of which were Emiratis. By going fully digital, Dubai Startup Hub increased value of services to the startup community and hosted 48 webinars and virtual events during the year.

The Market Access Programme, a flagship initiative of the DSH evolved significantly in 2020 with a strong focus on tech start-ups. Meanwhile, two new programmes were launched, namely the Emirati Development Programme and Scale-up Dubai to cater to changing needs of entrepreneurs. The 5th Dubai Smartpreneur Competition was also a highlight for 2020 with 315 innovative business ideas submitted that relate to the Expo 2020 Dubai sub-themes of Mobility, Opportunity and Sustainability.

Dubai Chamber continued exploring business opportunities in promising markets around the world as it received 2,907 delegations and met with 5,694 delegates from 36 countries in 2020. A total of 82 business networking events were organised, which were attended by 9,441 businesspeople.

The Chamber organised 18 outbound missions, including study missions and virtual trade missions, while it arranged 433 business matching meetings. In line with its efforts to facilitate cross-border business collaboration, Dubai Chamber launched a series of Global Business Forum (GBF) virtual roadshows examining new economic opportunities in emerging markets across Africa, Latin America and the ASEAN region.

The Chamber's 11 representative offices in Africa, Eurasia, Latin America and Asia held 2,388 virtual meetings with more than 3,652 investors interested in expanding its business network and activities to Dubai. The Chamber's external offices organised 43 virtual events and participated in 400 other events as part of their efforts to promote Dubai as a global business hub, identify business opportunities and build relationships with key stakeholders in promising markets

The Dubai Association Centre - a joint initiative between the Dubai Chamber of Commerce and Industry, the Department of Tourism and Commerce Marketing, and the Dubai World Trade Centre - granted licenses to 7 new economic and professional bodies in 2020, which brought the total number of licensed associations to 72.

These economic and professional bodies under the umbrella of DAC represent 15,000 companies around the world, and about 600,000 members and professional individuals.

Dubai Chamber's Centre for Responsible Business organised 25 virtual seminars attended by 1,816 participants from 555 companies and institutions. One of the highlights was the Dubai Dialogue

2020 conference, which attracted the participation of 113 participants from 56 companies who discussed timely CSR and sustainability issues impacting the business community, as well as potential solutions to address existing challenges.

The Dubai Chamber Sustainability Network grew its total membership to 73 companies in 2020. A new taskforce group was launched under the network to tackle the issue of late payments. The Engage Dubai corporate volunteering programme and Give and Gain Week attracted the participation of 834 volunteers from 24 companies participated who dedicated 14,854 volunteering hours to support 50,501 beneficiaries.

A total of 17 new companies applied for the Dubai Chamber CSR Label and 4 companies received the advanced category of the label. The Centre for Responsible Business also issued a comprehensive study, which shed light on the state of CSR in Dubai. In addition, the Centre launched the Business Mentoring and Support programme, creating a platform for SMEs to access knowledge, skills and experience and navigate new challenges posed by Covid-19, whilst also giving large organisations the opportunity to deliver on their strategic CSR commitments.

https://www.wam.ae/en/details/1395302915727

#### Emirates president forecasts quick return of passengers and profitability

Sir Tim Clark admitted 2020 was a 'disaster' for the group, but found plenty of room for optimism



Emirates Airline president Sir Tim Clark is confident the Dubai-based carrier will get back to profitability "fairly quickly". In its most recent financial results, Emirates Group reported its first loss in the company's history as a result of the devastating impact of the global coronavirus crisis. The group revealed a half-year net loss of \$3.8 billion, while group revenue was \$3.7 billion for the first six months of 2020, a drop of 74 percent over the same period the previous year. In an interview with Aviation Business, Sir Tim conceded that the first half of last year had been "a disaster" for the group.

He said: "But of course, what could we do? We've got \$350, \$400 million aer-

oplanes sitting on the ground, 115 of those. And you have to make the payments and our debt providers and all the people involved in providing the funds that we borrowed to do that are not particularly helpful when it comes to moratoriums. Some do, but it's been quite difficult. So we've had to meet our obligations."

Almost exactly a year since the entire Emirates passenger fleet was initially grounded, the aviation industry continues to be at the mercy of border closures and changing rules and regulations as countries grapple to contain the spread of coronavirus. However, Sir Tim said the company has now got 151 of its 777

aircraft "flying meaningfully", which has "certainly arrested the cash outflow that we were agonising over about six or seven months ago".

And he expects further good news on the horizon. He said: "Let's assume that fuel remains in or around the 40, 50 dollar mark, I see no reason why we shouldn't get back to some kind of profitability fairly quickly." Annual passenger demand for Middle East airlines slumped by nearly 73 percent in 2020. But Sir Tim also believed that, depending on the efficacy of the vaccine and also the success of its global distribution, demand for flying would return "at pace".

"I think that people will continue to travel in all the segments. Some segments may be weaker than others in the short term, but eventually, it'll come back," he said. "What does that mean? There is absolutely no reason why our network should not be restored to its former glory with the fleet as it is. "On top of that I see the opportunities that we have for the expansion of the network that we had planned ... and that allows us to reactivate the A380 fleet."

https://www.arabianbusiness.com/ transport/460302-emirates-president-forecasts-quick-return-of-passengers-profitability

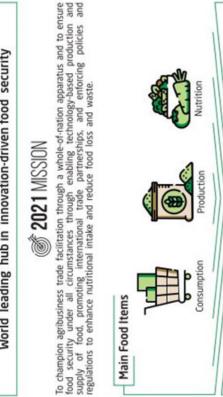


# ONAL FOOD SECURITY STRATEGY

UAE's population having access to sufficient, safe and nutritious food for an active and healthy life at affordable prices at all times

## **2051** VISION

World leading hub in innovation-driven food security





15% Reduction of food

3 Reduce food loss and waste

Increase ...
15% production of select strategic food items

2 domestic food supply across the value chain

Yield improvement from hew technology-enabled

67% alternative international sources

24% strategic investments from overall imports

18 main food items

Plant products

Contribution of

and diversify international food sources

15% Reduction in consumption of unhealthy food elements

35% Reduction in food safety incidences

4 Sustain food safety and improve nutritional intake

Achievement of reserve targets for 6 priority food items

100%

Successful completion 100% of emergency drills

Eggs

Poultry meat

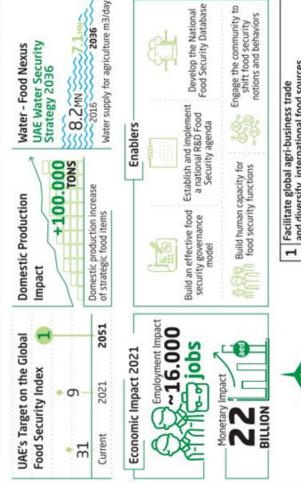
Coat meat

Cattle meat

Livestock products

Dates

5 Enhance capacity to respond to food security risks and crises

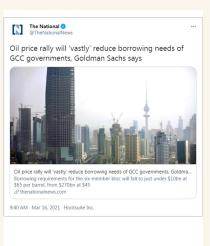




















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