

UAE ECONOMIC BULLETIN



Nr. 58 | October 2022

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The Abu Dhabi Investment Office (ADIO) today announced that it is partnering with Siemens Energy AG to accelerate the journey to net zero in the UAE and globally. Under the partnership, Siemens Energy will receive support to set up its Middle East Innovation Centre in Abu Dhabi, as part of ADIO's AED 2 billion (US\$545 million) Innovation Programme that creates growth opportunities for businesses in the emirate.

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UAE Minister of Climate Change and Environment, H.E. Mariam Al Mheiri on a twoday Climate Action demarche



Her Excellency Mariam Al Mheiri, UAE Minister of Climate Change and Environment had a two-day visit to Berlin where Climate Action and Energy Security were the focus. Her Excellency took part in the Berlin Climate and Security Conference, the Arab German Energy Forum as well as signed a Joint Declaration of Intent to expand the existing UAE German Energy Partnership to include a climate pillar.



The Berlin Climate and Security Conference, organized by the German For-

eign office and the German Minister of Foreign Affairs took place to discuss how to weather the risks resulting from the interaction of climate and conflict pressures, and to put together a progressive agenda for proactively scaling up national and global responses. Her Excellency took part in the opening panel discussion titled "Climate - Conflict -Clash of Crises: Weathering the Risks", where she presented the UAE's position as a poineer in the region regarding Climate action and the UAE was the first to

launch a climate change plan that guides the mitigation and adaptation measures.



and the World Government Summit, the UAE mobilizes concerted efforts to ensure a better, greener, and more sustainable future. The UAE continues to forge synergies with local, regional, and global stakeholders, engage all segments of society – particularly boosting the role of youth as a driver of change, and leverage the latest sustainability technologies to enable next generations to enjoy a thriving environment.

Her Excellency was invited to give a keynote speech at the annual Arab German Energy Forum organized by the Arab German Chamber of Commerce – Ghorfa. Her Excellency explained the UAE's role as a global leader in developing renewable energy solutions and advancing their deployment worldwide. Through hosting thought leadership platforms such as Abu Dhabi Sustainability Week



On the second day of the trip, Her Excellency Mariam AlMheiri met with His Excellency Patrick Graichen, State Secretary for Climate and Energy Policy at the Federal Ministry of Economic Affairs and Climate Action. The main aim of the meeting was to sign the Joint Declaration of Intent [JDoI] to expand the existing UAE German Energy Partnership to include a Climate Pillar. The

JDoI was signed by Her Excellency Mariam Al Mheiri representing the UAE Ministry of Climate Action and Environment and His Excellency Sharif Al Olama, Undersecretary for Energy and Petrolium Affairs representing the UAE Ministry of Energy and Industry. From the German side the JDoI was signed by His Excellency Patrick Graichen and Her Excellency Jennifer Morgan, State Secre-

tary and Special Envoy for International Climate Action representing the German Foreign Office.

As part of the Emirati-German Climate and Energy Partnership, Germany and the UAE will collaborate closely in the areas:

- » Net-zero implementation, sectoral decarbonization plans, NDC and climate legislation
- » Carbon pricing, carbon certification and international Climate Club
- » Cooperation on COP27 in Egypt and COP28 in UAE
- » Climate adaption, e.g. Abu Dhabi Mangrove Initiative
- » Support of implementation of concrete projects

ADIO, Siemens Energy partner to launch Abu Dhabi-based innovation centre to accelerate UAE's net-zero drive

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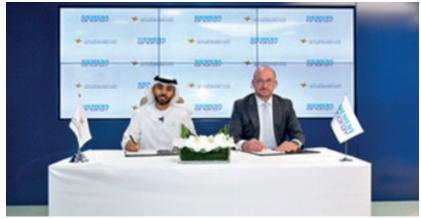
The partnership agreement was signed by Abdulla Abdul Aziz Al Shamsi, Acting Director-General of ADIO, and Dietmar Siersdorfer, Managing Director of Siemens Energy Middle East. The ceremony comes on the back of German Federal Chancellor Olaf Scholz's visit to the UAE on 25th September, during which he witnessed the signing of the New Energy Security and Industry Accelerator agreement that will accelerate projects between the UAE and Germany in energy security, decarbonisation and climate action.

Siemens Energy chose Abu Dhabi for its Middle East Innovation Centre because of the emirate's efforts to decarbonise the economy, become a global hub for green energy and grow the knowledge ecosystem. The Innovation Centre will contribute to the UAE's goals of generating 50GW of renewable energy by 2050 and becoming a global energy centre of excellence.

The Innovation Centre in Abu Dhabi is one of only four globally that Siemens Energy has created, with the other locations in Orlando in the United States, Shenzhen in China and Berlin in Germany. It will leverage the company's expertise in developing sustainable, reliable and affordable clean energy technologies. It will also act as an incubator for new startups and technologies, bringing together customers, industrial partners, academia and research centres to accelerate the commercialisation of innovative solutions driving the energy transition.

The Abu Dhabi Innovation Centre will be headed by Siemens Energy Chief Technology Officer, Middle East, Dr-Ing. Fahad Alyafei with a goal of not only developing innovative new technologies to accelerate the journey to net zero, but also enriching





the economy through Emiratisation, job creation, skills and knowledge transfer, to develop the next generation of innovative researchers.

Al Shamsi said, "As the UAE makes strides toward our net-zero goal, we are prioritising the development of pioneering technologies to meet the demand for sustainable energy. The partnership between ADIO and Siemens Energy will enrich the energy technology ecosystem with the introduction of new ideas and solutions that open pathways for the global energy transition. ADIO will continue to partner with innovation-driven companies in high-impact sectors to help them reach the next stage of their growth."

ADIO's Innovation Programme will provide financial and non-financial incentives to Siemens Energy to establish its new Middle East Customer Innovation Centre in Abu Dhabi. The centre furthers the company's mission to meet the growing global demand for sustainable energy by facilitating pioneering ideas and tech-

nologies that can be added to Siemens Energy's existing products and services across the entire energy value chain. The Innovation Centre will primarily focus on developing circular carbon economies and technologies incorporating digital decarbonisation solutions, green fuels, fuel cells and electrification of heat and industrial processes. A host of intellectual property is expected to be developed, along with an aim to facilitate six industry partnerships and four Abu Dhabi university research partnerships by 2025.

In addition to supporting knowledge transfer and developing new commercial solutions, the centre will strengthen specialised skillsets and create 75 high-skilled jobs in Abu Dhabi by 2025. Siemens Energy will also offer at least six internships annually to students from Abu Dhabi universities, of which 50% of the interns will be Emiratis.

For his part, Siersdorfer said, "To accelerate decarbonisation and reach net zero faster, we need to leverage partnership

> and innovation. As one of four globally, this Siemens Energy Innovation Centre in Abu Dhabi, in collaboration with ADIO, will enable us to leverage the rich industrial ecosystem in Abu Dhabi, and work with startups, academia as well as public and private companies to develop and commercialise new technologies that will make a meaningful impact on carbon reduction."

Siemens Energy views Abu Dhabi as a long-term strategic partner given the emirate's accessible critical assets including low-cost and reliable renewable energy, existing petrochemical infrastructure and the presence of critical non-oil logistical and heavy industries. The partnership contributes to the achievement of the UAE's net-zero goals by driving the energy transition and helping Abu Dhabi entities achieve their decarbonisation targets.

The launch of the Innovation Centre not only aligns with the goals of 2022's COP27 in Egypt but supports the vision for 2023's COP28 in the UAE, which aims to increase global climate action, while

maximising the economic benefits both regionally and globally.

ADIO's Innovation Programme supports high-growth companies and helps them tap into sizeable business and growth opportunities in Abu Dhabi. The programme has allocated AED 1.3 billion to support more than 40 innovative companies from around the world since its 2020 launch.

https://wam.ae/en/details/1395303091075

Dubai South unveils the opening of DB Schenker's third mega logsitics facility

Dubai South, the largest single-urban master development focusing on aviation, logistics and real estate, has announced that DB Schenker launched its third mega logistics centre in the Logistics District, which marks its continued success story of growth in the MENA region.

The inauguration was attended by Mohsen Ahmad, CEO of the Logistics District - Dubai South, Christian Drenthen, Board Member – Land Transport/Contract Logistics of DB Schenker; Christopher Smith, CEO - Middle East Africa of DB Schenker; and Ako Djaf, Vice President - Contract Logistics at SCM Middle East and Africa - DB Schenker; among other senior executives from both companies.

The solar system placed on the roof of both facilities will produce the full energy demand of the 74,000 square metres of warehouse space and 5,000 square metres of office buildings, saving 4,000 tonnes of C02 emissions annually, the equivalent of planting over 400,000 trees.

The green logistics hub will provide a sustainable ecosystem for bonded and non-bonded operations and an end-to-end integrated suite of goods and customised services for customers. The new state-of-theart facility, which will serve as a distribution hub for the GCC, will be a single source for all logistical requirements.

The third facility, which is also temperature-controlled, offers a total space of 90,000 Euro pallets providing warehousing solutions for different industries, including dangerous-goods storage and B2C e-commerce delivery services, leveraging its ideal connectivity to land, sea, and air freight transportation modes. The facility also has a 5,000 square-metre mezzanine floor exclusively designed for various value-added service activities. Mohsen Ahmad, CEO of the Logistics District - Dubai South, commented: "DB Schenker's new facility



will strengthen the entire ecosystem of the Logistics District, thanks to its innovative solutions and best sustainable practices, all of which are a testament to its progressive business strategy. We will spare no effort to consolidate DB Schenker's prominence and offer sustainable logistics solutions in line with the UAE Net-Zero 2050 strategic initiative. Global and regional players benefit from Dubai South's customercentric processes and the seamless, multimodal connectivity between road, air, and sea transportation. As part of boosting Dubai's global position, we are committed to establish a progressive ecosystem to build a global logistics & e-commerce hub that caters to the evolving demands of our existing and potential clients.

In his comments, Ako Djaf, Vice President - Contract Logistics/SCM, DB Schenker Middle East and Africa, said: "We are delighted to inaugurate our third facility on Dubai South grounds toward strengthening the logistics industry and meeting the changing needs of our valued customers. As with the second facility, the new centre will further cement our sustainability commitment and agenda, and the construction of this expansive green logistics centre will elevate our capacity

and network. The three-phase growth plan we established in 2015, with our facilities in proximity to Al Maktoum International Airport and Jebel Ali port — one of the most important transportation hubs globally — was an important strategic decision. Dubai South's strategic location, as well as its revolutionary infrastructure and exceptional business facilitation, will enable us to sustain our growth in this competitive landscape. By designing models comprising catalysts anchored in sustainable best practices, DB Schenker aspires to facilitate the industry by leapfrogging the barriers toward net-zero targets."

DB Schenker in the Middle East and Africa region facilitated the market entry of many international companies to expand their footprints across the globe in this high-potential market. This has made the company one of the fastest-growing logistics service providers in the region expanding the total area of its operated logistics centres from 40,000 to 325,000 square metres in the past seven years.

https://mediaoffice.ae/en/news/2022/ October/13-10/Dubai-South-Unveils-Opening



DAFZ TRADE 2021 RESULTS

KEY HIGHLIGHTS

162 Billion

162 Billion dirhams, DAFZ contribution to Dubai trade in 2021 9.3 Billion

9.3 Billion dirhams achieved trade surplus 36%

36% Growth in DAFZ's contribution compared to 2020 48%

48% Growth in Imports 4x

4x Increase in Exports

DAFZ'S TRADING PARTNERS





MIDDLE EAST & NORTH AFRICA AED 60.7 Billion

EUROPE AED 21.6 Billion

TOP PERFORMING SECTORS

Machinery, equipment and appliances

EXPORTS 74.6% AED 63.9 Billion

IMPORT 77.1% AED 58.9 Billion

Precious stones, metals and jewellery EXPORTS 19.3% AED 16.5 Billion

IMPORT 16.7% AED 12.7 Billion

DAFZ records 36% increase year on year in non-oil trade in 2021

Non-oil trade of Dubai Airport Free Zone (DAFZ), part of the Dubai Integrated Economic Zones Authority (DIEZ), rose by more than 36 per cent year-on-year in 2021, reinforcing Dubai's strength as a global hub for trade and commerce. Figures shared by the DAFZ in cooperation with Dubai Customs showed that the free zone's non-oil trade exceeded AED162 billion last year compared with AED119 billion the year before.

These results reflect DAFZ's prominent role in realising the strategic vision of His Highness Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to promote the national economy and the investment environment of Dubai.

The exceptional financial results stem from DAFZ's strategic initiatives and incentives to support and facilitate its community of multinational and small-to-medium businesses, enabling an investment environment and ensuring seamless trade activity.

Thanks to its strategic location, business-friendly policies, and robust sea and air infrastructure that connects with 400 international cities, Dubai is the proverbial heart of an investment ecosystem worth trillions of dollars. The commercial capital of the region, Dubai offers businesses unparalleled access to some of the world's largest emerging and established markets in the Middle East, Europe, Africa, India, Asia and beyond.

DAFZ contributed 10.7% to Dubai's nonoil trade in 2021, exceeding expectations across all sectors. The free zone also recorded a trade surplus of AED9.3 billion. This growth was fuelled by the massive 48% year-on-year increase in imports, exceeding even the record levels achieved in 2019 and resulting in a quadrupling of exports, reaching AED1.4 billion in 2021.

Strategic contribution

His Highness Sheikh Ahmed bin Saeed Al Maktoum, Chairman of DIEZ, said: "We are proud of these exceptional results that highlight the strategic contribution of DAFZ under the umbrella of DIEZ. These results have been pivotal in promoting economic recovery in Dubai and the UAE. The free zone has fully recovered

from the consequences of the COVID-19 pandemic, with trade returning to pre-2020 levels. This has reinforced its mission to enhance its strategic goals and contribute to strengthening Dubai's position as a global trade hub."

"These unprecedented results align with the national economic performance, which recorded qualitative leaps recently following the strong growth of Dubai's non-oil trade. This has become a new base for further progress this year and in the future. Dubai has adopted various initiatives and undertaken development programmes in its commercial sectors, including a digital services system, developing its logistics infrastructure, and attracting national and international competencies. These initiatives have successfully implemented operational systems that meet the highest speed, efficiency, and competitiveness," His Highness added.

Comprehensive Plan

His Excellency Dr. Mohammed Al Zarooni, Executive Chairman of DIEZ, said: "These exceptional results highlight the success and effectiveness of the strategic plans developed by Dubai to enhance the growth of the non-oil trade sector and develop its operations by following a new and comprehensive organisational structure. This has resulted in establishing the integrated business environment of DIEZ, which heralds a new stage of excellence and growth across all levels, in addition to offering flexibility in adapting to regional and global conditions and turning challenges into real opportunities for all parties."

"During the pandemic, Dubai focused on developing accurate plans and continued to strengthen its partnerships and operations, a step that facilitated these exceptional results. This year serves as a new roadmap toward achieving the strategic goals of the Emirate's non-oil trade sector and becoming a global hub for international trade. This is evident by the overall growth of imports to the Emirate and the enabling partnerships and attraction of new global companies that have chosen Dubai as the base for their global operations," Al Zarooni added.

Sectors and partners

In 2021, DAFZ achieved exceptional growth that contributed to surpluses in various sectors, particularly in the 'machinery, equipment, and appliances' and 'precious stones, metals and jewellery' sectors. These two sectors achieved growth between 36% and 46% and made up an average of 94% of DAFZ's overall trade.

Machinery, equipment, and appliances were the main contributor to DAFZ's trade in 2021, making up 74.6% of exports with a value of AED63.9 billion, and 77.1% of imports with a value of AED 58.9 billion. Precious stones, metals, and jewellery made up 19.3% of exports with a value of AED 16.5 billion, and 16.7% of imports with a value of AED 12.7 billion.

In terms of DAFZ's trading partners, Asia accounted for 43% of DAFZ's total trade with a value of AED69.5 billion, followed by the Middle East and North Africa with 37% and a value of AED60.7 billion, and Europe with 13% and a value of AED21.6 billion.

DAFZ launched a series of economic stimulus packages to support international companies and SMEs during the pandemic to overcome the economic challenges that affected most business sectors. This was in line with Dubai's strategic vision to offer companies and businesses effective packages and incentives to provide flexibility in their operations and help them tackle the challenges posed by the pandemic

https://mediaoffice.ae/en/news/2022/ October/09-10/DAFZ-records-a-36percent-year-on-year-increase-in-nonoil-trade-in-2021







ABU DHABI DEPARTMENT OF ECONOMIC DEVELOPMENT'S INDUSTRIAL DEVELOPMENT BUREAU (IDB) LAUNCHES ENERGY TARIFF INCENTIVE PROGRAMME 2.0 (ETIP 2.0)

IN LINE WITH ABU DHABI INDUSTRIAL STRATEGY, ETIP 2.0:



Offers preferential tariffs on electricity and gas



Based on economic impact measures including energy efficiency, rate of highly skilled employees, Emiratisation, and in-country value contribution



Builds on 2019 Electricity
Tariff Incentive Programme,
which helped grow productivity
at enlisted facilities by 15%



55 companies, with total investments of AED24bn, currently enrolled in ETIP



In line with efforts to grow industrial sector contribution to GDP to AED172 billion+by 2031

Abu Dhabi Department of Economic Development expands energy incentive program to enhance manufacturers productivity and efficiency



As part of its efforts to deliver against the Abu Dhabi Industrial Strategy, the Abu Dhabi Department of Economic Development (ADDED) has announced expansion of energy incentives programme to further enhance economic impact, boost productivity, and improve energy efficiency of manufacturers in the Emirate.

The Energy Tariff Incentive Programme 2.0 (ETIP 2.0) aims to support the industrial sector by offering preferential rates for gas and electricity, based on eligibility criteria that include economic impact, Emiratisation rate, and energy management efficiency.

ETIP 2.0 is an expansion of Electricity Tariff Incentive Programme, launched by ADDED's Industrial Department Bureau (IDB) in 2019. Manufacturing entities earned (ETIP) certificates reached 55, with a total investment of AED 24 billon.

and the number of new joiners continues to grow especially as the programme was extended to include SMEs. The programme helped industrial facilities to increase productivity by 15%. Expanding the programme to include gas tariff will also reduce operations expenses.

It is a result of discussions with manufactures in the Emirate to meet their demands in providing competitive energy rates. Noteworthy, the annual consumption of gas by industrial sector is around 18.5 MMBTU.

ETIP 2.0 will offer gas and electricity to manufacturing entities with subsidised rates.

Manufacturing entities applying for energy incentives programme need to meet a set of criteria including economic impact, which will be measured by investments, rate of Emiratisation and highly skilled employees in industrial facilities' workforce, and contribution to local value chain and logistics. In addition, they should demonstrate efficient energy management, high level of productivity, and remarkable role in creating new jobs.

H.E. Mohamed Ali Al Shorafa, Chairman of ADDED, said: "The Abu Dhabi industrial strategy has set ambitious objectives in its pursuit to establish the Emirate as the most competitive industrial hub in the region. To this end, we are rolling out initiatives to further enhance the manufacturing sector's attractiveness to local, regional, and international investors by continuous enhancement of business ecosystem."

"Our energy incentives programme is taking a new depth in order to address new realities in energy markets and industrial sector. Enhancing efficiency of energy consumption will support the industrial sector to increase its contribution to the GDP as we target to more than double it to AED172 billion by 2031. This programme also accentuates our transition towards a circular, smart, and sustainable economy as well as other pillars and transformational programmes of the industrial strategy including talent development- a top priority for us," H.E. Al Shorafa added.

Recently, ADDED has launched land incentives programme, which offers long term lease contracts with rates as low as AED 5 per square meter to promote manufacturers' growth and development by enhancing capital expenditures and cash-flow management.

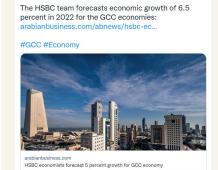
https://www.mediaoffice.abudhabi/en/economy/added-expands-energy-incentives-programme-to-enhance-manufacturers-productivity-and-efficiency/





Dubai Media Office @ @DXBMediaOffice







Etihad Aviation Group has been transferred to Abu

Dhabi's sovereign wealth fund. Learn more: arabianbusiness.com/industries/tra...





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Imprint

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Layout: Fadhl Al-Romaima