

# UNITED ARAB EMIRATES



PART III

## The Hub of the New Silk Road

The country with the most diversified economy in the Middle East continues to climb up the World Economic Forum's Global Competitiveness Index, upon which it is several points ahead of Spain. It receives more foreign investment than any other Gulf nation and proudly possesses the region's longest tradition of wealth creation, within its borders and beyond

### Infrastructure

#### Spain beats its record of contracts awarded in the UAE

Acciona, Gransolar, Sanjosé, Intesa and HLG chalk up projects worth 4.899 billion euros in 2016, the best year in an entire decade

### Economy

#### UAE seeks investors

According to Abdullah Al Saleh, the United Arab Emirates' Under-secretary of State for Foreign Trade and Industry, Spain should turn its attention to the Emirati market

### Energy

#### Emirati energy sector takes green and smart turn

Saeed Mohammed Al Tayer, Managing Director and CEO of Dubai Electricity and Water Authority (DEWA)

"I call on all energy and water companies – Spanish and Latin American – to participate at WETEX 2017"



BY: EVA MARTÍN GÓMEZ

## Nearly two years later

The United Arab Emirates is worth exploring for those Spanish companies wishing to have an operational base within the bounds of the world's biggest-growing region



Emirates Palace, the supremely palatial hotel preferred by emeritus King Juan Carlos on his visits to Abu Dhabi, was the stage for Spain's 2016 National Day celebrations in the UAE. It has an auditorium for concerts, opera and film. In the background, the gigantic Presidential Palace.

Sheikh Zayed used to give money to parents who took their children to school. I was in the first year and until the third year, boys and girls shared the same classroom. I didn't understand back then what the need was for girls to go to school." Abdullah Al Ahabbi, chairman of the Abu Dhabi Water and Electricity Authority (ADWEA), smiled at his own childish thoughts as he told us the story. That was 1968. While student revolts rocked European society, Abu Dhabi's second-largest city, Al Ain, did not have streets or a single road connecting it to the capital. The only way to make the 172-kilometre distance was in a 4x4, which invariably got stuck during the 24-hour journey. Three years later, the United Arab Emirates (UAE) was founded and Zayed – a man who looked rather like Sean Connery and who, as ruler of Abu Dhabi had re-

*It was inevitable that Abu Dhabi would set up its own international finance centre: Abu Dhabi Global Market – pictured on the cover of this supplement. Located on the exceptional Al Maryah Island, a financial free zone connected to the capital by two bridges that everyone should choose to cross and which has an established foundation and track-record in private banking, asset management and wealth management, three fortresses of this emirate*

solved to empower all of society, including women – became president of the nation, a post he would occupy until his death in 2004. All of Al Ahabbi's sisters, from a total of 16 siblings, studied at university. He studied Business Administration in the United States, and later an MBA in Britain. "Zayed was passionate about his people and providing a better future for them. People trusted him, and change was swift".

### Cooked over a slow flame

It will soon be two years since María José and I travelled to the UAE to produce The Centre of the New Silk Road, a trilogy for El Economista brought to a close with this supplement. We have visited four of the federation's seven emirates (Abu Dhabi, Dubai, Sharjah and Ras Al-Khaima) and truly lived the singular nature of the first two. The experience has been well worth it! Abu Dhabi is like a dish cooked over a slow flame, extracting the very best juices from all of the ingredients. To us, the city has always looked like a green paradise, war-

ding off the reality of the desert around it. The same goes for Al Ain. Zayed ordered the creation of parks, and that the owners of every existing farm would plant 400 date palms. It is thought that there are 40 million of them now, plus other

*Abu Dhabi is like a dish cooked over a slow flame, extracting the very best juices from all of the ingredients*

species that are resistant to the desert climate. Obtaining interviews in Abu Dhabi has been a case of patience and perseverance, just as it is for a newcomer Spanish company taking a chance on exploring this competitive market. After some undeniably challenging moments, we always found people prepared to lend us a hand. People such as Alyazia and Nahyan, young Emirati professionals who are proud of their country and repeatedly prised open doors that we could not open. They even received us outside their smart offices in a simple jaima, erected next to one of the capital's modern buildings, reminding us with biscuits and Arabic coffee – the ever-present hospitality – that a visitor should be made to feel welcome and listened to. That is how we felt with them. They left us there pondering, lying back on the jaima's cushions, and savouring the balmy temperatures at the onset of winter. It was the eve of the December 2 National Day in 2016.

### Sovereign funds worth 1.03 trillion euros

The UAE has the sixth-largest reserves of oil in the world and is the third-largest exporter of crude. Abu Dhabi took some time to strike oil after a quest which even involved the legendary Jacques Cousteau. Each emirate controls its own production, but 94% of existing resources belong to Abu Dhabi, giving it the balance of power. Home to 2.8 million inhabitants, Abu Dhabi is the leading contributor to Emirati GDP due to its more than 250 billion euros and a long history of wealth creation. Its hydrocarbons are giving way to other industries, such as energy, transport, tourism and financial services. Its four sovereign wealth funds - ADIA, Mubadala, ADIC and IPIC – manage a combined global portfolio of active assets worth more than 1.03 trillion euros. It was inevitable that Abu Dhabi would set up its own international finance centre: Abu Dhabi Global Market – pictured on the cover of this supplement. Located on the exceptional Al Maryah Island, a financial free zone connected to the capital by two bridges that everyone should choose to cross and which has an established foundation and track-record in private banking, asset management and wealth management, three fortresses of this emirate. With its two luxury hotels and new international shopping mall included, to say that the island will leave you open-mouthed is an understatement. If only the great-grandfathers of Alyazia and Nahyan could see all

of this through a keyhole in time!

In 1966 Abu Dhabi drank the water from the wells at Al Ain, transported to the capital by gravity. According to Abdullah Al Ahabbi, the first desalination plant was built in 1971 and produced 18.92 million litres per day: "Today in Abu Dhabi we pro-

*In January 2013 and knee-deep in snow, a seven-month pregnant Emirati woman made her way to the World Economic Forum in Davos and amazed her audience*

duce more than 3.406 billion litres". Demand is expected to increase by a further 50% by 2030. "The scarcity of water, food and energy are all challenges for the Earth, but the biggest one of all is global warming. Sustainability is key," he told us just a few days after the Paris Agreement against climate change came into force, ratified with conviction by the Emirati government.

### Pregnant and knee-deep in snow

In January 2013 and knee-deep in snow, a seven-month pregnant Emirati woman made her way to the World Economic Forum in Davos and amazed her audience. Reem Al Hashimy, minister of state and currently managing director of Expo 2020 Dubai, was defending her city's bid. The journalist John Diferios recalled this moment during the Global Business Forum on Latin America, organised by the Dubai

Chamber of Commerce on November 9, 2016. He asked her about nine billion dollars being spent on Expo and the minister – characteristically neither denying nor confirming the figure – underlined the fact that her country was honoured to be able to fulfil "what it signs up to". For example? Dubai Water Canal: "548 million dollars have been invested. When its construction began two years ago – not 20 – we residents were wondering what it would be like. And now it's finished! This shows Dubai's determination to achieve the best for its people, those who live with us and those who visit." She was talking about the dredging of 3.2 kilometres of the creek that has turned the centre of Dubai into an island; another attraction in a metropolis "so expert at ensuring that the champagne never goes flat". The metaphor is from Francisco Alonso, former Mexican ambassador to the UAE and today a member of Al Hashimy's Expo advisory team. His mission? To ensure that all Latin American countries are present. This must include young

*The dredging of 3.2 kilometres of the creek has turned the centre of Dubai into an island; another attraction in a metropolis "so expert at ensuring that the champagne never goes flat"*

entrepreneurs, start-ups and SMEs, so that they discover the UAE as the business hub it is, connecting and doing business with other companies. The plan is that some will lay down roots in the country with the best logistical infrastructure in the region. To sum up, there should be economic benefits for both host and guest, adding value to an event that hopes to attract 20-25 million visitors. That day Al Hashimy stressed that the Expo theme, 'Connecting Minds, Creating the Future', is indicative of the importance Emiratis attach to collaboration. "In 2021 we will celebrate the 50th anniversary of the founding of the UAE and Expo [a federal project] will open its doors with respect for the views and complexities of each country." It sounded like a message for someone. But she was sending it to the whole world: "The point of such projects is to cement and boost the UAE and Dubai's position as a hub that listens to others, be they Indians, Saudis or sub-Saharanans... With our standards in services and logistical excellence, we are in a prime position to advance and make sure that the region's mainly young population has a destiny it can feel proud of."

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الإمارات العربية المتحدة  
وزارة الاقتصاد

ABDULLA AL SALEH, UNDERSECRETARY OF STATE FOR FOREIGN TRADE AND INDUSTRY OF THE UNITED ARAB EMIRATES

## “Attracting foreign investment does not mean that we lack liquidity”

According to Emirati authorities, companies in Spain’s tourism and health sectors should pay more attention to the UAE market

The UAE’s GDP record in 2015 showed a growth rate that reached 3.8 at constant prices. Meanwhile, preliminary estimates reflecting the best recorded growth rates during 2016, covered various industry verticals, particularly those in the non-oil sectors. In this context, the federal executive has approved a five-year budget for 2017-2021, becoming the first Arab country to do so. The volume of spending amounts to 63.195 billion euros, of which 12.460 billion euros are to be allocated in 2017, including 51.74% on education, health and social welfare. The government remains firmly committed to its UAE Vision 2021 of creating an economy based on knowledge, innovation and human resources as it advances up the World Bank’s Global Competitiveness Index; the UAE has reached 12th place, ahead of Spain in 32nd. Abdullah Al Saleh, undersecretary of state for foreign trade, says that the indicators remain positive for the future. “We see this in the growing number of investors and companies from all around the world who are paying attention to the UAE. We expect to see the same level of confidence this year, if not higher”, he comments in his office in Abu Dhabi’s Liwa Building.

He takes the opportunity to bemoan the fact that a country like Spain – whose gross Foreign Direct Investment (FDI) in 2015 was around 30 billion euros –

should channel so little towards his country (0.432 billion euros). “The investment opportunities the UAE has to offer are still not well known. The fact that we are working to attract FDI does not mean that we lack liquidity. We seek knowledge transfer. Spain is very strong in tourism and in health. We should pay more attention to this market.” Al Saleh says that Emirati growth will mainly be driven by the development of infrastructure [it is fourth in the world, according to the World Bank; Spain is 12th], improved legislative and administrative frameworks, and strategic development projects. In this scenario, the UAE is also expecting that the growing investment and trade flows with Latin America accelerate in the short and medium terms.

**QUESTION:** Despite the odd exception, it is difficult to find specific information on Emirati FDI in Latin America. Which companies would you highlight?

**ANSWER:** Many of our companies are investing in all five continents and are world leaders in their sectors. Among them you have DP World, Emirates Airlines, Abraaj Group, Masdar, Al Mabrar, Burooj, RAK Ceramics, Julfar, Etisalat and Emaar. Current figures from the Economy Ministry show the successful impact of Emirati FDI in Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El

Salvador and Mexico. According to the National Bureau of Statistics, a total of 865 million dollars was channelled into Latin America in 2014. We see many significant opportunities for growth.

**Q:** Such as?

**A:** All of the industrial sector, especially aluminium and iron, electronic goods, petrochemicals, mining and auto parts. As part of our food security policy, one of our priorities is farmland leasing, as well as the food sector and marine industries. Our investments in energy are also key, as are those in construction, contracting and services, including hotels. The banking sector is also among our priorities, and this includes Islamic banking. I should also mention the transfer of knowledge in critical areas: oil and gas, the petrochemical industry, desalination, aerospace, and IT and transport systems.

**Q:** What is your view of bilateral trade flows between the UAE and Latin America?

**A:** We are on the right track. You have to realise that in 2000, non-oil trade between the UAE and Latin America stood at 304 million US dollars, and in 2016 total trade was 2.8 billion, mostly in imports. Now, 80% of our exports to Latin America come from the non-oil sector, and that percentage represented just 2% of our non-hydrocarbon global total for 2015. There is great scope to improve and balance out these exchanges.



### EASE OF DOING BUSINESS

Overall ranking in a total of 190 countries

UNITED ARAB EMIRATES **26<sup>o</sup>** SPAIN **32<sup>o</sup>**

INDICATORS	2017	
	SPAIN	UAE
STARTING A BUSINESS	85	53
DEALING WITH CONSTRUCTION PERMITS	113	4
GETTING ELECTRICITY	78	4
REGISTERING PROPERTY	50	11
GETTING CREDIT	62	101
PROTECTING MINORITY INVESTORS	32	9
PAYING TAXES	37	1
TRADING ACROSS BORDERS	1	85
ENFORCING CONTRACTS	29	25
RESOLVING INSOLVENCY	18	104

Source: Ease of doing business, 2017, World Bank

### Spotlight on Spanish healthcare

Health is a priority for the UAE’s government and also for the two emirates which run their systems autonomously: Abu Dhabi and Dubai. “We always aspire to associate with the best in any field. For example? The Royal Spanish LASIK Centre. We have also had talks with the Barraquer Ophthalmology Centre”, says Maha Barakat, director general of HAAD, Abu Dhabi’s health authority. The emirate already has 2,137 medical installations and is anticipating growth in demand for general care and services related to lifestyle conditions such as diabetes, heart disease and oncology. By 2025, an additional 1,789 doctors and 16,158 nurses will be needed. There are investment opportunities in primary healthcare, intensive care and for specialists. “In the latter, we are lacking in obstetrics and orthopaedics. And there are opportunities in acute care and non-acute emergencies, long-term care, neonatology, transplant surgery and mental health”.

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# The key role of the private sector in The Abu Dhabi Economic Vision 2030

MOHAMMED HELAL AL-MUHAIRI, DIRECTOR GENERAL OF THE ABU DHABI CHAMBER OF COMMERCE AND INDUSTRY

Abu Dhabi enjoys a key position in the region as a leading centre for businesses. Many of the world's largest companies have established their presence in the emirate, attracted by its healthy business environment and positive business and legislative climate. To this end, the Abu Dhabi Chamber of Commerce and Industry has been an important component in the United Arab Emirates capital's strategic plans. All of this is critical for the realisation of

*"I am pleased to invite European companies operating in the knowledge sector and advanced technologies to incorporate joint industrial projects with Emirati companies. We are prepared to offer all kinds of support to help them achieve success with their industrial ventures"*

The Abu Dhabi Economic Vision 2030, which will establish a common framework for all policies and plans that contribute to the ongoing development of the emirate's economy, fully engaging the private sector in their implementation. Ever since it came into being in 1969, the Chamber has been supporting the government's endeavor of promoting Abu Dhabi as an economic industrial hub in the region. The Chamber has made rapid strides since then, achieving outstanding results in 2016 – both in terms of increasing its member-

ship as well as services provided to companies in Abu Dhabi.

The number of registered members in the Abu Dhabi Chamber increased to more than 100,000 in 2016 from 95,000 recorded at the end of 2015. The Members' Service Center at the Chamber was able to serve 10% more customers compared to the previous year, mainly due to the quality of services it provides. The number of people and companies who have benefited from its assistance has exceeded 106,000 so far.

The Abu Dhabi Chamber has been working with key partners in Abu Dhabi to boost foreign investments and promoting services and facilities through its participation in Arab, regional and international exhibitions specialized in businesses and investment. Besides, it hosted commercial delegations frequently as part of this effort – 28 of them in 2016 alone. In addition, it also organized a total of 68 business events which consisted of conferences, workshops and specialized seminars.

During the course of 2016, the Chamber has doubled its efforts to support Abu Dhabi's economy in an effort to achieve the vision of our wise leaders to position the emirate as a leading business destination. In fact, this vision perfectly fits in with the aspirations of the private sector to play a greater role in the current economic boom. Our effort will be to continue to develop policies and strategies that will help the Chamber retain its place as a key player in driving development in Abu Dhabi.

Abu Dhabi Chamber has long realized that the partnership between private and public sectors is a fundamental part of the Abu Dhabi Economic Vision 2030. In fact, Vision 2030 is the result of an intensive effort among the pu-

blic sector and a number of joint public-private sector entities.

In order to recognize this critical role, the Chamber had to help enhance the competitive business environment in Abu Dhabi in cooperation with official authorities and private companies. It has reinforced the business sector's development through its initiatives, and has created favorable circumstances for the private sector to contribute fully to the growth of the Abu Dhabi economy.

*"The returns from non-oil economic sectors started to grow in 2016, as well as direct foreign investments which grew 8% to reach AED 95 billion by the end of 2016 compared to AED 88 billion for the same period in 2015"*

The Chamber also signed several agreements and memoranda of understanding (MoU) last year to streamline business procedures, especially those related to establishing new projects or developing existing ones.

Over the past year and in cooperation with a number of public entities, the Chamber organized the Abu Dhabi Business Forum, which opened new and promising ways to benefit from the golden opportunities in Abu Dhabi within the vision of Abu Dhabi 2030 and the ambitious strategy announced by our leadership to take our economy to unprecedented levels of success. This was all thanks to

the execution of a comprehensive governmental strategy, as well as the programmes announced by the Abu Dhabi government, blessed by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE, and the support and direction of His Highness Sheikh Mohammed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces and Chairman of Abu Dhabi's Executive Council.

What probably distinguishes these strategies the most is the awareness to provide unlimited support so that the private sector can take on its pioneering role in the economic and commercial lifestyle of Abu Dhabi.

I would like to seize this opportunity to talk about the economy of Abu Dhabi and the achievements which the emirate has accomplished in the past two years while materializing its economic vision 2030. The returns from non-oil economic sectors started to grow in 2016, as well as direct foreign investments which grew 8% to reach AED 95 billion by the end of 2016 compared to AED 88 billion for the same period in 2015. This reflects the huge development in the competitive environment for businesses in Abu Dhabi and the attractiveness of the emirate to foreign investments according to the approaches of the economic vision 2030.

The economic and investment features of Abu Dhabi are unique. They include an outstanding network of relations which links the emirate with the international community, in addition to the long list of diverse benefits which the specialized economic zones such as KIZAD, Masdar and TwoFour54 offer for international investors and companies desirous of working and investing in these



غرفة أبوظبي  
ABU DHABI CHAMBER



zones and the rest of the emirate in general. Besides, Abu Dhabi enjoys an advanced infrastructure that goes in line with the international standards, especially its roads, airports, ports and telecommunications.

Amongst the most important sectors which the government of Abu Dhabi focuses on are the mining sector, space industry, aviation, defense, petrochemicals, pharmaceuticals, biotechnology, tourism, healthcare, education, transportation, financial services and telecommunications. The government of Abu Dhabi was able to achieve huge successes in these sectors regionally and internationally. These sectors are expected to achieve a growth rate of more than 7.5% over the coming years.

## Welcoming European technology

I am pleased to invite European companies operating in the knowledge sector and advanced technologies to incorporate joint industrial projects with Emirati counterparts and help them transfer and naturalise these technologies, especially those that serve the purposes of The Abu Dhabi Economic Vision 2030 and our futuristic plans to transform the industrial sector into a key component of our economic development. We, at the Abu Dhabi Chamber, welcome the European and international business community

members who wish to invest in our market. We are prepared to offer all kinds of support to help them achieve success with their manufacturing ventures.

From our position at the Abu Dhabi Chamber, we appreciate the public initiatives such as those led by the Department of Economic Development, the Industrial Development Bureau, the Competitiveness Office of Abu Dhabi, and Khalifa Fund for Enterprise Development. These institutions form an important base for national industry. It is

also vital to mention, albeit briefly, the initiatives of Mubadala Development Company in executing high-quality projects that add real value to our national economy. There is also its investment arm acquiring international companies or large number of stocks therein in order to be an active shareholder on their board of directors.

We must also point to the huge role some of our national companies play in opening new markets, with particularly large projects in Asia, Europe and the

Middle East, all of which boosts our national economy as we take advantage of these opportunities elsewhere.

All indexes show that Abu Dhabi's economy is growing in confidence day by day as it attracts new investments, especially in the sectors that fall within the scope of Abu Dhabi 2030. This brings greater liquidity to the markets of Abu Dhabi, which enjoy a deep, strong and well-established economy.

ADVANCES IN HEALTHCARE, EDUCATION AND SUPPORT FOR THE FEMALE HALF OF THE POPULATION ARE THREE OF THE EMIRATIS' PROUDEST ACHIEVEMENTS

# Half a century of progress

In 1966 Sheikh Zayed, founder of the United Arab Emirates, laid down the basis of Abu Dhabi's modern Government

In September 1966, the late Sheikh Zayed Bin Sultan Al Nahyan issued the Emiri Decree 2/1966 establishing the key departments of Abu Dhabi's modern Government. That decision launched the growth and development movement that has contributed to the emirate's global success today. Fifty years have passed and the Abu Dhabi Government's history stands as a clear testimony of careful planning and construction.

vising execution, and generating yearly models derived from these plans. As a result of this approach, the Abu Dhabi Government was able to set its priorities and the principles that have contributed to its development and the growth of the local community and economy. Chief among the social priorities set fifty years ago, and which are still being implemented today, are the improvement of education, su-

*Starting in 1966, the Abu Dhabi Government has sought to boost education from a level in which there were only five schools in the emirate. Abu Dhabi now has 256 public schools and 188 private centres, catering for a total of 16,004 pupils*

today. Illiteracy has dropped to less than 8% among Emirati women, and their participation in the labour market has increased from 2.2% in 1975 to 32.8% in 2015, while 22,819 female Emirati students were enrolled in universities in 2014.

Health services were also considered key to providing the community with a dignified life. Oasis Hospital, the emirate's first, consisted of one simple cement-built block. Today Abu Dhabi has the highest standards of healthcare, with an ambulance response time of 15 minutes inside the city. The emirate has also become a healthcare destination for neighbouring cities and countries. Cleveland Clinic Abu Dhabi, for instance, has a 364-bed capacity and undertakes approximately 5,500 complex operations each year.

Equally, economic development has remained consistently on the agenda over the past fifty years and the government's efforts in this field continue to contribute to growth. The Abu Dhabi Government has not simply relied on oil as its main source of income, but rather it has launched go-



## Lights, camera, action!

One of the fastest growing media free zones in the region –Twofour54 Abu Dhabi– uses their investments to aid emerging projects and have so far raised over 11 million AED to create job opportunities in various sectors with government support. Their other activities include training about 6,800 people in world-class production facilities, a development which has in turn attracted the global movie industry to Abu Dhabi. The emirate's infrastructure and human resources are highly adapted to provide the services this international industry needs. The impact of these investments became particularly clear when twofour54 conducted a study showing that each dirham (€ 0,25) it spends on encouraging filmmakers to work in the emirate generates 405 dirhams (€ 101,25) in income for the Abu Dhabi economy as a whole. Such figures confirm that content creation not only benefits the media sector, but that all steps taken to boost this kind of investment and entrepreneurship end up benefitting the emirate's tourism industry. For instance, figures show that the production of international films in Abu Dhabi has led to an increase in hotel occupancy rates due to the higher number of visitor arrivals.

As for the industrial sector, the Abu Dhabi Government has worked to develop it by building Emirati factories to manufacture a wide range of products from leather goods to foodstuffs. Together, these industries have contributed about AED1 billion (€ 250 billion) to the emirate's non-oil economy.

We have seen fifty years of development and construction and the Abu Dhabi Government is still striving to build a diverse economy which is open to the world and has sustained vision and strength thanks to the backbone provided by various government entities. The administration will continue to develop an environment that encourages investments, incentivizes the private sector, and which boosts various economic activities, including industry, tourism and media.



The scene is set! Above, the sun sets in Abu Dhabi. The emirate has been a location for films as big as Star Wars: The Force Awakens, and has attracted the attention of British producers such as EON Productions, the makers of the James Bond movies.

Early on in his journey as a leader, Zayed established a special council with urban planning responsibilities, including the outlining of construction designs, the setting and approval of budgets, super-

port for women, the stability of families, and the development of healthcare services.

Starting in 1966, the Abu Dhabi Government has sought to boost education from a level in which



With more than 60 medical specialisations, Cleveland Clinic Abu Dhabi is an offshoot from the US institution of the same name. In total, 4,400 people are employed there, including more than 200 doctors, plus 1,200 nurses and auxiliary health workers.

*Illiteracy has dropped to less than 8% among Emirati women, and their participation in the labour market has increased from 2.2% in 1975 to 32.8% in 2015, while 22,819 female Emirati students were enrolled in universities in 2014*

there were only five schools in the emirate. Abu Dhabi now has 256 public schools and 188 private centres, catering for a total of 16,004 pupils. The government has also offered support to women, whom Zayed considered to be the very core of a family's stability. He believed in their education and employment, and the results of his efforts can be seen in female achievements

vernment projects to develop the tourism, industry and investment sectors. With the launch of its first five-year plan, the government focused on supporting markets, including Souq Al Qattara in Al Ain, and building several other such commercial establishments based on this successful model.

Today, the government supports small and medium-sized enterprises (SMEs) through the Khalifa Fund for Enterprise Development, the public entity designated to this task. The body has so far financed 1,240 projects with a total investment of AED 1.5 billion (€ 310 million). Of these, approximately 370 provide services and products locally, with all the rest operating in the international market. The Fund's contribution to the non-oil economy over the last three years has reached approximately AED 2 billion (€ 500m).

### REGISTERED SPANISH COMPANIES IN ABU DHABI

#### SERVICES

ACCIONA INFRAESTRUCTURAS ACONFORT CORPORATE BONANZA COPISA EUROESTUDIOS HISPANO-DECOR PROSEGUR URBASER VALORIZA

#### INFRASTRUCTURE

ABEINSA AQUALIA COBRA ELECNOR IDOM INDRA INTECSA ISOLUX CORSAN OHL INDUSTRIAL ROVER ALCISA SANJOSÉ SENER TÉCNICAS REUNIDAS TYPESA INSTALACIONES INABENSA UTE ABENER TEYMA EMIRATES I

#### AVIATION

AIRBUS MILITARY

#### BANKING

BANCO SANTANDER BBVA

#### ENERGY

CEPSA

#### TIC

SICE

#### OTHERS

URBINA

#### INDUSTRY

ALBORA HABITAT GENERAL CABLE ORMAZABAL

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# A new frontier

Held under the theme “Shifting Synergies”, the high-profile event highlighted key sectors within Latin American economies that offer the most trade and investment potential

A new class of business people is emerging within Latin America comprised of investors and business owners who are looking abroad for growth prospects. Dubai, an important hub serving the Middle East and North Africa region, is offering them a chance to explore exciting opportunities in fast-growing markets. The emirate’s strong commitment to diversifying its economy combined with Latin America’s rich natural resources, could lead to powerful partnerships where all

*Fox described Latin America as “a giant beginning to wake up.” The region has 600 million inhabitants and 400 million consumers with disposable income, he pointed out, adding that it’s considered to be among the largest regional economies in the world*

parties can benefit. These were some of the key messages that former Mexican President Vicente Fox emphasised at the inaugural Global Business Forum on Latin America in Dubai, which was held in November 2016.

Fox expressed his view that Mexico should be looking to strengthen its ties with other parts of the world given the cloud of uncertainty that is currently hanging over some countries in the West. “NAFTA [North American Free Trade Agreement] taught us to be competitive. It was comfortable. We had no need to look further afield,” he said, adding that Mexico now needs “a plan B.” The forum brought together key stakeholders from Dubai’s public and private sectors, as well as high-level speakers and attendees, including H.E. Majid Al Ghurair, Chairman, Dubai Chamber, H.E. Hamad Buamim, President and CEO, Dubai Chamber, and H.E. Sultan bin Sulayem, DP World Group Chairman & CEO and Chairman of Ports, Customs and Free Zone Corporation, among others. Fox described Latin America as “a

giant beginning to wake up.” The region has 600 million inhabitants and 400 million consumers with disposable income, he pointed out, adding that it’s considered to be among the largest regional economies in the world.

## A land of opportunity

Fox spoke about the plethora of trade opportunities that followed the introduction of NAFTA over 20 years ago. During that time, he explained that the difference between incomes on both sides of the US-Mexico border was ten to one, noting that today it’s five to one. He applauded Dubai’s ability to attract businesses and investors from around the world, who come to the emirate in search of new growth opportunities. He emphasised the fact that Mexico has signed 43 free-trade agreements with other countries, which can provide plenty of advantages for UAE-based businesses and investors who want to establish ties with the country. “It gives you the option of reaching 43 different economies, starting with that of the US,” he said.

The former Mexican president reiterated the need to respond to protectionist tendencies that are becoming more prevalent in the

*“The soil in Argentina is so fertile that just one bag of fertiliser is needed per hectare, whereas in Uruguay and Brazil they use four and seven, respectively”*

US, the UK, and other parts of Europe. Fox praised Dubai’s open and forward-looking nature, and said that the emirate’s visionary leaders were instrumental in diversifying the economy and positioning the city as a trade and investment hub.

## Breadbasket of the Americas

José Luis Silva Martinot, a former Peruvian trade minister, recalled that Lima’s first mayor was of Arab descent. He explained how the main square in Peru’s capital is still adorned with texts in Arabic, which were read by the UAE’s economy minister during his visit to South America in 2013.

Silva described Latin America as a region “full of unexplored opportu-

nities that is thirsty for investment.” He explained that Peru serves as a prime example in this regard as the country is an importer of wood despite the fact that 60% of its territory is covered by forest. He added that the Amazon river flows through Peru, Colombia and Brazil, and represents a natural resource that could potentially make the region the top food exporter in the world.

Raúl Sendic, Uruguay’s vice president, highlighted his country’s

*Dubai is a prime example of a city that has managed to create tremendous wealth within its freezones, said Nasser Al Madani, a member of the World Association of Free Trade Zones.*

ambitions to boost its foreign trade and exports, as it remains as one of the region’s leading agricultural producing nations. “We have three million inhabitants, but we provide enough food for 30 million people,” he said, adding that it has developed high-quality standards for

*“We attracted many companies from the Fortune 500 list that used Dubai as a launch pad,” said H.E. Hamad Buamim, President and CEO of Dubai Chamber*

producing cereals, meat, dairy, and other agricultural products.

For his part, Daniel Melhem, Managing Partner at Knightsbridge Partners, claimed that “the soil in Argentina is so fertile that just one bag of fertiliser is needed per hectare, whereas in Uruguay and Brazil they use four and seven, respectively.” Developing what has been underexploited requires investment, he explained, noting that this is where the UAE can play a key role.



## Calling Earth

There are approximately one billion people living in the Americas, another billion in Africa, and four and a half billion in Asia alone, Marcos Troyjo, Co-founder and Co-director of BRICLab at Columbia University explained during the forum, pointing out that the UAE is strategically located between two of the world’s fastest-growing continents. “Africa will double its population. The global economic meridian is moving towards Asia, and that is good news for Latin America”. In this context, the Brazilian academic stressed the importance of having partners such as the UAE to build up Latin America, recalling the famous “I am myself and my circumstances” statement by Spanish philosopher José Ortega y Gasset. “The outcome of Latin America’s role in the world will depend, not only on the policies the continent develops, but on how successful it is in adapting to the global economic context. We will continue to see the shift from the Atlantic to the Pacific. Some people call it Chindia”, he said referring to the region which accounts for 45% of the world’s population – and whose per capita GDP is just 3,000 USD. According to Troyjo, it will maintain an annual growth of 5% over the next 15 years. “In the space of a generation and a half, it will more than double. This means they will consume more calories and invest more in infrastructure. This will increase the demand for agricultural products and minerals, areas in which Latin America has so many competitive advantages. The result of this irresistible rise of Asia is a global explosion in raw materials. It’s just around the corner!”

## Two jewels in the crown

Dubai is a prime example of a city that has managed to create tremendous wealth within its freezones, said Nasser Al Madani, a member of the World Association of Free Trade Zones. These economic zones account for 25% of the emirate’s GDP and provide jobs for 22,000 workers. There are more than 20 free zones in Dubai, he explained, with the two most sophisticated ones, Jebel Ali Free Zone Authority (JAFZA) and Dubai Airport Free Zone Authority (DAFZA) specialising in logistics.

Freezones in Dubai continue to offer businesses and investors attractive incentives such as 100% foreign ownership, excellent infrastructure and other value-adding services. “We have attracted many companies from the Fortune 500 list that use Dubai as a launch pad,” said H.E. Hamad Buamim, President and CEO of Dubai Chamber. He added that Latin American and the Gulf countries share the same vision of economic diversification, and added that connecting both regions by using Dubai as a hub would create thousands of opportunities.

## FORUM SOUNDBITES

"Latin America was crucial to our candidacy for IRENA and Expo. One of our disadvantages is that we don't know each other well enough; the geographical distance is a gulf. Companies like Emirates Airlines, DP World and others have that access. The problem is with SMEs on both sides of the equation. Between them they could create strong synergies. If we can bridge that gap and facilitate this kind of person-to-person collaboration, I think the sky would be the limit"

**Reem Al Hashimy**, UAE Minister of State and Director General of Expo 2020

"Argentina has detected investment opportunities worth \$250 billion, half in infrastructures. The transport ministry has plans to invest 80 million US dollars in improving connectivity. In the last 7-10 years, Foreign Direct Investment (FDI) only generated 2% of GDP, while the regional average stands at 5%. We need to get on top of things and bring in around \$25 billion. We have opened our door wide"

**Juan Pablo Tripodi**, Executive Vice President of Argentina's International Investment and Trade Agency

"Many of our businessmen and political leaders are descendants of Arabs, but there are still no alliances between the Gulf Cooperation Council (GCC) and Latin America. This must change. In 2010 the trade balance between Peru and the UAE was \$7 million. In the first half of 2016 it had risen to \$400 million and the total for last year will have reached \$600 million"

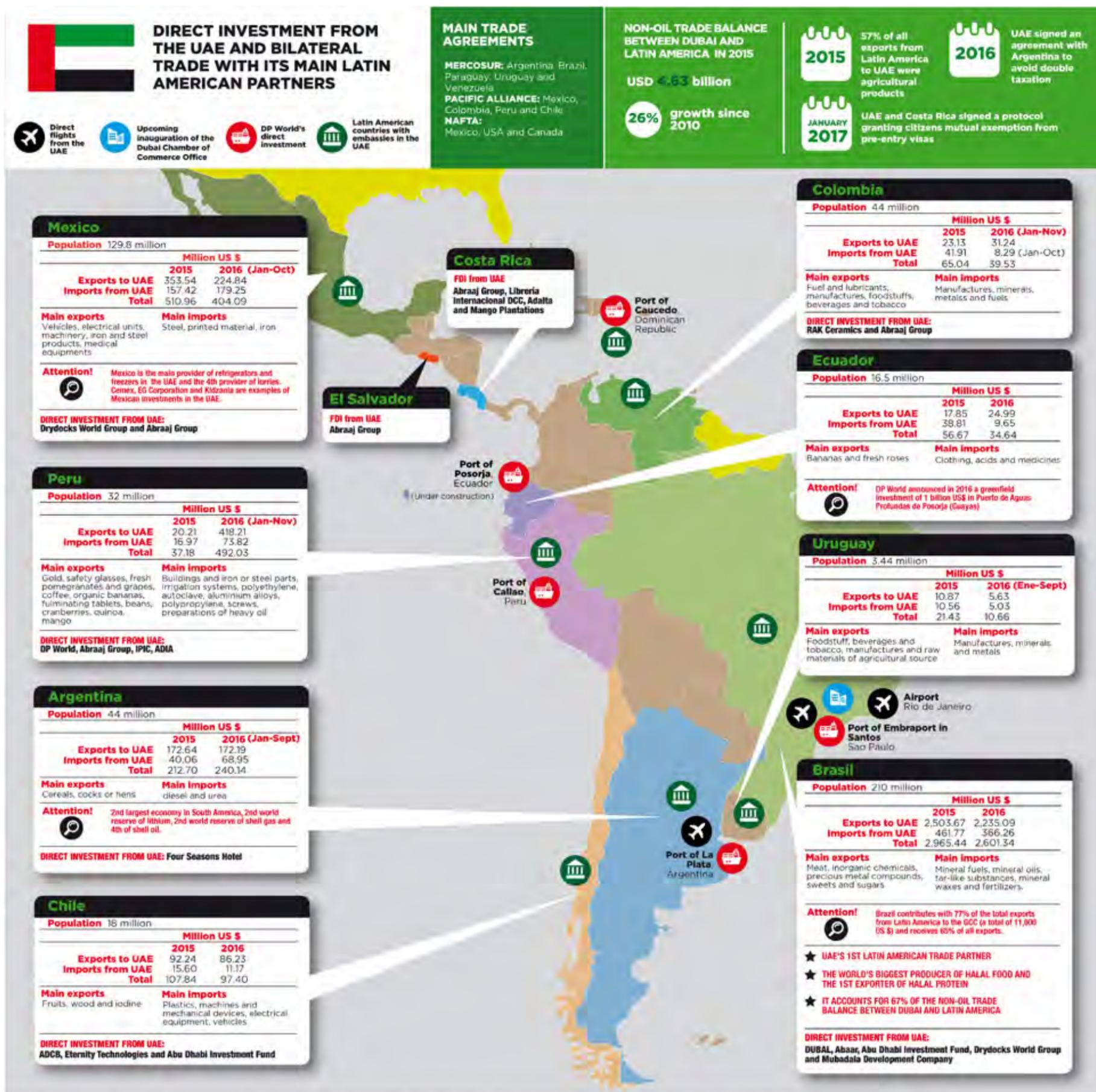
**José Luis Silva Martinot**, former Trade Minister of Peru

"Twenty-five percent of the energy mix in Latin America comes from renewables, mainly bioenergy and hydroelectricity. This is double the world average... Investment in renewable energies across the continent has reached \$16 billion, much of this concentrated in Brazil, Mexico, Chile and Uruguay. The first three are among the top 10 countries in the world that invest the most in renewables"

**Álvaro López-Peña**, IRENA Politics and Market analyst, UAE

"With \$46 million inhabitants, Sao Paulo is the biggest state in Brazil. On our own, we would be the 4th biggest Latin American economy and 22nd in the world. We have signed an agreement with DP World to come up with the best possible logistics to boost the competitiveness of our products in Dubai, and their redistribution across the Middle East and Africa. I think our meat will get here more cheaply than that of Australia and New Zealand"

**Juan Quirós**, former President of Investe Sao Paulo, Brazil



Source: Ministry of Economy of the UAE, United Nations Department of Economic and Social Affairs, SAT, SE, BANXICO, INEGI, SNIEG, ProMexico, ProEcuador, InfoTrade, SECOM Trade Promotion, Embassy of Argentina in EAU, Chile's National Customs Service, ALADI and DP World



**MAJID SAIF AL GHURAIR**, CHAIRMAN OF THE BOARD OF THE DUBAI CHAMBER OF COMMERCE AND INDUSTRY, AND PRESIDENT OF THE MIDDLE EAST COUNCIL OF SHOPPING CENTRES

## “Retail trade in the UAE will reach \$54.4 billion this year”

As a competitor with London and New York as a global shopping destination, Dubai is already planning its Mall of the World, the biggest shopping centre anywhere, which is expected to cater for 180 million annual visitors

The views from the Dubai Chamber of Commerce and Industry headquarters are enough to make you stick your nose to the window and keep on staring. With the Creek below one's feet, the basis of the emirate's GDP is clear to see: tourists, merchandise and planes... The elegant lounge in which Majid Saif Al Ghurair, the chairman of the institution's board, received us has the classic feel of a London gentlemen's club, complete with a French fireplace, Chester sofas and small sculptures. With Latin America very much in the air, Al Ghurair says that the upcoming opening of an office in Sao Paulo is meant to “boost the presence in promising markets”, and will act as a gateway for Emirati investors who have an eye on that region, as well as for others who wish to expand throughout Gulf Cooperation Council countries via Dubai. Speaking as a highly reputed Emirati businessman and the owner of malls and other assets, Al Ghurair points out that World Bank reports place the UAE at the top of Arab countries for the ease of doing business.

**QUESTION:** Ecommerce is growing faster in the UAE than in the rest of the Middle East. Is the retail industry ready for the transition?

**ANSWER:** Ecommerce in the UAE is expected to become the fastest-growing sector and worth an estimated US\$10 billion, according to recent predictions by Frost & Sullivan. The improvements in connectivity, consumers' changing habits and the demand for efficient transport and delivery options will be the key drivers. In recent years the local business community has been gradually taking up ecommerce. More and more consumers and companies are getting used to the idea of buying and selling online.



The construction of the Dubai Water Canal that turns the city centre into an island took two years and 516 million euros. Opened in November 2016, it has become a new attraction for tourists and residents alike.

On top of this, consumers' preference for digital apps and mobile technology has led many companies to allocate funds to boosting their online presence. Given the excellent logistical infrastructure and business environment for startups and SMEs, we think that the sector has the potential to cope with this transformation.

**Q:** If brands reduce their presence in the Emirati property market, how will mall owners survive?

**A:** We don't see any need for the retail business to scale back their physical presence at the moment as UAE's shopping malls continue to see impressive footfall. According to our analyses by Dubai Chamber, retail space in the UAE increased by 7% in 2014 to reach 1.6 million square metres. Retail

sales in the country reached \$47 billion that same year, 6% more than in 2013. Businesses have worked to strengthen their online platforms to enhance customer experiences and market products and services. The most successful retail brand around the world are those that strike the right balance between offline and online business.

**Q:** As a landlord, what is your particular strategy for the next three to five years?

**A:** Dubai's leading companies have done a great job in selecting local and international brands that cater to a diverse group of consumers. But given that the sector is jam-packed with retail supply, newcomers will need to offer the customers something truly different in order to compete. The emirate's

malls are attractions in themselves, and shopping is a big part of local culture. The UAE ranked 7th on the 2015 Global Retail Development Index and remains one of the leading retail centres in the region. We are confident that industry players will continue to find ways to reinvent the shopping experience by expanding retail, food and entertainment offerings. According to the Chamber's analysis, retail trade in the UAE will reach \$54.44 billion this year, 5% up on 2016. Retail and wholesale are among the key sectors in supporting Dubai's economy, accounting for close to 30% of its GDP. Even if the market is nearing saturation point, it will remain on the growth path, driven by strong demand for retail space and a number of exciting projects

that are on the horizon, including Mall of the World and Dubai Wholesale City.

**Q:** Is it smart to invest in gigantic facilities such as Mall of the World?  
**A:** Large-scale projects like Mall of the World offer greater growth potential as they remain the most popular with visitors, and contribute directly to Dubai's tourism vision. Mall of the World will play a critical role in that strategy. It is currently in the planning stages, and is set to become a major retail and leisure destination. Its new location is ideal as it offers the capacity for the mall to expand in the future as needed.

**Q:** London is Emirates' most popular destination with 70 flights every week. Retailers see Britain's divorce from Europe as bad news for the whole industry. According to IATA, passenger numbers will fall by 3-5% by 2020. Will Brexit have an impact on the sector's earnings?  
**A:** Recent analysis has suggested that the impact will not be felt in the medium or long term. A major reason for this is Expo 2020, which will bring in business and leisure tourists from around the world over a six-month period. The government's commitment to scaling up hospitality and retail infrastructure to accommodate 20 million tourists by 2020, will also keep the sector on the growth track.

**Q:** Will Dubai and New York move to take advantage of their rival's circumstances?

**A:** I think there is some potential for Dubai to capitalise on this opportunity in the sense that UK is a major tourism destination for Middle Eastern travelers. Given the current uncertainty hanging over the country due to Brexit, Dubai's robust financial sector and its thriving property market are looking increasingly attractive to foreign investors.

## Brand new office in Sao Paulo

Of the 200,000 members of the Dubai Chamber of Commerce, only around 150 are from Latin America, mostly Brazilians. The organization is opening its first Latin American office in Sao Paulo this year to serve South America. Hisham Abdullah Al

Shirawi, the Chambers' 2nd vice chairman visited the region two decades ago and he hopes to return this year for the event.

Al Shirawi would not like the UAE to be seen by other countries as a pipeline through which to import money. “We have many

things still to do in our own land to continue our development. We are focused on infrastructure, transferring funds to cement our already solid position. We have the biggest logistical corridor in the world: Jebel Ali port plus its free zone (JAFZA) and the DWC

Al Maktoum International Airport, currently under construction”. He thinks that from there, they can assist a company from Latin America, Spain or any part of the world that wants to attract attention in the Middle East, North Africa, Central Asia or the

old Soviet republics. “We have a longstanding relationship with Latin America. Our trade balance is 17.5 billion dirhams so you will realise how big the potential is. The region is very rich in resources.”



SALEM ALOWAIS, CONSUL GENERAL OF THE UNITED ARAB EMIRATES IN BARCELONA

## “Barcelona is the third city in the world for consulates, after New York and Hong Kong”

Barcelona is so popular with Emiratis that Salem Alowais says that there are days – especially if Barça is playing a game – that he sees so many of his compatriots’ faces on La Rambla that he feels as if he was walking through a Dubai mall. He is in charge of the Consulate General in Barcelona, open since 2013, when the UAE became the first country from the Gulf to have diplomatic representation in the Catalan capital, and the third Arabic nation to do so, after Morocco and Algeria. Alowais works hard to ensure that business flourishes, but does not forget about cultural ties. The UAE designated 2016 as the year of reading, and created the first Arabic library in Catalonia, located on the consulate premises. For the first time, the mission participated in the celebration of Saint Jordi on World Book Day, with its own street stand. Every Emirati who lands at Barcelona airport has a welcoming service laid on, providing them with all the information they need. Compliments of the consulate!

### QUESTION: Why Barcelona?

ANSWER: The decision to open up here was part of the Ministry of Foreign Affairs and International Cooperation’s strategy of having diplomatic missions in important destinations. After New York and Hong Kong, Barcelona is the city with the third-highest number of consulates, and Catalonia is an economic motor; tourism is booming, direct investment

flows in and out, plus R&D, industry and so on. Our trade balance with Catalonia has gone from 111 million euros in 2000 to 686 million between January and November in 2016. Also, we cater to the needs of Emirati citizens who visit the region, especially for leisure and tourism, medical and business reasons. We have enjoyed excellent collaboration with the Catalan institutions for a long time now.

*Our trade balance with Catalonia has gone from 111 million euros in 2000 to 686 million between January and November in 2016*

Q: What are the key sectors in relations between the UAE and Catalonia?

A: The agrifood sector, tourism, pharmaceutical industry, smart city technologies, ICT, renewable energy and logistics. Besides these, it is worth mentioning the cultural and intra-university cooperation between the two. For example, there is a memorandum of cooperation between the University of Barcelona and its counterpart in Sharjah, signed in 2015. We have more and more Emirati students at Catalan universities.

Q: What was the impact of the first UAE-Catalonia Business Forum in Barcelona, which you organised in 2016?

A: It was very positive. It was the result of cooperation between the UAE’s Economy Ministry and Catalonia’s Foment de Treball business association. An official delegation of 40 Emirati companies and entities took part, alongside 350 from Spain and Catalonia. Around 500 bilateral meetings were held and we plan to follow up on these kinds of gatherings.

Q: If you had to choose one message for Spain’s business community, what would it be?

A: The UAE has succeeded in becoming a model of development, with a good track record both in terms of its government and the people. It offers an excellent business environment: an attractive taxation system, free zones which allow investors to have 100% control over their capital, the repatriation of profits, fiscal incentives, effective government services, and wide-ranging human resources. In the Emirates more than 200 nationalities live together in harmony, and the state is anxious to provide the highest levels of happiness for residents. For instance, the government institutions have set up a “star rating” programme to evaluate services received, helping providers to become centres of creativity and innovation. The UAE is a leader in infrastructure and in other categories of the World Economic Forum’s Global Competitiveness Report, it is 31st in terms of GDP, number one on road quality and second in aviation and air freight industry infrastructures.



MIREIA SITJAS-MONTANER, DIRECTOR OF ACCIÓ CATALONIA MIDDLE EAST

## “Emirati dynamism is surprising”

Catalonia receives most of the UAE’s direct investment in Spain

Mireia Sitjas-Montaner has known the UAE for a decade. Before becoming director of Acció Catalonia Middle East, the office of Catalonia Trade and Investment, the Catalan competitiveness agency, she was a banker with Deutsche Bank, HSBC and Barclays. Her work revolves around three concepts: business internationalisation, attracting investment in Catalonia and innovation. “The Dubai office opened in 1992, when almost nothing of what we see today was here. Imagine the vision of the person who took that decision”, she says. Today Catalans make up the largest group within Spanish companies in the country. Natura Bissé, Antonio Puig, Juliá, Roca, Mediapro, Fluidra...

almost 50 firms manage their regional business out of the UAE. “We only count those with share participation of more than 10%.” Catalonia’s exports to the UAE have risen, reaching 627 million euros in 2015 (18.1% up on the previous year).

This executive’s arrival coincides with an incipient growth in Emirati direct investment in Catalonia. “In 2015 we hit 111 million euros, mostly in the hospitality industry. This constitutes 64% of the total channelled into Spain by the UAE, and 2.3% of total investment entering Catalonia”. From Dubai, the office covers the Gulf Cooperation Council countries and the Levant. “Every country is different. That means you have to understand

the objectives of the business projects in question, so you can tailor a specific deal”, explains Sitjas-Montaner. The projects include food products, tourism, transport and healthcare, with ICT a rising star. Dubai’s aim to become the world’s smartest city has led to a love affair between the emirate and Barcelona. In 2016 Catalonia Trade and Investment coordinated the attendance of a large Dubai delegation at Smart City Congress, led by Dubai Smart Government. “Emirati dynamism is surprising. The decisions they take in the finance sector, for example, are reflected in the real economy so quickly... It’s so different to other countries, where it takes years to see the impact of policy!”

## What’s cooking in the consulate?

Among its many activities, the consulate has organised the attendance of Emirati delegations – exhibitors and visitors – to trade fairs, conferences and exhibitions in Catalonia. Chief among these are the World Mobile Congress, the food event Alimentaria, the first-ever Halal Conference in Barcelona, IBTM and IMEX. In another first, there was a massive participation by the UAE at Smart City Expo World Congress Barcelona, with more than 70 representatives of Emirati companies and institutions. The consulate has also organised meetings in various Catalan cities to promote investment opportunities in the UAE. The Dubai Airport Freezone Authority (DAFZA) and Dubai Export took part in these events.



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غرفة أبوظبي  
ABU DHABI CHAMBER

THE UAE HAS MOBILE PHONE PENETRATION OF 96% AND IS AMONG THE WORLD'S TOP 10 COUNTRIES IN ELECTRONICS SALES. THE STATE WANTS TO LEAD THE WAY TO A SMART ECONOMY AND MAKE CITIZENS HAPPY IN THE PROCESS

## Spanish digital talent on the shores of the Arabian Gulf

Two former Telefónica executives, Salvador Anglada and Carlos Domingo, are at leading the UAE's digital transformation, heading up innovative projects at Etisalat and Du, the two telecom companies part-owned by the respective governments of Abu Dhabi and Dubai

### A land of unli- mited ambition

With 162 million customers in 17 emerging markets, Etisalat is to the UAE and the region what Telefónica is to Spain and Latin America. When I arrived here in 2010, it was a decade behind Spain in terms of market maturity. We have closed that gap in record time; things that take three or four years in Telefónica and Europe happen in one here", says Salvador Anglada, Chief Business Officer at Etisalat, the dominant Emirati operator with a market capitalisation of 44 billion dollars, 12th in the world for the sector in December (Telefónica was 10th). For Anglada, who used to work in the Czech Republic, the decision to move out to the UAE came down to a "mixture of curiosity, an interesting market and a professional opportunity that was impossible to refuse". He has 2,700 people working under him, including a handful of Spaniards in key positions. Thanks to Etisalat, the UAE is a leader in telecommunications infrastructure. Furthermore, it provides the basis to facilitate digitalisation. "The UAE is number one in the world in fibre penetration, with 95% of homes connected. It is among the top five in terms of LTE mobile network infrastructure, with 96% in built-up areas, and also in the top five for mobile broadband speed at an average measurement of 50Mb/second".

### Parks to be proud of

The division Anglada runs is the engine behind the company's growth and it has set up Etisalat Digital, in charge of emblematic digital transformation projects. Examples? Dubai Parks and Resorts (DPR) and Expo 2020. Euronitor International calculates that DPR – the owner of Bollywood and Motiongate, and managed by Spain's Parques Reunidos – will reach income of 873 million dollars in 2019. "All of the company's resources have been brought to bear, and we have 400 people working on this. It is the smartest theme park in the world, both in telecommunications infrastructure and the digital experience. Then, Expo 2020 will have the most advanced digital services and experience on offer today, and right from the moment it is opened. The extent of the ambition in the UAE is amazing and limitless, to the point that comparing it with Spain makes me envious," says Anglada. "This has made the country a magnet for talent." He also anticipates that the Emirati digital market will reach a total value of between 15 and 20 billion dollars. As much as 20% of Etisalat's current earnings already



*"With 162 million customers in 17 emerging markets, Etisalat is to the UAE and the region what Telefónica is to Spain and Latin America"*

come from non-traditional business lines. The state has been a big driving force. "Any dealing with the government is done online: bills, tolls, fines or certificates. The challenge ahead is to transversalise and connect all government departments to make the policy of open data come to fruition, meaning entrepreneurs can use this data to create new services." Will there be opportunities for Spanish ICT firms? "It is a very attractive market, and increasingly selective. If it is your first time here, it will be hard to get in because the competition is fierce", he warns. Spanish companies such as Cobra, Indra, RPG, Image Vision, Libellium and MOMA are already operating in the UAE.



Above, the headquarters of Dubai Future Foundation, the first Emirati building to be 3D-printed.

### Triple forward somersault

I don't know if Dubai is the smartest city in the world, but I do know that it has the best plan to get there", says Carlos Domingo, a Barcelona native with a PhD in IT. With an outgoing and over energetic personality, he works as the head of Digital Transformation and Innovation at Du, the strategic partner operator of Smart Dubai. "They were looking for someone with experience in smart cities, but finding a person who had done something real in that area was a little difficult". Domingo had been involved in one of the first such R&D projects carried out in the world, in 2010 in Santander, the Spanish city whose mayor at the time, Íñigo de la Serna, is now Spain's infrastructure minister. It was led by Telefónica, with EU funding. Domingo had already left the Spanish multinational when a head hunter got in touch. The negotiations went smoothly with Osman Sultan, Du's founder and CEO for more than a decade. "He's a very charismatic guy, with great success behind him and a vision of what he wants to do that goes beyond mere connectivity", Domingo explains. He accepted Du's offer of a job in Dubai as long as he led two areas: digital transformation and innovation to create new business areas: smart cities, cloud, security, digital services, video, contents... According to estimates, Dubai is investing hundreds of millions in the rollout of its 'smart' strategy. There are new initiatives in the press almost every day: Dubai Future Accelerators connects cutting-edge startups to government agencies to construct, test or develop their technological innovations in record time. The government has already announced plans for a Museum of the Future. Two free zones - DDD (Dubai Design District) and DSO (Dubai Silicon Oasis) – are leading all kinds of digital pro-



*"I don't know if Dubai is the smartest city in the world, but I do know that it has the best plan to get there"*

jects... "This really is a triple forward somersault; revolutionary!" exclaims Domingo. The Spanish executive says Dubai is the only place in the world with a plan to integrate all services and information on a central platform which will allow for intelligent city management. "We are developing it in phases. We have already identified the first data sources. When we have finished, it will be possible to draw conclusions; for example, to detect the points where traffic jams develop and decide if we need to build an alternative route, all using multiple registries: traffic, accident records, and mobility based on the operator's data..."

### Eye in the sky

Dubai has stolen a march on other cities by passing its Open Data Law in 2015. Driven from the prime minister's office, it regulates the dissemination and exchange of information in the emirate, besides categorising it, whether it be of public interest, restricted to government agencies, and so on. "The Dubai Police, for example, already publish where accidents have taken place on their website. But a lot of people don't know about it. This is why it is important to centralise it all on a single dashboard". But, what if there is a cyber-attack? Will Dubai be blocked? According to KPMG, the UAE is fifth on the list of the most attacked countries and two million of its people have been victims of hacks. "There is an obsession over security in the UAE. They are very much aware of its importance. Everyone wants to come and live here, it's so safe. At home we don't even lock the door. The security of our platform was one of the first priorities we negotiated with Smart Dubai. We have a ground-breaking system." Carlos Domingo would recommend the UAE to other Spanish engineers. "Our academic and business training bring value to this market and we are a differential. On top of that, the quality of life is good". For anyone thinking about it, he suggests they read a book: *Leadership Dubai Style*.

### Blockchain... Disruptive technology par excellence

The UAE is investing in blockchain, an IT protocol allowing processes to be documented in a safe manner without intermediaries, and which was the backbone of bitcoin. Dubai's objective for 2010 is that

all transactions with the government will be digital, high-quality and safe with the help of this technology, becoming the first government in the world to achieve this. The impact will be to eliminate 100 million

paper transactions per year and save on 25 million hours of work. Both Etisalat and Du are on the blockchain committee, contributing to the innovation side and helping to effect the development of this new technology that the government wishes to make available to other cities and nations.

AISHA BIN BISHR, DIRECTOR GENERAL OF THE SMART DUBAI OFFICE

# “Happiness can be attained and measured”

## The International Telecommunications Union is using Dubai’s key performance indicators to create the first Smart City Index



Aisha Bin Bishr – or Dr Aisha, as she is known in the emirate – directs the Smart Dubai Office, the body in charge of making Dubai the happiest city on earth. It already has 3D-printed palm trees which provide wi-fi on the beaches and in the streets; 70 kilometres of a driverless subway system; intelligent street lighting with inbuilt switches along the Dubai Canal... From her office one can see the first-ever 3D-printed office building, constructed in 2016 in record time and now the home of the Dubai Future Foundation, the government entity which helps innovative ideas become reality. Books line the window shelf, among them Paul Krugman’s *End This Depression Now!* She is a friend of the UAE’s consul-general in Barcelona, a city she visits regularly for work and pleasure: “my daughter loves it there and we are

all crazy about Spanish food”. At the latest Smart City Expo World Congress in the Catalan capital, an event she has attended since 2012, a humanoid robot from Dubai Police became a sensation. “I like your tie. Can I take a selfie with you?” it asked – in Spanish – the president of Catalonia’s regional government, Carles Puigdemont, shaking his hand all the while as the politician burst out laughing. At his side, an abaya-wearing Dr Aisha immortalised the moment with her smartphone. “We have learned a lot from the experience and the start-up movement in Barcelona. We are using Sentilo, a platform created in Catalonia which allows us to bring together all the sensors across the city and avoid technological verticality”, she explains before expressing regret that her country is not better known in Spain.

**QUESTION:** The luxury cars used by Dubai Police get a lot of attention from the international media, including Spain’s press.

**ANSWER:** The key thing is that they are equipped with the most advanced technology: sensors, cameras and so on. For us, the police force is part of our DNA; they are there to support us. Our government was the first to use Google Glasses, which spotted infringements and gave out fines automatically. Drones monitor the entire city. In Dubai, if you have a traffic accident, you don’t need to wait for the police. You just send photos of the crash via an app, and in half an hour you will be emailed the legal report.

**Q:** When Sheikh Mohammed launched the Smart Dubai initiative three years ago, he spoke of technology as a means to making Dubai the happiest city in the world. Who decides what makes us happy?

**A:** We are trying to discover exactly that with a very specific plan. Happiness can be attained and measured. This is why two years ago we launched the Happiness Meter, through which we evaluate people’s experiences as they

*“We have learned a lot from the experience and the start-up movement in Barcelona. We are using Sentilo, a platform created in Catalonia which allows us to bring together all the sensors across the city and avoid technological verticality”*

interact with the government or as users of services. But we wanted to know more: what are their needs? We believe that if we can meet these needs, people will be happier. The meter is just one part of a broader programme. We have also undertaken a research project, a snapshot to understand what people require. You have to remember that people of 200 nationalities live together in Dubai; our needs as Emiratis are different to those of the Spanish-speaking, Russian or Chinese communities.

**Q:** What have you found out so far?

**A:** The big necessity for Emiratis is housing; for Westerners, leisure facilities; and for Indians, it is health and wealth... The next stage for the government is to make the necessary changes to our policies and systems in order to satisfy these needs. For example, to ensure that when people request housing, the process is simple, that there is information on where it is, and too many official documents are not required of you, because the government already has them. Using my Emirates ID, the government departments should have all my data - I am Aisha Bin Bishr, I work at Smart Dubai, I live in a particular area etc. Then it is about educating people because many existing services are not known about. In 2015, when we launched the Happiness Meter, we received four million votes resulting in Dubai registering a happiness level of 89% on the Happiness Index. Now we are doing the same with regard to the private sector. We are also getting more information from people who give us their name and who want to be contacted. This way we can compile a much more detailed survey.

*“Our city is very futuristic and entrepreneurial, taking risks and implementing ideas that put it a decade ahead of the rest of the region”*

**Q:** When the Smart Dubai Initiative was launched in March 2014, many cities across the world had already implemented smart city initiatives. Were you inspired by any city in particular?

**A:** We scanned everything that was out there and developed our strategy taking into account 87 other projects around the globe, from New York to Mumbai, Amsterdam, Barcelona, Santander, Singapore and King Abdullah City. There wasn’t and still isn’t a single definition of what it means to be a smart city, and we realised that no one else had a holistic plan which understood the metropolis as a unified whole. So we told ourselves that we should listen, then take action and lead. We already had a smart system ready and waiting – one where, for example, you could register a com-

pany in 18 minutes. But it was all in vertical packages. The strategy is to unite them horizontally, creating a single platform that reflects everything that is happening in the city, and which guarantees that this information is available, shared and used by everyone. In this sense, we are developing a 3D dashboard. Can you imagine having a map that allows you to identify quickly and easily the part of the city where X service is needed, and how and where people are moving. That will help the government, businesses and investors enormously. We ourselves are designing the system’s

*“Now our aim is to go to Mars in 2021”*

architecture, together with Masdar Systems and Du. Because no ranking of smart cities existed, two years ago we went to the International Telecommunications Union and shared our KPIs (Key Performance Indicators) with them. They concluded that these were very advanced and now 46 cities around the world are using them. At last, this year there will be a Smart City Index split into various categories. Finally, we will be able to compare apples with apples.

### From Dubai to Mars

“The Hyperloop is like something out of science fiction. DP World is investing in it, and has chosen a location. All government agencies are supporting it. Our city is very futuristic and entrepreneurial, taking risks and implementing ideas that put it a decade ahead of the rest of the region”, Aisha Bin Bishr states. “In the 1950s we dredged the Creek. It was a crazy idea at the time. Where would the money come

from? But we did it. The same can be said about Jebel Ali Port. We had just completed Port Rashid and we were going to start building another one? But Sheikh Rashid, the Late Sheikh Rashid Bin Mohammed Al Maktoum, father of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE, and Ruler of Dubai, said: ‘I see the potential of this port and it will be one of the biggest in the world.’ And so it is. Now our aim is to go to Mars in 2021.”

### The 10:00am happiness club

For reasons which remain unknown, on Tuesdays at 10:00am Dubai’s residents reach their weekly peak of happiness. No piece of data, however insignificant it may seem, is cast aside. Smart Dubai analyses all of the information it compiles and shares it with the Dubai Data

Establishment in order to reach conclusions and offer added value to the government’s decision-making process. For example, they already know that the city’s residents prioritise these four concerns in the following order: housing, health, leisure and education.



# A green and smart economy

DEWA is to invest more than AED 65 billion over the next five years, according to Saeed Mohammed Al Tayer, the company's Managing Director and CEO

In the headquarters of Dubai Electricity and Water Authority (DEWA), one can start to feel like a sci-fi actress. In the lobby you are invited to try out a service by which you can turn on the television, the air conditioning and the lights through simply looking in the right direction. "The customer loves it," notes the Emirati woman conducting the experiment that aims to gauge a user's level of future interest in such services. During last November's Innovation Week, the range of technology on offer was amazing, to say the least. A Californian company exhibited a lightbulb that turned itself on when submerged in water. A laser gun allowed you to move a robot that was inspecting a tunnel too dangerous or difficult for a person to access. Its augmented reality glasses meant you could be virtually inside and detect gas or water leaks. Multinationals as important as Siemens

and Huawei were showing their latest developments in Dubai, the city that wants to be the happiest and the smartest in the world, as laid down in the Smart Dubai Initiative of H.H. Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai. And DEWA is a key element in that process. H.E Saeed Mohammed Al Tayer, the company's Managing Director and CEO, has a dashboard in his office that monitors how satisfied his customers are. He wants to consign paperwork to the history and prevent people from having to leave their home by using smart applications and smart grid networks. "This is a crucial element in our strategy of reducing energy consumption by 30% by 2030", he explains. Another project in progress is Shams Dubai, an initiative to encourage the installation of photovoltaic panels on all city roofs and export the energy

*"I call on all energy and water companies – Spanish and Latin American – to participate in WETEX 2017"*

surplus to the grid, reducing people's electricity bill. They have already received more than 200 requests with a combined capacity of 109 MW. In addition to this, the company runs 100 charging stations all around the city for electric vehicles.

#### Long-term vision

DEWA supplies more than 780,000 customers with water and electricity, and with Dubai Clean Energy Strategy 2050, it aims to become an international centre for the green economy and clean energy, which will comprise 75% of production in that year. In line with that objective,

the company says its "investments in the energy sector are expected to surpass AED 65 billion over the next five years to meet Dubai's growing demand for electricity and water", says Al Tayer. Several mammoth projects have already been launched, including the Mohammed Bin Rashid Al Maktoum Solar Park. "It is the biggest project of its kind in the world in terms of photovoltaic electricity production on a single site. Its capacity will reach 5,000 MW by 2030 with a total investment of AED 50 billion", he explains.

So far, the Asturian company TSK is part of the consortium to build the 200 MW phase II, which is due to start production this year. Meanwhile, Gransolar and Acciona are both in the consortium for phase III, with capacity of 800 MW. Other Spanish companies visited DEWA's HQ last year, including Gemasolar, Sener,

Abengoa and Elecnor. Al Tayer believes that there are great opportunities for Spanish and Latin American companies in Dubai's energy sector. In October 2016 Sheikh Mohammed launched the World Green Economy Organisation (WGEO), which "will be a green economy pioneer as it will bring together governments, public and private sectors, foundations, UN agencies, the banking system and civil society to work collectively to achieve green economic goals, and to become a mechanism to innovate on climate change, sustainable energy, and other challenges faced by the water and environmental sectors around the world". It will be equipped with financial muscle (the Dubai Green Fund) through AED 100 billion to finance investment solutions in clean energy R&D at low rates of interest, specially directed at the Emirate's energy sector investors.

## Being in the right place at the right time

DEWA has been organising WETEX, the Water, Energy, Technology and Environment Exhibition, for 18 years. "Right from the beginning it has grown in size and scope to become the region's biggest specialist fair and a key source of information, experience and industry news from the sector as a whole," explains H.E. Saeed Mohammed Al Tayer, the event's founder and chairman. In 2016 more than 1,950 exhibitors were present, as well as 14,500 visitors from 47 countries. WETEX also attracted 67 sponsors. Over the past three years WETEX has brought together leading experts in the green economy, sustainability and climate change. Under the slogan 'At the forefront of sustainability', the next exhibition will run from October 23 to October 25, 2017, in Dubai. "I call on all energy and water companies – Spanish and Latin American – to participate at WETEX and share their knowledge and expertise with the aim of playing a role in DEWA's biggest projects as we continue to supply electricity and water to today's Dubai citizens and residents, and for generations to come."

### SOME KEY FACTS ABOUT DEWA

Number of customers served	More than <b>780,000</b>
Losses in power transmission and distribution networks:	<b>3,3%</b> (In Europe and the USA is 6-7%)
Water network losses:	<b>8%</b> (In North America is 15%)
Ranked 4th globally for getting electricity as per World Bank's Doing Business 2017 report:	<b>4<sup>th</sup></b>

### Dubai Clean Energy Strategy 2050

**Objective:** To make Dubai a global centre of clean energy and green economy

#### Strategy to provide energy from clean sources:

2020	2030	2050
7%	25% (7% nuclear, 7% clean carbon and gas 61%)	75%

## A PORTFOLIO OF HUGE INVESTMENTS

### THE MOHAMMED BIN RASHID AL MAKTOUM SOLAR PARK

LAUNCHED IN 2012	TOTAL INVESTMENT AED 50 billion	TOTAL CAPACITY:	
		2020	2030
		1,000 MW	5,000 MW
<b>Phase I</b>	13 MW. Began operations in 2013		
<b>Phase II</b>	200 MW PV. IPP Model. LCOE kW/h: US\$5,6 cents. Will begin operations in April 2017		
<b>Phase III</b>	800 MW PV in stages. LCOE kW/h: US\$2,99 cents		

DEWA is planning to build the biggest Concentrated Solar Power Project in the world based on the IPP model and it has requested international consultancies to send their bids for the first phase of the CSP project to generate 200 MW. This will be operational by 2021. Total capacity by 2030: 1,000 MW

### HASSYAN CLEAN COAL POWER PROJECT

Completion date: 2023. The plant will be the first-of-its-kind in the region	<b>CAPACITY:</b> 2,400 MW
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### EXPANSION PROJECT OF M-STATION

Completion date: 2018. Total production capacity after completion: 2,760 MW	<b>INVESTMENT</b> AED 1.5 billion	<b>CAPACITY:</b> 700 MW
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### DEWA HYDROELECTRIC POWER STATION IN HATTA

Completion date: 2022. The station will make use of the water stored in the mountains next to Al Hattawi dam in Hatta. The first of its kind in the GCC!	<b>CAPACITY:</b> 250 MW
--	----------------------------

### DEWA NEW HEADQUARTERS (AL SHERAA BUILDING)

The tallest, largest, and smartest net Zero Energy Building (ZEB) in the world, which means no carbon emissions after the installation of the photovoltaic panels. It will be completed by the end of 2019.

### EXPO 2020

DEWA has allocated AED 3 billion to support electricity, water and renewable energy infrastructure projects to host the World Expo in Dubai in 2020. It will be connected to the Mohammed bin Rashid Al Maktoum Solar Park, which will provide it with 400MW of power.



JOSÉ MARÍA ORTIZ, THE PALLADIUM GROUP

## “There is a culture shock in the uncertainty generated by the idea of Inshallah”

The Spanish team that has advised Abu Dhabi government on the implementation of its Economic Vision 2030 believes that only organisations generating a positive impact will survive in the 21st century

It was a paradoxical twist of fate that led The Palladium Group – a consultancy based in Boston and associated with the Harvard professors Robert Kaplan y David Norton – to ask the team that was looking after Mediterranean Europe out of Barcelona to take care of the London office. The latter had a pair of projects in Dubai that were not getting off the ground. It was 2008 and the Spanish team left for the UAE in the midst of the global financial crisis. “When many people were busy jumping ship, we just saw a massive market”, says José María Ortiz, the team’s executive director. The Abu Dhabi government had recently defined its Economic Vision 2030, and Palladium was chosen by the emirate’s executive to translate and enact this road map for economic progress. They are doing the same thing in Saudi Arabia. Almost two years ago they merged with an international development company that carries out humanitarian

aid programmes in collaboration with large bilateral donors from around the world. They are convinced that, from now on, only those companies that generate a positive economic impact will be successful. Talking to Ortiz brings to mind those rare lectures when – like at a concert – you feel like asking the teacher for an encore. The following are extracts from the two hours we spent with him at an alarmingly late time of day owing to the Dubai working schedule.

### On settling in

“The dominant characteristic here is patience. There is a culture shock in terms of the uncertainty generated by this idea of Inshallah [*‘God willing’, the expression used at the end of so many Emirati conversations*]. And that’s taking into account that Spaniards have a far greater tolerance of uncertainty than the British or Americans. It is hard to get contracts signed, but once you do, it is very

*It would make sense for the two [Abu Dhabi and Dubai] to evolve into a single economic unit*

easy to work here. They know that they have to develop their country and they put a lot of enthusiasm and faith into it”.

### Is the fall in the oil price the acid test for the process of economic diversification?

“Dubai is here to stay. It is one of the core cities on the global economic scene. Abu Dhabi is close. Dubai is a global hub for tourism, and the opening of its theme parks, plus the inauguration of Abu Dhabi’s museums will be the finishing touches in boosting the UAE’s image as a family leisure destination. Dubai is a consolidated logistical hub, and, along with Singapore, one

of the region’s two main business centres. Abu Dhabi is still very reliant on oil and it is not so easy for it to transform itself with Dubai just next door. It would make sense for the two to evolve into a single economic unit. Their airports are just 50 kilometres apart. The same goes for their ports and adjacent free zones (JAFZA and KIZAD). It would be a very potent package for foreign direct investment, especially if Iran finally opens up”.

### Best-kept secrets

“The exact cost of crude extraction and total reserves are practically questions of national security. With that information, you know the worth of the country. Another secret is the exact amount that Abu Dhabi gave Dubai in 2008 as a crisis bailout. There was a very significant transfer of assets in sectors such as real estate. There were also mergers of universities... That is pretty reassuring”.

### Who advises the sheikhs?

“Almost exclusively Brits and Australians. And the odd American”.

### Reference points

“Dubai admires Singapore and Malaysia, both reference points for a country that was nothing and which looked at another, who was nothing either, and became a global hub”.

### The ‘Palladium’ brand

“The world is moving towards a model in which the development of countries and economies is based on three factors: the public and private sectors, and international donors. Our job is to make countries better places to live in by involving those three actors: Governments, through their legislative policies; private companies that create jobs, as well as developing products and services that improve our lives; and donors with their occasional impact on the whole process”.



## THE GLOBAL MANUFACTURING & INDUSTRIALISATION SUMMIT WILL OPEN ITS DOORS FOR THE FIRST TIME IN ABU DHABI ON MARCH 27

# We make things here too!

Abu Dhabi wants the global community to stop thinking about its oil reserves and focus instead on the manufacturing sector which is driving its prosperity. STRATA, owned by the Mubadala sovereign fund and a manufacturer of aerostructures for Airbus and Boeing, is a shining example

Organised in collaboration with the United Nations Industrial Development Organization, the Global Manufacturing & Industrialisation Summit (GMIS) will open in March, and Badr Al Olama has put his heart and soul into the event. It was the first thing he spoke about when we met, despite the fact that the meeting was meant to be all about his role as CEO of STRATA. Having developed a relationship with Airbus and Boeing for the last six years of operation, the company manufactures aero structures exclusively for them and has 7.5 billion dollars of orders on its books through to 2030. Based in Al Ain, the second-largest city in Abu Dhabi, STRATA collaborates with Spanish companies such as Aciturri, although 100% of its production is sent to Toulouse, Bremen and Seattle and nothing reaches Getafe (Airbus’s headquarters in Spain). “But it will. We wish to learn from the Spanish, who have been in this business for a long time and are doing very well”. STRATA has 735 employees, more than half of whom Emiratis (in which 86% are Emirati women) and the rest are from 30 different nationalities - but no Spaniards. A Harvard law gra-

duate and not an engineer, Al Olama loves it when young Emiratis question why things are done in the way they are. “This helps innovation, although in the end the customer has the last word”. He is keen that people should attend the summit in March: “Information is a competitive advantage and the meeting will facilitate dialogue”.

**QUESTION:** Would you drop Airbus for Boeing and vice versa?

**ANSWER:** Both are important. We could not live without either one of them.

*“Airbus delegates to you as long as you respond well. But they maintain strong oversight, especially when you are a very young industrial player”*

**Q:** No doubt about Airbus. The chief user of the A380 is Emirates!

**A:** Tim Clark [*the CEO of Emirates*] must be a fan of Airbus. But you cannot be pro-Airbus without also being pro-Boeing. Both are important but very different partners.

*“We take Spain very seriously, and I think we will find a good partner there”*

Airbus delegates to you as long as you respond well. But they maintain strong oversight, especially when you are a very young industrial player. Boeing, on the other hand, prefers to help you from start to finish, taking you by the hand until you are ready and able to perform independently.

**Q:** Is the Airbus A320neo on the table?

**A:** Not yet. We do some R&D projects in structures to boost efficiency and productivity and we are a few steps away from being a partner on future platforms. It requires huge investments, and that is what Boeing and Airbus do.

**Q:** Will you invest outside the UAE?

**A:** We have to be perceived as a global company based in the UAE. That is our vision for the next five years. Up to now we have had to prove that the UAE can manufacture aircraft parts, to a high quality and deliver on

time, every time. The management at Airbus and Boeing know us, but they employ 100,000 people as well. It’s our challenge to be seen as their number-one supplier and to broaden our clientele. We have been in Morocco, Tunisia, the US State of Georgia, and we have also talked to Embraer in Brazil. We take Spain very seriously, and I think we will find a good partner in Spain. As part of the Mubadala group, we invest globally,

but we have to meet the financial and strategic requirements set by our shareholder.

**Q:** Will your team ever be 100% Emirati?

**A:** I don’t think here at STRATA we will ever want that to be the case. If you take all resources from the same place, where will the innovation come from? Diversity is always good.



# The best year of the past decade

Spain's infrastructure sector is on the march in the United Arab Emirates, beating its contracting record by winning projects worth 4.899 billion euros in 2016, the best year in the past decade. In Dubai alone, they picked up 32% of completed deals

Acciona, Gransolar, Grupo Sanjosé, Inctesa and HLG signed contracts worth 4.899 billion euros in 2016, the biggest volume in a single year achieved by Spanish engineering and construction firms in the UAE since 2006. Paradoxically, this coincided with negative growth in the total worth of projects

allocated across the Gulf Cooperation Council (GCC). According to MEED Projects, the value of work completed in 2016 was 147.060 billion euros, compared to 93.028 billion in contracts. The fall in the UAE was 9.745 billion euros. There were only nine awards in the GCC of more than one billion do-

llars (937.4 million euros) compared to 25 in 2015. But Spain shone. Acciona is a member of the consortium that won the most attractive project: Route2020, the extension of Dubai's metro, worth 2.600 billion euros. The Dubai market was the strongest in the region. In all, 14.994 billion euros' worth of

*Acciona is a member of the consortium that won the most attractive project: Route2020, the extension of Dubai's metro, worth 2.600 billion euros*

projects were awarded, compared to 18.743 billion in 2015. Among them was the third phase of the Mohammed Bin Rashid Al Maktoum Solar Park for 820 million euros, which DEWA and Masdar awarded to Gransolar, leader of the EPC consortium, which also includes Acciona.

## Ranking of Spanish companies by worth of infrastructure contracts awarded in 2016 in the UAE

Start	Rank	Company	Client	Location	Mill.€	Delivery
2016	1°	ACCIONA				
2016		Route2020. A 14,5-km extension of Dubai metro red line to Expo 2020 site (*)	RTA	Dubai	2,600	2020
2016		Construction of 800 MW power plant for Phase III of the Mohammed Bin Rashid Al Maktoum Solar Park (**)	DEWA	Seih Al Dahal (Dubai)	820	2020
		(*) In consortium with Alstom and Gulermak (**) In consortium with Gransolar and Ghella				
					<b>Total</b>	<b>3,420</b>
2017	2°	GRANSOLAR				
2017		Construction of 800 MW power plant for Phase III of the Mohammed Bin Rashid Al Maktoum Solar Park (*)	DEWA	Seih Al Dahal (Dubai)	820	2020
		(*) In consortium with Masdar				
2016	3°	SANJOSÉ GROUP				
2016		Construction of Mamsha Al Saadiyat residential district. Phase 1. (*)	TDIC	Isla de Saadiyat (Abu Dhabi)	300	2018
		(*) In consortium with Pivot Engineering & General Contracting				
2016	4°	INTECSA (ACS GROUP)				
2016		BeAAT Expansion project	TAKREER	Ruwais (Abu Dhabi)	235	2019
N/D	5°	HLG GROUP (ACS GROUP)				
N/D		Construction of Gate Avenue, a leisure destination at Dubai International Financial Center	DIFC	Dubai	124.80	N/D
					<b>Grand Total</b>	<b>4,899.80</b>

## Volume of contracts in infrastructure projects awarded to Spanish companies in the UAE

(Millions of euros) (*)											
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
27	2,149	2,374	2,075	1,075	786	856.70	1,826.99	1,974.50	2,179.61	4,899.80	20,224

(\*) Source: In-house with data supplied by companies and/or publicly available information on projects. (Sener's contracts excluded). Indicate source in case of reproduction. © MyM Merchan

# Strategy versus profitability

Abdul Latif Jameel Energy invests in GCC countries for strategic, and not purely financial reasons, according to CEO Roberto de Diego Arozamena

The Saudi family business Abdul Latif Jameel – with international headquarters in Riyadh and Madrid – bought Fotowatio Renewable Ventures (FRV) in 2015. It wished to move into renewable energies through its Abdul Latif Jameel Energy division by putting up capital, but it needed credentials. After an 18-month joint-venture, a deal was struck. Now it has photovoltaic solar energy projects on its books amounting to 4.8GW dc across 15 countries. CEO Roberto de Diego Arozamena is an atypical Spaniard. He began working in family business concerns in Mexico, and has held positions of international responsibility in multina-

tionals such as NCR and British Telecom, as well as being CEO at Jazztel. He arrived at Abdul Latif Jameel five years ago, spending the first 18 months on his own. Through FRV, Abdul Latif Jameel Energy has continued to grow in the sustainable energy sector, moving into new markets and expanding its activities in wind power, in which it already has a potential project pipeline of 1GW-DC. The company has recently launched Almar Water Solutions – desalination, water and wastewater treatment – for which it has contracted Spanish sector professionals. The team is working to develop of 23 projects in nine countries.

**QUESTION:** Abengoa did not manage to make renewables profitable and you hired its former professionals...

**ANSWER:** Our strategy is different to Abengoa: we develop, finance and build the plant. Once it is operational, we sell it to investors such as pension funds or insurers who expect to make a reasonable dividend after 20-25 years without risks, reducing our capital needs. At the same time, we continue to operate and maintain those plants, which reassures the buyer, and we channel the earnings into new projects. The Almar Water Solutions team is recognized as one of the world's best in the water industry.

**Q:** Define reasonable dividend.

**A:** Above 15% in riskier countries and around 10% in less risky ones, such as the US.

**Q:** And what about Gulf Cooperation Council (GCC) states?

**A:** Around 10% for the buyer. If our reasons for being in the region were purely financial, we would not compete for such projects because we obtain better much results in other low-risk countries, such as Australia, Mexico and even Jordan, where we have 150MW dc.

**Q:** But is the contract profitable?

**A:** Our group is one of the most highly valued in the Arab world. We are happy to have collaborated with Masdar in the preparation of a record supply. In any case, in this industry you often end up comparing prices among projects which cannot be compared. This is a desert; there is little earth to be moved, the space is marked out, the licenses all in order, the substation is next door, land sold

at symbolic prices, plenty of sun and Dubai and the region's financial entities are quite aggressive...

You have to think that no bank is going to provide finance for an unprofitable project.

**Q:** What is your strategy in the water business?

**A:** Seventy percent of the desalinated water production is in the Middle East. Here there is more experience in desalination than in any other part of the world. Also, there is a very high solar radiation factor, meaning the area is in a great position to generate water at a competitive cost with renewable energies. Many of the things that are being learned in the UAE are applicable to the rest of the world as best practices. Spanish engineers – and this is what we are all about – are the best placed to make that connection between the two parts because Spain is still a world leader in water and renewables, and we have the best teams in both disciplines.



Centre, Sheikh Mohammed – emir of Dubai, vice president and prime minister of the UAE – during the laying of the foundation stone of Dubai Creek Harbour Tower, designed by Santiago Calatrava and the emirate's new architectural icon. To his right, his son Sheikh Hamdan, crown prince of Dubai.

## Ranking by worth of contracts awarded in the UAE (In millions of euros)

2006-2016	
1° HLG	9,539
2° ACCIONA	3,720
3° TÉCNICAS REUNIDAS	2,620
4° SANJOSÉ	1,656
5° GRANSOLAR	820
6° ABENGOA	721
7° INTECSA	460
8° COBRA	322
9° TSK	309
10° TYPESA	48
11° ELECNOR	9
<b>TOTAL</b>	<b>20,224</b>



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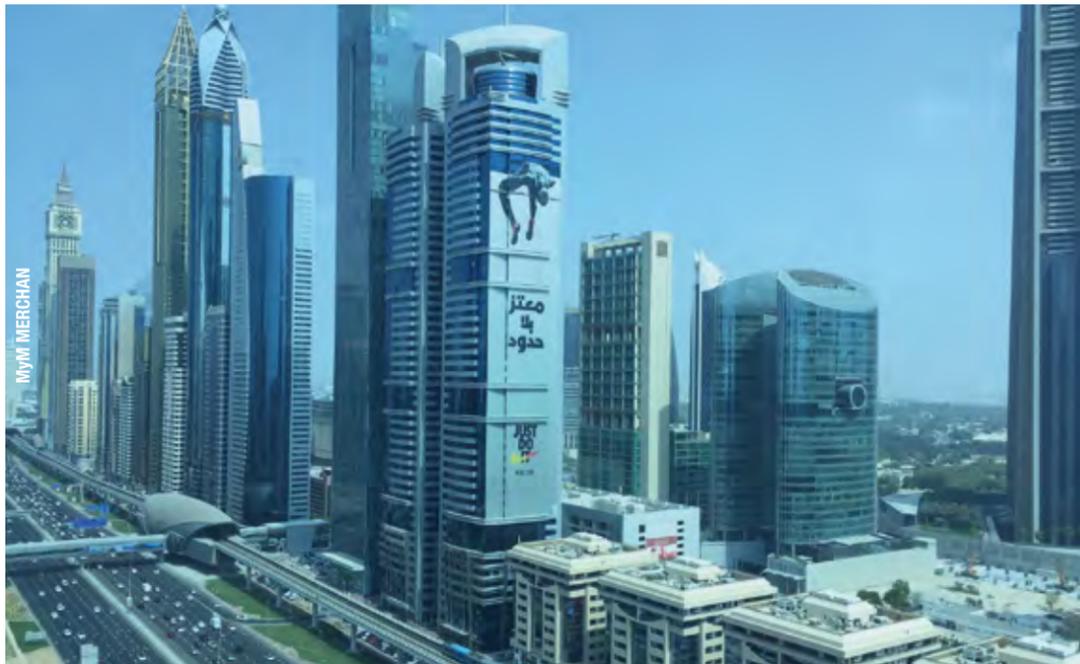
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Jesús Sancho during the interview



Sheikh Zayed Road, the broad avenue along which much of the red line of Dubai's metro runs

On a shelf in his Dubai office there is a collection of model planes and the view from the window includes the massive site that will eventually be occupied by Mall of the World, a shopping centre expected to attract 180 million annual visitors. The Middle East managing director of ACCIONA Infrastructure, Jesús Sancho, is a calm and thoughtful aeronautical engineer among whose tasks is that of ensuring that the expansion of Dubai Metro is ready by the summer of 2020 – before the opening of the first World Expo in this part of the world. The expansion will add 14.5 km to the existing network of 70 km to cope with the 20 million people the Emirate expects will travel to the event. The consortium's "Route2020" project is worth 2.6 billion euros and the Middle East is a strategic market in which ACCIONA has a presence in all of its lines of business: sustainable infrastructures, renewable energy, water and services. The company was also awarded the construction of phase III of the Mohammed Bin Rashid Al Maktoum Solar Park, an EPC consortium led by Gransolar which also includes the Italian company Ghella. The project is developed by DEWA and Masdar and has a total value of 820 million. ACCIONA ended 2015 with results of 6.544 billion euros income and 1.174 billion euros in EBITDA. The company operates in some 30 countries and employs more than 30,000 people.

**QUESTION:** How important in terms of volume are the UAE and the Middle East for ACCIONA?

JESÚS SANCHO, MANAGING DIRECTOR OF ACCIONA INFRAESTRUCTURAS IN THE MIDDLE EAST

## “ACCIONA is in the United Arab Emirates for the long haul”

**Having been part of the 2016 winning bid by the consortium Expolink, along with Alstom and Gulermak, for the expansion of Dubai's metro, 70% of Spanish company ACCIONA's business in the Middle East is now concentrated in the United Arab Emirates**

**ANSWER:** The UAE represents approximately 70% of our business in the Middle East. We think this tendency will continue. We are honing our sights on the DWC Al Maktoum International Airport; they want it to be the world's biggest airport and in Dubai they get what they want - that is an essential character trait of this country. We have a lot to offer in this and other projects, such as the Storm Water tunnel that will link with Jebel Ali port, plus football stadiums, hospitals... We compete in "design and construction" projects with a high degree of technical complexity and we love challenges where we can bring our experience to bear.

**Q:** Do you believe the negative predictions that say hard times will come once EXPO 2020 closes?

**A:** ACCIONA is in the UAE for the long haul. The vision of Sheikh Mohammed Bin Rashid Al Maktoum, vice president and primer minister of the UAE and ruler of Dubai, will carry on being rolled

out, continuing the successful trajectory of the past 20 years. Things will snowball and Dubai will still be a pole of attraction. They have managed to diversify the economy to decouple it from oil, and no one can doubt their determination. The clearest example is Dubai and its

*Is all of this going to stop? No. The UAE will continue to invest in infrastructure and grow. ACCIONA is here to contribute to that*

three pillars: the first is transport in which commercial aviation led by Emirates Airlines with its high profitability and growth ratios. Let's not forget that Dubai has overtaken Heathrow for international travel and the announced goal is to link the Emirate of Dubai with every corner of the world. They

will succeed in doing this because the flight autonomy of modern planes means it is now technically possible. I don't even think we will have to wait until 2020 to see it. Secondly, there is tourism, and the growing number of visitors. And, finally, trade levels which make it the regional hub for business activity. Is all of this going to stop? No. The UAE will continue to invest in infrastructure and grow. ACCIONA is here to contribute to that.

**Q:** DP World has announced a 50-million-dollar investment in Hyperloop. It is a pilot project to link Dubai and Abu Dhabi, on the one hand, and to transport goods along the logistical corridor between the port, industrial park and Al Maktoum airport, on the other. What is your take on this technology? Are you behind the government's plan to make Dubai the smartest city in the world?

**A:** The UAE loves innovation and technological advances. I will be one of the first to ride on it, but Hyper-

loop is not part of our activities here. Within the "Route2020" project, the Expolink consortium is making great efforts to innovate, in the best Dubai spirit. We will provide novel solutions to the sustainability question. Alstom, will provide and enhance the whole metro system, consisting of 50 trainsets, power supply, track works, platform screen doors, signalling systems, communication, automatic fare control.

**Q:** Are you on schedule? Will other Spanish companies be able to benefit from the project?

**A:** We are satisfied with the way the work is progressing on what is a complex project. We will always welcome Spanish companies with local knowledge and who bring added value in a competitive sense. For this to be the case, first, they must have already established themselves in this market; second, they have to have been registered by the client; and third, assuming these prior conditions have been fulfilled, what matters to us is that they can meet deadlines and the technical specifications at a competitive price. Don't forget that the first thing a Middle East client asks you for are references. ACCIONA has earned these in the UAE, Saudi Arabia, Oman and Qatar.

**Q:** Rumour has it that some companies engage in dumping in order to win their first contracts.

**A:** ACCIONA believes in specialisation and long-term commitments. This only works if you operate in a reasonable and sustainable manner.

## Water of life

Dig your well before you're thirsty, says the African proverb. Lacking in aquifers and rivers and as one of the regions that will be worst hit by water shortages in the future, according to the World Resources Institute, in the Arabian Peninsula they are building desalination plants. ACCIONA covers the entire value chain in reverse osmosis desalination, from development and design

to construction, operation and maintenance – and all with the latest technology. The company entered the Middle East barely a decade ago, opening an ACCIONA Water branch in Dubai and an ACCIONA Construction office in Abu Dhabi. A consortium of the two won the ADWEA (Abu Dhabi Water & Electricity Authority) contract to build, maintain and operate a desalination plant with 136,000m<sup>3</sup>/day capacity in Fujairah, the only emirate on the Indian Ocean coast. The plant started production in

2016. "We have seven years left on the operation and maintenance contract", Jesús Sancho notes. Next came a plant in Jubail, Saudi Arabia, already in operation and with 100,000m<sup>3</sup>/day capacity. In Oman, ACCIONA operates and maintains a plant in the Sohar industrial port under a 10-year deal. But the country in which it has done the most business in the region is Qatar, winning the 160,000 m<sup>3</sup>/day Ras Abu Fontas (RAF A3) tender and producing water in record time - 18 months - and where

it is executing out "one of the biggest desalination projects in the world" with 300,000 m<sup>3</sup>/day at Umm Al Houf. ACCIONA will run and maintain the plant for 25 years. "In Qatar, ACCIONA Service is having great success in managing the installations of about one third of the medical centres, hospitals and clinics in Doha, as well as several property assets in Oman's public and social sectors, and Salalah airport. On top of this, we are running the Muscat airport tender for the same client".