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Foreword

In publishing its UAE Yearbook 2013, the National Media Council has been keen to take advantage of the opportunity brought by the internet and digital media to reach a wider range of stakeholders and readers, both locally and globally. This was why we decided to launch this digital version of the UAE Yearbook, in both English and Arabic.

The Yearbook provides an authoritative review of the UAE’s most prominent achievements in 2012/13. Each of these has taken place within the framework of the ambitious development journey sustained over the past 41 years, aimed at bringing progress to the nation and raising the country’s flag high, while achieving the best level of happiness, prosperity and quality of life for citizens and their children in the future.

Over the past four decades, the UAE has made great progress in the economic, political, social, scientific, educational, health, cultural, tourism, environmental and other fields. This progress can be observed from the statistics and indices covered in the Yearbook, but the UN recently confirmed its positive impact on the people living in the UAE. In its first World Happiness Report from 2012, it placed the UAE first among Arab countries and seventeenth globally in terms of the population’s happiness and satisfaction.

The Yearbook monitors the UAE’s growing importance at both the regional and international level. In the business world, the UAE has gained global recognition for its excellence in the fields of economy, finance, tourism, infrastructure, communications, technology, satellites launch and industry, aviation industry and peaceful nuclear energy. The country takes great pride in pursuing the cause of sustainable and renewable energy and it hosts, of course, the headquarters of the International Agency for Renewable Energy (IRENA) in the capital city, Abu Dhabi. It is also a generous donor of humanitarian and development assistance. The OECD placed the country sixteenth in the world in 2012, up from twenty-sixth place in 2010, reflecting its growing foreign aid efforts.

The Yearbook also reviews the subject of human rights in the UAE, and the country’s efforts to fight human trafficking, protect migrant workers, and empower women in the political, economical and social fields. Women in the UAE today occupy senior positions in each of the three executive, legislative and judicial decision-making entities in the country, as well as in business.

We hope that this book will help shed light on what has been achieved and accomplished in the current and past years, and become a useful reference for both researchers and stakeholders alike.

Abdullah bin Zayed Al Nahyan
Minister of Foreign Affairs and Chairman of the National Media Council
History

UAE Timeline
Historical Review
Archaeology
UAE Timeline

c. 130,000 BC
Early man crosses the Red Sea from Africa to the Arabian Peninsula.

5500–3000 BC
Evidence of extensive human occupation by skilled groups of herders in eastern Arabia. Beginning of maritime trade.

3000–2000 BC
Emergence of Bronze Age culture, with oasis towns and wide-ranging trade relations.

2000–1300 BC
Number of towns declines due to a more arid climate and desertification.

1300–300 BC
Explosion of new Iron Age settlements as falaj irrigation technology is introduced; first use of writing.

300 BC–650 AD
Extensive trade network along the Gulf linking up the Mediterranean, Syria and Mesopotamia with India. Christian monastery established on Sir Bani Yas island off western Abu Dhabi coast.

630 AD
Arrival of envoys from the Prophet Muhammad and conversion to Islam.

632 AD
Death of the Prophet Mohammed; a widespread rebellion against the teachings of Islam is defeated.

637 AD
Julfar (Ra’s al-Khaimah) used as staging post for Islamic invasion of Iran.

1095
Earliest mention of Dubai, by Andalusian geographer Abu Abdullah al Bakri.

1498-1557
Portuguese circumnavigate the Cape of Good Hope, prompting Portuguese-Ottoman rivalry in the Gulf.

1700s
Growth of British trade interests in the Gulf. Emergence of local naval power Qawasim.
<table>
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<th>Event</th>
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<td><strong>1790s</strong></td>
<td>Leader of Bani Yas tribal confederation moves to Abu Dhabi, a major port and pearling centre. The confederation is led by the Al Nahyan family.</td>
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<td><strong>1800-1819</strong></td>
<td>Conflict between the Qawasim navy and the British over trade routes to India.</td>
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<td><strong>1820s</strong></td>
<td>Britain signs peace treaty with sheikhs of Ra’s al-Khaimah, Umm al-Qaiwain, Ajman, Sharjah, Dubai and Abu Dhabi.</td>
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<td><strong>1833</strong></td>
<td>Al Maktoum family, part of the Bani Yas, establish control in Dubai.</td>
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<td><strong>1853</strong></td>
<td>Signature of Perpetual Treaty of Maritime Truce with Britain; area becomes known as the ‘Trucial States’.</td>
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<td><strong>1930s</strong></td>
<td>Rulers of Dubai, Sharjah and Abu Dhabi sign first concession agreements for oil exploration.</td>
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<td><strong>1945-1951</strong></td>
<td>Oil exploration agreements finalised in Ra’s al-Khaimah, Umm al-Qaiwain and Ajman.</td>
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<td><strong>1962</strong></td>
<td>First export of oil from Abu Dhabi.</td>
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<td><strong>1966</strong></td>
<td>Sheikh Zayed becomes Ruler of Abu Dhabi.</td>
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<td><strong>1968</strong></td>
<td>Britain announces its intention to withdraw from the Gulf region.</td>
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<tr>
<td><strong>1969</strong></td>
<td>First export of oil from Dubai.</td>
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<td><strong>1971</strong></td>
<td>Rulers of the emirates create the United Arab Emirates; Sheikh Zayed is chosen as the first UAE President.</td>
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<td><strong>2004</strong></td>
<td>Sheikh Khalifa Al Nahyan is elected as new President of the UAE on the death of Sheikh Zayed.</td>
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<tr>
<td><strong>2006</strong></td>
<td>Sheikh Mohammed bin Rashid Al Maktoum is chosen as Vice President and Prime Minister of the Federation following the death of his brother, Sheikh Maktoum.</td>
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Historical Review

Throughout its history, the UAE has been at the crossroads of many cultures. Recent archaeological finds at Jebel Faya, on the eastern side of the Hajar Mountains, have pushed the earliest evidence of man in the Emirates as far back as 130,000 years ago, in the Palaeolithic or ‘Old Stone Age’ period. It was around this time that modern human beings first emerged out of Africa and the finds from Jebel Faya, including early stone tools, coupled with the results of a global DNA project, have suggested that the UAE may have been on the route for the migration of early humans into Asia. If that is proved, it will revolutionise our understanding of the history of Mankind – it was previously thought that this migration did not begin until around 80,000 years later.

Only scant evidence of that period in the UAE’s history has yet been found, however. Not until the Neolithic period, which began after the end of the last Ice Age, around 12,000 years ago, does the country appear to have been extensively occupied. The climate was then wetter than it is today and food resources were abundant, both plants and animals. Much evidence of human occupation may lie under the waters of the Arabian Gulf, which had been dry during the Ice Age, apart from rivers, but which gradually filled up as the ice caps that covered much of the north of Asia, Europe and North America melted, leading to a rise in sea levels.

By around 7500 years ago, or 5500 BC, the waters of the Gulf had reached roughly their present level and numerous archaeological sites have been found on offshore islands and along the coast, as well as in the interior. Among them are sites which have produced evidence of the early use of pottery and of the beginnings of the pearling industry, as well as of trading by sea with Mesopotamia (Iraq), the start of the UAE’s long tradition of maritime trade.

By around 4000 BC, the climate was much more arid and the nature of settlement changed, but the foreign connections continued. During the early Bronze Age, which began around 3000 BC, copper was mined from the Hajar Mountains and exported by sea to Iraq, while the presence of pottery from Iran and Pakistan on UAE archaeological sites is testimony to the importance of foreign trade. The island of Umm al-Nar, adjacent to Abu Dhabi, seems to have been a port for this trade. The first townships appeared, often centred around large fortified buildings, as at Hili, in Al Ain, Tell Abraq in Sharjah and Kalba, on the east coast, while agriculture was practised for the first time.
A continuing decline in rainfall posed a severe challenge, but late in the Second Millennium BC, two innovations appeared that revolutionised the local lifestyle. The first was the domestication of the camel. Formerly hunted as a source of food, it now became an animal that could carry large loads across the deserts, permitting the emergence of a nomadic lifestyle. The second innovation was that of the falaj, subterranean channels that tap into underground water reserves close to the mountains and distribute it for agriculture.

By around 1000 BC, three thousand years ago, the basic elements of the UAE’s traditional lifestyle had developed – fishing, pearling and maritime trade along the coast, falaj-irrigated agricultural settlements close to or in the mountains and nomadism in the dry deserts. The use of iron first appeared at this time, followed not long after by the first writing.

In the fourth century BC, the Greek Emperor Alexander the Great conquered Iraq and Iran and further east towards India, although his armies never reached the southern Gulf. Trading connections developed with countries around the Mediterranean Sea, modern-day Lebanon and Syria, Greece and eventually the Roman Empire.

By the first century AD, overland caravan traffic between Syria and cities in southern Iraq, followed by seaborne travel to the important port of Omana (perhaps present-day ed-Dur, in Umm al-Qaiwain) and thence to India provided an alternative to the Red Sea route used by the Romans. Pearls had been exploited in the area for millennia but at this time the trade reached new heights. Major fairs were held at Dibba, on the UAE’s east coast, bringing merchants from as far afield as China. Besides material goods, ideas passed along the trade routes, too. Christianity had reached the UAE and Oman by the sixth century AD and, around 600 AD, a monastery had been established on Abu Dhabi’s western island of Sir Bani Yas – the only physical evidence of Christianity in the pre-Islamic period yet found in south-eastern Arabia. It survived until around 750 AD, when it was abandoned.
Islam

The arrival of envoys from Prophet Mohammed in 630 AD heralded the conversion of the region to Islam. By 637 AD, Islamic armies were using Julfar (Ra’s al-Khaimah) as a staging post for the conquest of Iran. Over many centuries, Julfar became a wealthy port and pearling centre from which great wooden dhows ranged far and wide across the Indian Ocean, from East Africa to Malaysia and China.

The Portuguese arrival in the Gulf in the early sixteenth century had bloody consequences for the residents of Julfar and east coast ports like Dibba and Khor Fakkan. European interest in the Gulf grew with the British, Dutch and French competing for naval and commercial supremacy. Meanwhile, from the late seventeenth century, the Qawasim family, centred on Julfar (Ra’s al-Khaimah), began to gain strength. By the beginning of the nineteenth century, they ruled much of the northern UAE, as well as many islands in the Gulf and part of the southern Iranian coastline, and could put nearly 20,000 sailors to sea. Eventually they and the British came into conflict over control of the important maritime trade routes between the Gulf and India.

Inland, the arc of villages in Liwa in the south-west of the country had been a stronghold of the Bani Yas tribal confederation since the sixteenth century. In 1761, their leader, Sheikh Dhiyab bin Isa, an ancestor of today’s UAE President, His Highness Sheikh Khalifa bin Zayed Al Nahyan, ordered the establishment of a settlement on the island of Abu Dhabi, where fresh water had been found. By the 1790s, this had become an important pearling centre, and Dhiyab’s son, Sheikh Shakhbut, moved his headquarters to the growing town. He also developed a close alliance with tribes living in the inland oasis villages of Al Ain, consolidating the emergence of the new Emirate of Abu Dhabi.
In 1833, members of another branch of the Bani Yas, the Al Bu Falasah, settled in Dubai and established Maktoum rule in that emirate.

Meanwhile, the conflict between the Qawasim and the British had come to a head in late 1819, leading to an assault on Ra’s al-Khaimah. Agreements were signed in 1820 between the British and all of the sheikhs of the UAE’s Arabian Gulf coastline as far west as Abu Dhabi, marking the beginning of a relationship that was to last for 150 years. Over the next few decades, other agreements followed, including several on maintaining a maritime truce between the emirates. The area became known as the Trucial States.

The ensuing peace at sea allowed the pearling industry to thrive, bringing a degree of prosperity to the ports along the Gulf coastline while, from 1855, the long reign of Sheikh Zayed bin Khalifa, (also known as ‘Zayed the Great’) in Abu Dhabi, which lasted until 1909, saw his emirate become one of the most important powers in south-eastern Arabia.

The First World War had a severe impact on pearl fishery, but it was the economic depression of the late 1920s and early 1930s, coupled with the Japanese invention of the cultured pearl, that damaged it irreparably. The industry eventually faded away just after the Second World War, when the newly independent Government of India imposed heavy taxation on pearls imported from the Gulf.
Oil and Leadership

Fortunately a new source of income was soon to appear which, managed by a visionary leader, permitted the emergence of the UAE as it is today.

In the 1930s, oil concession agreements had been signed with a consortium of foreign companies, and exploration got under way just after the Second World War. In 1958, the first commercially viable oilfield was found at Umm Shaif, in the offshore waters of Abu Dhabi, followed by the onshore Bab field a year later. Exports began in 1962.

As revenues began to grow, so the pace of development in other areas of the economy began to accelerate. In 1966, Sheikh Zayed bin Sultan Al Nahyan became Ruler of Abu Dhabi, succeeding his brother, Sheikh Shakhbut. Born around 1918 in Abu Dhabi, Sheikh Zayed was the youngest of the sons of Sheikh Sultan, Ruler from 1922 to 1926, and the grandson of his namesake, Zayed the Great.

Since 1946, Sheikh Zayed had been his brother’s representative in Al Ain, gaining experience of government that was to serve him in good stead and developing a vision of how the country could develop. Once he became ruler, he quickly put that vision into practice, ensuring that the oil revenues were used for the development of Abu Dhabi’s infrastructure and social services and implementing his belief that ‘oil is of no use unless it is used in the service of the people’. Through contributions to the Trucial States Development Fund and through direct grants, he also spread the benefits of Abu Dhabi’s oil income throughout the rest of the country.

At the beginning of 1968, when the British announced their intention of withdrawing from the Arabian Gulf by the end of 1971, Sheikh Zayed acted rapidly to initiate closer ties between the emirates. Along with Sheikh Rashid of Dubai, who was to become Vice President and, later, Prime Minister of the newly formed state, he took the lead in calling for a federation that would include not only the seven emirates that together made up the Trucial States, but also Qatar and Bahrain.

Sheikh Zayed in his youth.
Following several years of negotiation, the rulers of Abu Dhabi, Dubai, Sharjah, Fujairah, Umm al-Qaiwain and Ajman agreed in July 1971 that the Federation of the United Arab Emirates would be established on 2 December 1971. Ra’s al-Khaimah joined the UAE on 10 February 1972.

Sheikh Zayed became the country’s first President, being successively re-elected as President at five-year intervals until his death 33 years later on 2 November 2004. Sheikh Rashid was elected as Vice President, later also serving as Prime Minister.

The new state emerged at a time of political turmoil in the region. A couple of days earlier, Iran had seized the islands of Greater and Lesser Tunb, part of Ra’s al-Khaimah, and had landed troops on Abu Musa, part of Sharjah. Foreign observers predicted that the UAE would survive only with difficulty, but Sheikh Zayed was more optimistic and the predictions of those early pessimists were shown to be unfounded.

Sheikh Zayed was succeeded as the UAE’s President and as Ruler of Abu Dhabi by his eldest son, HH Sheikh Khalifa bin Zayed Al Nahyan in 2004. The principles and philosophy that Sheikh Zayed brought to government remain at the core of the state and of its policies, today.

Sheikh Rashid's successor as Vice President, Prime Minister and Ruler of Dubai was his son, Sheikh Maktoum bin Rashid, who ruled from 1990 to 2006, with another son, His Highness Sheikh Mohammed bin Rashid, succeeding his brother in that year.
Archaeology

Unlike in many other parts of the Middle East, the study of the ancient history of the UAE is still a relatively new process. The first excavations did not take place until the late 1950s at the Bronze Age site of Umm al-Nar, an island close to the country’s capital, Abu Dhabi, and it was not until after the UAE was established, in 1971, that surveys and excavations really got under way.

In consequence, it was thought that the area now comprising the Emirates had been of little importance in the evolution of human settlement in the region. Indeed, one historian has said that the country was like ‘a blank on the historical map of Arabia’. That has long since ceased to be the case, thanks to extensive work that, as the title of one book on Abu Dhabi’s archaeology expresses it, has engaged in the process of Filling In the Blanks.

It is now widely recognised that the UAE has played an important role in the emergence of human civilisations in the region and in the development of a trade network from East Africa to China. It may also have played a crucial part in the dispersal of modern humans from their origins in Africa throughout the rest of the world, as mentioned above.

Over the last twenty years, palaeontologists (experts in fossils) have found the fossilised remains of early ancestors of animals like elephants, giraffes, gazelles, big cats, tiny rodents, catfish, turtles, crocodiles and much more, which inhabited the western areas of the country, which six or seven million years ago, during what is known to scientists as the Late Miocene period, were traversed by great rivers, 100 metres or more wide, flanked by woods and lush grasslands, similar to the East African savannahs.

The study of these fossils has yielded scientific information of international significance, including the discovery of three species not previously known to scientists, including a horse now named as *Hipparion abudhabiense*. Indeed, the rocks of the Baynunah Formation of western Abu Dhabi are considered by many experts to contain the most diverse and important collections anywhere in the world of the fossils of land animals from this period.
Recent studies of one key site, at Mleisa, have unearthed the well-preserved tracks of a herd of elephants, possibly the longest preserved fossil trackway in the world. These four-tusked animals were around 30 per cent larger than the elephants of today and, at an estimated seven million years old, are the oldest of their kind. Then too, as was the case with early humans millions of years later, the UAE was a land-bridge, allowing animals that evolved in Africa to disperse throughout the Asian continent.

The study of the UAE’s archaeology, from its early beginnings, has been a process of successful collaboration between some of the world’s top museums and academic institutions, working with local government departments throughout the Emirates. Work in the field has been directly supported by the country’s top leadership. The founding father of the UAE, the late Sheikh Zayed, for example, took a personal interest in the first excavations by Danish archaeologists at Umm al-Nar in 1959. He invited them to the inland oasis of Al Ain to show them many more large collective tombs dating back to the early Bronze Age, around 5000 years ago. He remained interested in this aspect of the country’s heritage for the rest of his life.

During the annual excavation seasons, which last throughout the cooler winter months, as many as fifteen foreign archaeological teams are active throughout the UAE, from countries like Japan, Britain, France, Spain, Germany and the United States. They work in close collaboration with museums and archaeology departments in each emirate, their discoveries being reported in the local media, at international academic conferences and in scientific publications.

Over the last couple of years, for example, publications have included several volumes on excavations at Jebel Buhais in Sharjah, where sites include a Neolithic cemetery with several hundred burials and dozens of smaller Bronze Age and Iron Age tombs. Another publication, which appeared in late 2012, included papers presented at a major conference, held under the sponsorship of the Ministry of Culture, Youth and Community Development, to mark the completion of the first 50 years of archaeological studies in the Emirates. In 2013,
yet another new book focused on excavations of an Iron Age settlement and religious centre at Masafi, in Fujairah.

Such detailed work has made a significant contribution to the winning of recognition abroad for the significance of the UAE’s heritage. In 2011, Al Ain, including its archaeological sites, dating back to the Bronze Age, and its traditional oasis cultivation, was inscribed on the World Heritage List of the United Nations Educational, Scientific and Cultural Organisation, UNESCO, the first site in the UAE to achieve this. Files are now being prepared on other sites, including the old port-city of ed-Dur, in Umm al-Qaiwain, which flourished for several centuries around the beginning of the Christian era.

The results of excavations throughout the UAE have been of enormous significance in terms of shedding light on the heritage and history of its people. Around 7500 years ago, inhabitants of islands like Dalma and Marawah, in the west of Abu Dhabi, were already trading by sea with Mesopotamia (Iraq), while Dalma has provided the earliest evidence both of the Gulf’s pearling industry and of human consumption of dates anywhere in the world. Some 5000 years ago, copper was being mined in the Hajar Mountains, for export to the emerging empires of Mesopotamia, while the invention of the underground falaj irrigation systems took place in the Emirates hundreds of years before the technique appeared anywhere else.

There is some evidence to suggest that over 2500 years ago sailors from the Emirates could have learnt how to use lateen sails, permitting them to sail throughout the Indian Ocean—over 2000 years before that technique was adopted in Europe, allowing the beginning of the great voyages of maritime exploration by European powers that transformed the world. By the beginning of the Christian era, UAE sailors and merchants were trading with southern China, consolidating the country’s position as a key point on the trading network of the Indian

The invention of lateen sails opened new trade routes.
©ABU DHABI TOURISM AND CULTURE AUTHORITY
Ocean and beyond.

Archaeological discoveries that reveal this kind of information, of international as well as local significance, are supplemented by work that, steadily and painstakingly, fills in some of the details of how people lived in the UAE in the past. The study of tombs, skeletons, settlement remains and copper-mining sites all produce useful data.

Detailed scientific analysis of finds can also play a crucial part. One recent study of the isotopes present in the tooth of a camel excavated at Tell Abraq in Sharjah will reveal where the animal spent its youth, possibly shedding light on the area where camels were first domesticated. Spectroscopic studies of imported pottery fragments can indicate the regions in which they were made, helping to identify early trading connections.

Although archaeologists have been working in the UAE for over 50 years, much remains to be done. Some sites are so large and complex that many years of work are required before they can be properly understood. Many areas have still not been properly surveyed – a two-week survey carried out by an Emirati team, under the aegis of the National Council for Tourism and Antiquities, in Ajman's inland enclave of Masfut in early 2013, for example, recorded around 200 previously unrecorded sites, many from the Bronze Age and Iron Age.

Other sites are discovered during the conducting of baseline studies for major development projects. While some of these may be of little significance, others are potentially of such importance that projects are put on hold while they are excavated. One recent example of collaboration between archaeologists and developers was at Qarn al-Harf, in northern Ra's al-Khaimah, where a large group of 4000-year-old tombs was identified on the route of a major highway. Work on the road was suspended while the tombs were excavated – evidence of the way in which, despite the rapid pace of the UAE's development, attention continues to be paid to the need to identify and to protect the country's cultural heritage.

The UAE's founding father, the late Sheikh Zayed, once commented that 'He who does not know his past cannot make the best of his present and future, for it is from the past that we learn.' Through studies of the UAE's archaeology, that past is gradually coming more clearly into focus, offering lessons for the country's inhabitants of today and of tomorrow.
2 Government

Government Structures
Foreign Policy
Humanitarian Aid
Since the Federation was established in 1971, the UAE’s seven emirates have forged a single identity under the national flag while maintaining a large degree of control over their internal affairs. The Constitution granted powers to the Federal Government as well as to the individual states, and in the subsequent decades a number of reforms have been introduced to modernise the country’s political structure.

Reform has been directed at a federal level since 2004 by the UAE President and Ruler of Abu Dhabi, His Highness Sheikh Khalifa bin Zayed Al Nahyan, and guided at an executive level by the Vice President and Prime Minister, His Highness Sheikh Mohammed bin Rashid Al Maktoum, who was elected as Vice President and appointed Prime Minister in early 2006, following his succession as Ruler of Dubai.

To enhance decision-making, public participation in government, especially among women, has been gradually expanded. In 2006, the Government introduced indirect elections to half of the seats in the country’s parliament, the Federal National Council. The electorate was greatly enlarged in the 2011 elections, to nearly 130,000 people, and the FNC is now playing an increasingly vital role in supervising and amending legislation.

Reforms of the political system have been guided by the launch in 2007 of the UAE Government Strategy, which covered 21 topics in six different sectors, including social development, economic development, public-sector development and rural areas development. The document also called for further development of the cooperation between federal and local governments.
The Federal System

Prior to the establishment of the Federation on 2 December 1971, each emirate had its own separate institutions of government, collaborating together under the framework of the Trucial States Council. To prepare for the future, the seven rulers agreed to draw up a provisional Constitution specifying the powers that were to be allocated to the new federal institutions. The Constitution granted the federal authorities explicit powers over foreign affairs, security and defence, nationality and immigration issues, education, public health, currency, postal, telephone and other communications services, air traffic control and licencing of aircraft, in addition to a number of others such as labour relations, banking, delimitation of territorial waters and extradition of criminals.

In 1996, the UAE Federal Supreme Council approved two amendments to the provisional Constitution, making it permanent and naming Abu Dhabi as the capital of the state. The federal system of government includes the Supreme Council, a Cabinet, or Council of Ministers, the parliamentary body, the Federal National Council, and an independent judiciary, overseen by the Federal Supreme Court.
The Federal Supreme Council comprises the rulers of each of the emirates, who elect a president and a vice president from among themselves to serve for a renewable five-year term. The Council has both legislative and executive powers. It ratifies federal laws and decrees, plans general policy, approves the nomination of the prime minister and accepts his resignation. The Council of Ministers, or Cabinet, is headed by a prime minister, chosen by the president in consultation with his colleagues on the Supreme Council. The prime minister proposes a list of ministers; these are then ratified by the president.

Now partly elected, the 40-member Federal National Council (FNC), with representation from each of the emirates,
plays an important role in consolidating the principles of shura (consultation) in the country. Presided over by a speaker, or either of the two deputy speakers, all of whom are elected from among its own members, the FNC has both a legislative and supervisory role under the Constitution.

It is responsible for examining and amending all proposed federal legislation, and may summon and question any federal minister regarding ministry performance. In the long term, the objective is that it will become a wholly elected body, although a gradual approach is being followed in the process of reform.

The federal judiciary, whose total independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council. The judges decide on the constitutionality of federal laws and also arbitrate on inter-emirate disputes and disputes between the Federal Government and the emirates.
Local Government

The local governments in the seven emirates differ greatly in size and complexity. The largest and most populous emirate, Abu Dhabi, has its own central governing organ, the Executive Council, under which there are a number of separate departments, equivalent to ministries. The Executive Council is chaired by the Crown Prince, His Highness Sheikh Mohamed bin Zayed Al Nahyan. The emirate has three regions, Al Gharbia (previously known as the Western Region) and the Eastern Region, headed by Ruler’s Representatives, and the Central Region, including the capital city, Abu Dhabi. This, like Al Ain, capital of the Eastern Region, is administered by a municipality, with another municipality also performing similar functions in Al Gharbia. Abu Dhabi’s National Consultative Council undertakes a role similar to that of the FNC on a country-wide level.

Dubai, the second-largest emirate, has its Dubai Executive Council (DEC), which is chaired by the Crown Prince of Dubai, HH Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum. Since it was established in 2003, the council has overseen a drive to improve efficiency and co-operation between local departments, as well as efforts to upgrade the level of services offered to the public. It also assists the Ruler, Vice President and Prime Minister, His Highness Sheikh Mohammed bin Rashid, in preparing development plans for the emirate and formulating local legislation. In 2012, the Ruler met with DEC members to review briefs on, among other things, educational strategy, governmental service centre performance and Islamic regulations and laws.

Sharjah also has an Executive Council as well as a Consultative Council. With three exclaves on the country’s east coast, it has adopted the practice of devolving some authority on a local basis, with branches of the Sharjah Emiri Diwan (Court), headed by deputy chairmen, in both Kalba and Khor Fakkan. A similar pattern of municipalities, departments and autonomous agencies can be found in each of the other emirates, while Ra’s al Khaimah established an Executive Council in 2012.

The powers of the various federal institutions and their relationship with the separate local institutions have evolved and changed since the establishment of the state. Under the terms of the Constitution, rulers may relinquish certain areas of authority prescribed as
being a local prerogative under the Constitution to the Federal Government.

As a result of the country’s rapid economic and social development since 1971, local governments in each emirate are now assuming, or re-assuming, some functions that had previously been voluntarily assigned to the Federal Government. This process is likely to continue, in part because many well-qualified Emiratis prefer to work in their home emirate.

Traditional Government

Traditionally, the ruler of an emirate, the sheikh, was the leader of the most powerful, though not necessarily the most populous, tribe, while each tribe, and often its sub-sections, also had a chief or sheikh. These maintained their authority only insofar as they were able to retain the support of their people, in essence a form of direct democracy. Part of that process was the unwritten rule that the people should have free access to their sheikh, and that he should hold a frequent and open majlis, or council, in which his fellow tribesmen could voice their opinions.

This is a continuing aspect of life in the UAE today. In larger emirates, not only the ruler, but also a number of other senior family members, continue to hold open majlis or majalis, in which participants may raise a wide range of topics, both of personal interest and of broader concern. In smaller emirates, the majlis of the ruler himself, or of the crown prince or deputy ruler, remains the main focus, often attended by large numbers of local people.

In 1971, the rulers agreed to create a system that offered the best of modern administration while retaining traditional forms of government; but one that also maintained a commitment to consensus, discussion and direct democracy. As a result, despite massive economic growth and a rapidly rising population, the state has enjoyed political stability. During the last few decades, there have been numerous attempts to create federal states, both in the Arab world and elsewhere. Few, if any, have been as successful as the UAE, which also provided an example of successful transition following the death in 2004 of the federation’s founder, Sheikh Zayed bin Sultan Al Nahyan.
SUPREME COUNCIL MEMBERS

HH Sheikh Khalifa bin Zayed Al Nahyan, UAE President
HH Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai
HH Dr Sheikh Sultan bin Mohammed Al Qasimi, Ruler of Sharjah
HH Sheikh Humaid bin Rashid Al Nuaimi, Ruler of Ajman
HH Sheikh Hamad bin Mohammed Al Sharqi, Ruler of Fujairah
HH Sheikh Saud bin Rashid Al Mu’alla, Ruler of Umm al-Qaiwain
HH Sheikh Saud bin Saqr Al Qasimi, Ruler of Ra’s al-Khaimah
CROWN PRINCES

HH General Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces

HH Sheikh Hamdan bin Mohammed Al Maktoum, Crown Prince of Dubai

HH Sheikh Sultan bin Mohammed Al Qasimi, Crown Prince and Deputy Ruler of Sharjah

HH Sheikh Ammar bin Humaid Al Nuaimi, Crown Prince of Ajman

HH Sheikh Mohammed bin Hamad Al Sharqi, Crown Prince of Fujairah

HH Sheikh Rashid bin Saud bin Rashid Al Mu’alla, Crown Prince of Umm al-Qaiwain

HH Sheikh Mohammed bin Saud bin Saqr Al Qasimi, Crown Prince and Deputy Ruler of Ra’s al-Khaimah

DEPUTY RULERS

HH Sheikh Hamdan bin Rashid Al Maktoum, UAE Minister of Finance and Deputy Ruler of Dubai

HH Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai

HH Sheikh Ahmed bin Sultan Al Qasimi, Deputy Ruler of Sharjah

HH Sheikh Abdullah bin Salem bin Sultan Al Qasimi, Deputy Ruler of Sharjah

HH Sheikh Nasser bin Rashid Al Nuaimi, Deputy Ruler of Ajman

HH Sheikh Hamad bin Saif Al Sharqi, Deputy Ruler of Fujairah

HH Sheikh Abdullah bin Rashid Al Mu’alla, Deputy Ruler of Umm al-Qaiwain
## THE GOVERNMENT

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## THE CABINET

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HH Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE

Since taking on the presidency of the UAE from his late father, the UAE founder Sheikh Zayed, on 3 November 2004, Sheikh Khalifa has brought his long experience at senior levels of leadership to bear in charting the modernisation of the seven-emirate Federation and ensuring its continued relevance both within the region and beyond. His presence on the Forbes list of the world’s 50 most influential figures underlines how important the UAE now is on the global stage – and how important his personal efforts have been in consolidating the achievements of his father.

Sheikh Khalifa’s accession to the presidency was the culmination of a career of leadership that began in 1966 when, aged just 18, he was appointed by Sheikh Zayed as his representative in the Eastern Region of Abu Dhabi and the head of the emirate’s courts – a mark of the confidence Sheikh Zayed had in his son early on. That confidence was repeatedly demonstrated in subsequent years, as Sheikh Khalifa was appointed to a series of high-level positions, becoming Crown Prince in 1969 and then in 1971 assuming the role of Deputy Prime Minister in the first federal UAE cabinet.
Further senior posts followed, as Chairman of the Abu Dhabi Executive Council, as Deputy Supreme Commander of the UAE Armed Forces and then, in 1989, as chairman of Abu Dhabi’s Supreme Petroleum Council, in which role he was responsible for steering the development of the oil and gas sector and the downstream industries that have successfully contributed to the country’s economic diversification – always a strong personal interest of Sheikh Zayed.

Elected President of the UAE for a term of five years on the death of his father and re-elected in 2009, the assumption of the top job has proved a seamless process for Sheikh Khalifa, even at a time of heightened regional tension and unprecedented turmoil in global financial markets. His steady stewardship at this time of crisis, ensuring that the integrity of the Federation remained intact as significant financial pressures made themselves felt in 2009, has proved a blessing.

Central to Sheikh Khalifa’s presidency is his belief in the need to enhance the active participation of UAE citizens in the governance of the nation, to ensure that leadership skills are passed down through the generations. In domestic terms, he has concentrated efforts on improving education, solidifying the social roots of the UAE with a strong emphasis on the integrity of the family unit, and increasing expenditure on the development of the infrastructure and on health and social affairs.

This means providing for the least fortunate in society. In January 2012, Sheikh Khalifa ordered the settlement of
defaulting personal loans of 6830 citizens, worth about Dh2 billion (US$545 million). Under a decree issued by the President, a Dh10 billion fund has been established to put an end to the phenomenon of an excessive level of personal loans, which place a burden on citizens with low incomes. In December 2012, Sheikh Khalifa issued a new decree setting up a housing authority, whose mission is to deliver affordable homes to Emiratis, to complement the already extensive housing programme undertaken over many years by the federal and local governments.

Throughout, Sheikh Khalifa has reinforced the government’s commitment to sustaining the economic diversification that has delivered to the UAE a large part of its wealth, providing strong support for the development of the private sector as the essential engine of the UAE economy.

Mirroring his domestic commitments to improving the lot of the poorest, Sheikh Khalifa has also ensured a strong commitment to providing aid to those most affected by regional crises, such as Syrian refugees, for whom relief is provided with ‘no strings attached’.

Under Sheikh Khalifa’s leadership, the UAE has also achieved considerable success internationally, one highlight being the decision in 2009 to locate the headquarters of the newly formed global green-energy body, the International Renewable Energy Authority (IRENA), in Abu Dhabi, following a concerted diplomatic effort. The headquarters of the international agency, which is dedicated to promoting the use of renewable energy, is located in Abu Dhabi’s Masdar City complex.

Such moves underline the clout that the UAE now enjoys on the global stage. But it also shows another facet of Sheikh Khalifa’s presidency, namely an emphasis on renewable energies as the most sustainable solution to the world’s energy requirements. This, in a sense, represents a continuation of Sheikh Zayed’s well-known focus on the environment.

In that vein, Sheikh Khalifa’s decree in December 2009 establishing the Emirates Nuclear Energy Corporation (ENEC) as the entity in charge of implementing the UAE’s nuclear programme represents another significant milestone for the UAE. The focus on civilian nuclear energy is seen as a model in the region, and the UAE is the most advanced Middle Eastern country in developing that capacity, which is intended to produce 25 per cent of the UAE’s electricity as early as 2020.
Since assuming the role of Ruler of Dubai in January 2006 on the death of his brother, Sheikh Maktoum bin Rashid Al Maktoum, Sheikh Mohammed has played a pivotal role in the public life of the UAE by setting out a series of initiatives at both the federal and local level.

One key area of focus is government performance. At the central government level, the Federation is seeking to reinforce the effectiveness of the administration to meet the needs of its inhabitants across all seven emirates, to ensure that the benefits of development and growth are spread nationwide and to create an efficient support base for the economy. In this, Sheikh Mohammed’s unveiling in April 2007 of the UAE Government Strategy Plan, aimed at achieving sustainable development throughout the country, investing federal resources more efficiently and ensuring due diligence, accountability and transparency across federal bodies, has been critical. These efforts were recognised by the International Institute of Management Development in Switzerland which ranked the UAE first globally in the category ‘Government Efficiency’ and eighth most competitive nation in the
world in its Global Competitiveness Yearbook 2013.

In Dubai itself, Sheikh Mohammed has overseen the drive to recover from the impact of the global financial crisis and build a sustainable economic model that can maintain prosperity through diversification in the highly competitive conditions of today’s international environment.

The strategy that has shaped the Emirate’s distinctive role as a trade and transport hub and financial services centre is continuously refined and adjusted to meet the fresh challenges presenting themselves. Indeed, this is true at a UAE federal level as well as within the individual emirates. For example, the introduction of the tough new Basel III bank capitalisation rules will have clear implications for the banks that are such an important pillar of the UAE’s position as a hub economy in the Gulf and the wider Middle East.

Similarly, the dangers of global climate change have led the UAE to respond by developing public transport systems. As UAE Vice President and Prime Minister, Sheikh Mohammed has played a key role in leading efforts at the federal level – with the development of a national railway system now getting under way – and within Dubai through the construction of a metro system.

Social issues have been another priority, with Sheikh Mohammed encouraging the participation of women in public life and the employment market, in particular. Women have been appointed to senior positions in both the Federal Government and the Dubai government.

The economic context for these long-term strategic efforts has started to become more positive after the difficult challenges posed by the international financial crisis, whose effects were painfully felt by an economy that is so closely integrated with other parts of the world. However there are now clear signs of recovering demand and personal and business spending power.

Sheikh Mohammed has been pressing the UAE case for greater regional trade integration, which would benefit the economies of both the UAE and the countries of the Gulf Cooperation Council (GCC) as a whole. He argues that the Gulf nations would be better able to build a stronger and more competitive bloc once restrictions on cross-border trade are eased. He has called on the GCC to remove obstacles to cross-border trade, arguing that it is important for Gulf countries to do away with procedures that hinder trade and economic openness, particularly in the private sector.

In Dubai, Sheikh Mohammed has built the emirate’s economic strategy on twin foundations – a dynamic private and commercial sector and a key role for major strategic corpo-
lations. The latter are often founded with government support, but, once up and running, they are required to operate as independent commercial sector businesses. They have enabled Dubai to establish itself as a major force in critical sectors such as air transport (with Emirates now the world’s largest airline for international traffic) as well as real estate (Emaar and Nakheel) and ports and logistics (Dubai World).

Their strength has enabled Dubai to weather the storms of the global downturn. And thanks to their resources, market share and business experience, both at home in the UAE and on the international scene, they have been able to act as the engine room for recovery.

In 2012, Sheikh Mohammed announced a law creating the Dubai Corporation for Aviation Engineering Projects, which will help the emirate make the most of its expertise in planning and developing world-class airports within and outside Dubai. It will be attached to Dubai Aviation City Corporation, which is responsible for developing the US$30 billion Dubai World Central airport.

Meanwhile, Sheikh Mohammed has overseen a drive to reinforce the competitiveness of the workforce and equip it to hold its own in the developing global knowledge economy. This means sustaining high investment in secondary and higher education.
Foreign Policy

The UAE’s political leadership continues to operate within the broad foreign policy framework established by the founding President of the Federation, Sheikh Zayed. This approach emphasises diplomacy, negotiation, tolerance and compassion. The UAE is mindful of its commitment to its neighbours and the international community with regard to regional peace, stability and human security for all. To achieve these goals, it has purposefully promoted partnerships and dialogue. Relying on these tools of engagement has allowed the Government to pursue effective, balanced and wide-ranging ties with the international community.

A guiding principle of UAE foreign policy is the belief in the need for justice in international dealings between states, including the necessity of respecting the principle of non-interference in the sovereign affairs of other nations. The UAE is also committed to the peaceful resolution of disputes and backs international institutions to reinforce the rule of international law and the implementation of conventions and treaties.

At a time of regional unrest, UAE foreign policy has been characterised by a desire to maintain good neighbourliness with its Arab partners – insisting on non-interference in internal issues while working towards the amicable resolution of disputes. Developments in Egypt, Tunisia, Libya, Egypt and Yemen have all found a positive response from UAE diplomatic channels, with foreign policy officials engaging in dialogue with world leaders to ensure that stability is maintained.

The UAE is dedicated to peace, security and stability in the Arab region, as well as the normalisation of relations between all countries and a just and lasting solution to the Middle East conflict. It believes that peace cannot be achieved while the Israeli occupation of the Palestinian and other Arab territories continues; it
supports an end to Israeli occupation and the establishment of an independent Palestinian state with East Jerusalem as its capital, within the context of an agreement based on the Arab Peace Initiative.

Unrest in Syria since 2011 has elicited a concerted diplomatic and humanitarian initiative from UAE foreign policymakers. In December 2012, the Foreign Minister, HH Sheikh Abdullah bin Zayed Al Nahyan, said the UAE was determined to support a non-sectarian government transformation in Syria for a future built on solid foundations. Extensive support has been provided by the UAE for Syrian refugees in neighbouring countries, while the UAE has participated actively in Friends of Syria meetings, throwing the country's weight behind Arab and international initiatives on Syria, while supporting the Task Force entrusted with reconstruction and rebuilding of Syria's future economy. In November 2012, at a ‘Partnership for future investment in Syria’ Conference in Dubai, supported by the Ministry of Foreign Affairs, the Minister of State, Dr Gargash, noted:

We are all aware that Future Syria should be built on solid economic ground within a framework of transparency, power of law and the latest economic practices. After decades of suffering of the Syrian people, a new generation open to the world should be rehabilitated to motivate the creativity and innovation seen among Syrians abroad.

The UAE has reinforced its unswerving commitment to the Palestinian cause, providing continued humanitarian and development assistance to the Palestinian people and the Palestinian Authority, while promoting a forceful engagement on the Israel-Palestine issue through a variety of diplomatic channels.

As Ambassador Ahmed Al Jarman, the UAE Permanent Representative to the United Nations, told the 66th Session of the UN General Assembly in December 2012, the UAE is gravely concerned about the deteriorating economic and humanitarian conditions of the Palestinian people in the Occupied Palestinian territories resulting from the continued Israeli occupation and the blockade of the Gaza Strip.

The UAE continues to reiterate its firm support for the Palestinian National Authority and President Mahmoud Abbas, and for the Palestinian Liberation Organisation as the sole legitimate representative of the Palestinian people, and to the Palestinian government.
The UAE is one of the major contributors to humanitarian assistance and development projects in Palestine, as well as to the direct budget of the Palestinian Authority. The country’s contribution in 2011 amounted to US$34 million dollars, earmarked for the support of the government and development projects. Overall, the UAE has provided over US$3 billion in aid to the Palestinians, including development funds for infrastructure, housing, hospital and school projects. In addition, the country donated US$174 million towards reconstruction in Gaza.

Relations with Egypt are strategic and long term, ensuring continued close ties as Egypt undergoes its political transition. The UAE committed to sending US$3 billion in aid to Egypt in 2011, following the political changes in Cairo. The UAE Foreign Minister, HH Sheikh Abdullah bin Zayed, has stressed to senior Egyptian officials the necessity of maintaining close ties and ensuring that the principle of non-interference in internal affairs is maintained. The UAE expressed its satisfaction at the subsequent changes in Egypt in July 2013, in which the country’s armed forces, religious leaders and a broad range of political forces laid out a road-map for the achievement of a politically-tolerant and economically-strong society and also pledged to work for the further development of Emirati-Egyptian relations.

In a message to Egypt’s President Adly Mansour, UAE President HH Sheikh Khalifa said: “We have followed with appreci-
ation and satisfaction the national consensus witnessed by your sisterly country,” This, Sheikh Khalifa said, had enabled Egypt to overcome its crisis in a peaceful way, while preserving its institutions. The UAE, he said, hoped that the people of Egypt would achieve their aspirations for stability and prosperity.

During a visit to Cairo shortly after the July 2013 change of government by a UAE delegation, led by the National Security Adviser and Deputy Chairman of Abu Dhabi’s Executive Council, HH Sheikh Hazza bin Zayed Al Nahyan, the UAE pledged to provide US $ 3 billion in assistance to Egypt’s economy.

Despite the long-running dispute with Iran on the question of the three occupied UAE islands of Abu Musa and Greater and Lesser Tunb and worries about Iran’s nuclear programme, the UAE has kept open all channels of constructive engagement that could result in a mechanism for confidence-building measures and the peaceful resolution of all outstanding issues.

Following a visit to Abu Musa island by Iranian President Ahmedinejad in April 2012, the Minister of State for Foreign Affairs, Dr Anwar Gargash, renewed demands for the restoration of the UAE’s full sovereignty over the three islands, urging Iran to respond to the repeated peaceful and sincere calls of the UAE for a just settlement of this issue, either through direct, serious negotiations or by referral to the International Court of Justice to settle this dispute. Addressing the 67th session of the UN General Assembly, Foreign Minister Sheikh Abdullah commented:

Security and stability in the Gulf region represent a high priority in our balanced policies, which derive their principles from the Charter of the United Nations and the provisions of international law, especially those calling for peaceful coexistence, confidence-building, good neighbourliness, mutual respect, non-interference in the internal affairs of the State, and pursuing peaceful means in resolving conflicts and disputes.
On the basis of these principles, my Government expresses, once again, its regret regarding the continued Iranian occupation of our three islands: Abu Musa and the Greater and Lesser Tunbs, and demands for the restoration of the UAE’s full sovereignty over these islands.

The UAE continues to contribute constructively to the international efforts aimed at stabilising Afghanistan and is supporting its bid to restore security. The UAE has provided Dh5.5 billion in aid to Afghanistan, mainly devoted to infrastructure: road-building, schools, mosques and hospitals. The UAE is the only Arab country performing humanitarian activities on the ground in Afghanistan, while units of the UAE Armed Forces continue to be engaged in peacekeeping operations. In his address to the 67th session of the UN General Assembly, Foreign Minister Sheikh Abdullah reaffirmed the UAE’s commitment to the country: ‘In the United Arab Emirates, we remain committed to supporting the security and stability of Afghanistan, and confirm the continuation of our humanitarian and developmental support to this distressed country… As we are approaching the year 2014, (when international forces are due to withdraw) we look forward to closer international cooperation to ensure a future free of violence, extremism and terrorism for Afghanistan.’ The UAE also emphasises the importance of achieving harmony, building confidence and strengthening cooperation between Afghanistan and its neighbours, particularly Pakistan.

Given Pakistan’s proximity to the Gulf region, the UAE has continued to affirm the importance of stability in Pakistan. The Project to Assist Pakistan is carrying out 28 development and humanitarian projects worth US$54.5 million in South Waziristan province, including schools and colleges. The UAE has funded the construction of two bridges over the River Swat that had collapsed in massive floods in the area in 2010 as well as providing other support for Pakistani humanitarian and development projects.
Strengthening Ties

Beyond the region, the UAE’s foreign policy continues to adapt to accommodate the evolving changes in the global community. As part of its pragmatic approach, the UAE is building bilateral and multilateral relations with both industrialised and developing countries, while strengthening ties with its traditional allies in the West.

Relations with NATO have developed significantly since the UAE joined the Istanbul Cooperation Initiative (ICI) in 2004. The UAE was the first partner from the ICI to establish an office at NATO headquarters in Brussels, in April 2013, which will permit NATO to expand its cooperation in the context of the ICI. The UAE has closely worked with NATO for the establishment of stability and security in several regions, from Bosnia to Afghanistan to Libya, and its forces have cooperated, with great efficiency, with NATO forces on the ground and in the air.

Relations with the European Union (EU) have continued to strengthen with the opening of an EU diplomatic mission to the UAE in January 2013. Catherine Ashton, the EU High Representative for Foreign Affairs and Security Policy, said the decision highlighted the importance of the EU’s geostrategic interests in and its political and economic ties with the UAE, as well as with the GCC as a whole. Sheikh Khalifa has also worked strongly to forge closer ties with individual EU states. One highlight, in spring 2013, was a successful state visit to the United Kingdom, the first by a UAE president for 24 years, during which the long-established friendship was re-affirmed.
and several new agreements on co-operation were signed.

As the second-largest Arab economy, the UAE’s foreign policy is naturally also geared towards creating greater commercial opportunities with various partners. An important aspect of the UAE’s foreign policy, therefore, places great emphasis on nurturing an expansion of commercial and investment links with other countries and institutions worldwide. The UAE’s fast-developing position as a financial hub for the region has further solidified and strengthened its position as a member of the global community. Foreign Minister Sheikh Abdullah explained how commercial interests contribute to the UAE’s foreign policy objectives in a speech in November 2012:

Promoting the investments and trade of the UAE overseas is a strategic goal set by the Ministry of Foreign Affairs which coordinates and cooperates with its missions and the national economic sector to protect its interests, and continues to support its plans and efforts for foreign investments, contribute to studying the available opportunities and communicate with the national economic sector in this regard. This strategy yielded fruits and managed to reinforce the economic presence of the UAE in different regions around the world and to protect national foreign investments through embracing the issues faced by UAE investors and supporting them through the diplomatic missions in the concerned countries.

In line with this approach, the UAE’s diversification of intense diplomatic contacts included Africa and its regional groupings. The Government’s aim is to strengthen cooperation by entering into bilateral and multilateral partnerships with African countries in accordance with the Millennium Development Goals. The UAE is keen to fight poverty and ensure that Africa receives a fair and equitable share of global prosperity.

As Asia weathered the economic crisis more successfully than other parts of the world, there were ample indications that some of the major Asian countries would play a more influential role in world politics. Absorbing this shift and reflecting the desire to further consolidate ties, the UAE leadership continued to develop its relations with a number of Asian countries, including China and India.
Nuclear Developments

The UAE’s quest for nuclear energy also witnessed intense diplomatic efforts to develop cooperation mechanisms to guarantee a credible and comprehensive civilian programme. This push resulted in the signing of the UAE-US Peaceful Nuclear Cooperation Agreement in 2009, the first such US arrangement in the Middle East. The deal, which is touted as a ‘powerful and timely model’ for the region, allows the UAE to buy American nuclear power equipment, technology and fuel. In turn, the UAE – a Nuclear Non-Proliferation Treaty (NPT) signatory – has agreed to open its nuclear facilities to full international inspections and refrain from producing its own reactor fuel.

Referring to the UAE’s civilian nuclear programme, Foreign Minister Sheikh Abdullah told the UN General Assembly:

We are confident that this will provide an opportunity to make a positive change in the international arena. We hope that developing a peaceful nuclear energy model – which complies with the highest standards of transparency in operating the nuclear facilities and fulfills the highest requirements of nuclear safety and non-proliferation, in cooperation with the International Atomic Energy Agency (IAEA).
Agency and other responsible and experienced states – would chart a new course for a large group of countries for the safe use of nuclear energy, with international support. The UAE’s commitment not to enrich uranium and reprocess fuels locally is among the most salient features of this model. This is a model supported by enhanced international transparency and cooperation mechanisms. The policy supports the principles of the Nuclear Non-Proliferation Treaty and reflects the UAE’s position, which calls for making the Middle East and the Gulf a zone free of weapons of mass destruction, particularly nuclear weapons.

The UAE also signed a memorandum of cooperation with Japan to explore possibilities of developing peaceful nuclear energy. This follows similar agreements with the UK and France in the past.

The Board of Governors of the International Atomic Energy Agency (IAEA) approved the UAE’s ratification of the additional nuclear inspection measures known as the Additional Protocol, which ensures commitment to the NPT. During a visit to the UAE in January 2013, IAEA Director General Yukiya Amano expressed admiration for the progress being made. He said the UAE played a leading role among the nations which are developing nascent programmes, and expressed belief that these efforts would set a model for other nations willing to develop peaceful nuclear energy programmes.
Other International Partnerships

Another key area of UAE cooperation has been in the global fight against terrorism. While emphasising the need for a clear definition of terrorism, the UAE has also insisted that state-sponsored terror should not be tolerated. In the process, it has collaborated with countries that have been victims of terrorism through effective information exchange and discussing ways of alleviating social and economic deprivation, which could nurture terrorist recruitment. Further, international partnerships have intensified in the areas of money-laundering and human trafficking.

The UAE has also committed to forging new institutions that support international cooperation, including countering terrorism. In December 2012, Foreign Minister Sheikh Abdullah launched the Hedayah (Arabic for Guidance) Centre, the new name of the International Centre for Excellence in Countering Violent Extremism, in Abu Dhabi. ‘We are honoured to assume our role in coordinating international community efforts to get rid of threats posed by violent extremism through this centre,’ said Sheikh Abdullah.

The Hedayah Centre will forge a series of partnerships with credible institutions to carry out its activities, including the Geneva Centre for Security Policy, the Jakarta Centre for Law Enforcement Cooperation, the Jump Sports Academies in Abu Dhabi, the Mohammed bin Nayef Counselling and Care Centre in Saudi Arabia, the Organisation for Security and Co-operation in Europe, and Women without Borders.
Humanitarian Aid

Since the UAE was established in 1971, it has shown itself to be a generous donor of humanitarian assistance and of development aid for other countries both within the region and around the world. The philosophy behind this is two-fold: first, it is dictated by a belief that helping those in need is a primary duty; and second, that part of the country’s wealth from oil and gas should be devoted to assisting other countries and individuals that are less fortunate. According to the OECD, the UAE was the sixteenth largest donor in 2012, measured by the ratio of aid to the size of the economy, climbing from twenty-sixth place in 2010.

In recognition of the importance of such assistance, a new ministry was formed in March 2013 to coordinate all the development and humanitarian efforts undertaken by the UAE. The new Ministry of Development and International Cooperation, which incorporates the existing Office for the Coordination of Foreign Aid, is headed by Sheikha Lubna al Qasimi, who in recent years has also served as economy and foreign trade minister. Sheikha Lubna’s new task is to boost the role of the UAE as a major donor and a key player in global human development. This includes setting a general policy for UAE development and international aid, suggesting areas of priority development, evaluating the impact of UAE foreign aid programmes and coordinating with local and international organisations in the relief and humanitarian aid fields.

Assistance is provided through a range of instruments.
Much of the aid is delivered directly by the Government. For example, it spent Dh300 million on Mrajeeb Al Fhood, a camp the nation built for Syrian refugees in Jordan able to house 25,000 refugees. In total, the UAE has pledged more than Dh1.1 billion in aid to Syrian refugees. As part of its humanitarian aid policy, the UAE has contributed to building hospitals and townships as well as assisting in relief operations in Iraq, the Palestinian territories and Lebanon. In addition, the UAE has made major contributions, both directly and through regional agencies and international organisations, aimed at alleviating suffering in countries whose populations have been affected by natural disasters, conflict, epidemics of disease, illiteracy and poverty.

Besides assistance directly from Government, humanitarian assistance and development aid is also provided by a wide range of other organisations, such as the Abu Dhabi Fund for Development (ADFD), the Red Crescent Authority (RCA), the Zayed Foundation for Charitable and Humanitarian Aid, the Khalifa bin Zayed Charity Foundation, the Sheikha Fatima bin Mubarak Fund for Refugee Women, the Mohammed bin Rashid Al Maktoum Charity and Humanitarian Establishment, Dubai Cares and the Sharjah Charity Association and Humanitarian Foundation. These have provided billions of dollars to support disaster- and drought-striken areas as well as for development projects. In addition, a number of private humanitarian efforts have also been undertaken.

One of the leading development grant agencies is the ADFD, which was established in 1971 to extend assistance to Arab, Islamic and friendly developing countries facing difficulties, challenges and economic development problems. The main activity of the Fund is to provide economic assistance in the form of loans on concessionary terms, grants or contributions to project capital. The Fund particularly strives to help achieve sustainable economic growth and reduce poverty by providing financial aid, forging partnerships in the public and private sectors, and adopting international best practices to ensure aid effectiveness. In 2012, a large number of projects focused on supporting infrastructure in low-income African countries.

Since its foundation, the ADFD has provided more than Dh14.9 billion to 325 projects in 59 beneficiary countries. Total loans, grants and investments, including those extended by the Abu Dhabi government but managed by the ADFD, amount to Dh35.3 billion.
The RCA, established in 1983, continues to give impetus to humanitarian efforts under the stewardship of HH Sheikh Hamdan bin Zayed Al Nahyan, the Ruler’s Representative in Abu Dhabi’s Al Gharbia (Western) Region. The RCA has funded and implemented hundreds of charity projects in countries throughout Africa and Asia, apart from a number of projects to help the Palestinian people. Some of its most effective activities include providing drinking water in countries hit by drought and desertification, as well as equipping hospitals in remote areas of underprivileged countries and distributing relief material for flood victims. It has also offered assistance to other countries affected by natural disasters, including the United States, following the devastating Hurricane Katrina in 2005. These efforts have given the RCA the distinction of being one of the top ten member organisations of the International Committee of the Red Cross in terms of the amount of relief assistance provided.

Providing aid for Palestinians is a particular focus for the RCA, which has offered a total of Dh900 million to fund humanitarian, health and educational projects in Palestine. The RCA responded to the appeal of the UN Relief and Works Agency (UNRWA) to support Palestinian refugees caught up in the conflict in Syria, donating US$500,000 in 2013 for food and hygiene kits for displaced Palestinian refugees. UNRWA commissioner-general Filippo Grandi said: ‘We are grateful to our consistent partner, the UAE Red Crescent Authority, for this donation. It will be of very direct benefit to Palestinian refugees caught up in the Syrian maelstrom. We calculate that about half of the more than 500,000 Palestinians in Syria have had to move from their houses. That is a frightening statistic.’

In April 2013, the Higher Committee of Foreign Aid at the RCA allocated Dh4 million to carry out development projects in a number of countries, including Palestine, Yemen, Somalia, Sudan, Jordan, Pakistan, Senegal, Bosnia, Uganda, Benin, Thailand and Chad, in addition to Ghana, Lebanon, Libya and Mauritania. The assistance will cover health, education and social services sectors in addition to the provision of water supplies in areas of shortage.

Key charitable initiatives in Dubai include the Mohammed bin Rashid Charity and Humanitarian Establishment, which began its work in 1997, Dubai Cares, established in 2007, and Noor Dubai, set up in 2008. The former has provided assistance to over twenty five countries, in the Middle East, southeastern Europe, Africa, Asia and the Caribbean, with a focus on emergency relief aid and on helping communities shattered by natural disasters to rebuild their infrastructure.

Dubai Cares, also set up by HH Sheikh Mohammed bin Rashid Al Maktoum, has a focus specifically on working to
improve children’s access to primary education and is part of the UAE’s commitment to reach the Millennium Development Goals of the United Nations by 2015 to guarantee universal primary education and to promote gender equality. In partnership with over 40 governmental, corporate and individual donors in the UAE and also numerous international aid agencies and other non-governmental agencies, Dubai Cares has now reached more than 7 million children in 28 developing countries.

Noor Dubai also has a specific focus – that of working to prevent and treat blindness, and of promoting educational programmes relating to protection of eyesight, particularly in developing countries. Since it was established, its teams of doctors, working in collaboration with the World Health Organisation and other bodies, have carried out screening operations and operations in much of Africa and Asia, as well as in the Middle East. By mid-2013, it is estimated that its activities had cumulatively helped over 6 million people.

The UAE Government also participates in a number of other multilateral aid-giving institutions, including the International Development Agency, the OPEC Fund for International Development, the Arab Gulf Fund for the United Nations, the Arab Bank for Economic Development in Africa, the Abu Dhabi-based Arab Monetary Fund and the Islamic Development Bank. In recent years, however, the emphasis has been on humanitarian assistance for those affected by natural disasters, conflict and poverty.

Overall, during the last three-and-a-half decades, the UAE has contributed more than Dh255 billion in loans, grants and assistance for development projects in nearly 100 countries around the world, as well as support for the programmes of international agencies such as the International Monetary Fund, the World Bank and specialised agencies of the United Nations.
3 Economy

Economic Drivers
Economic Trends
Government Spending
Trade
Banking and Finance
Key Sectors
Since the UAE was established in 1971, its economy has grown 200-fold, developing into a modern and open economy. Totalling close to US$375 billion, it is now the second biggest economy in the Arab world, after Saudi Arabia, and accounts for more than a quarter of the gross domestic product (GDP) of the Gulf Cooperation Council (GCC), and nearly 14 per cent of the combined GDP of the countries in the Middle East/North Africa region.

The pace of growth has quickened over the past year, with GDP showing a healthy rise of 4.4 per cent in 2012, following 3.9 per cent in 2011. One of the most important factors is the role played by high and stable oil prices, but early and continuing diversification efforts have paved the way for strong growth momentum in the non-hydrocarbon economy too, backed primarily by solid performances in trade, financial services, tourism, real estate, logistics and manufacturing. Through high public spending and a steady increase in private-sector investment across the seven emirates, the UAE has been well positioned to absorb the shockwaves from the global economic slowdown and regional turmoil. In 2013, non-hydrocarbon growth continues to pick up, while oil and gas growth is slowing slightly, as oil prices trend slightly lower.

**Real GDP change %**

![Real GDP change chart](source: National Bureau of Statistics)
Economic Drivers

The energy sector is the foundation of the UAE’s wealth and also a key source of revenues to finance continuing economic diversification. The country has the world’s seventh-largest proven reserves of both crude oil and natural gas, according to the BP Statistical Survey of World Energy 2012. Oil and gas accounted for 42 per cent of the UAE’s GDP in 2012, with Abu Dhabi holding the overwhelming majority of the country’s reserves (well over 90 per cent) and its world-class oil and gas companies investing heavily in increasing output. In 2012, a 5 per cent rise in crude production along with elevated oil prices provided a timely boost to public revenues amid the ongoing efforts to ensure sustainable growth, despite the global slowdown.

The UAE is also pursuing groundbreaking renewable energy and energy efficiency programmes as part of government policy to build the foundations for a future that is less reliant on hydrocarbons. The Abu Dhabi Government has committed to produce at least 7 per cent of electricity from renewable sources of energy by 2020.

Industrial development is playing an increasingly vital role in driving UAE economic expansion and diversification, accounting for 16 per cent of GDP. The main pillars of UAE industry are petrochemicals, aluminium and steel, but the automotive sector, chemicals, cement, electrical machinery, power equipment and food processing continued to gain momentum in 2012, as partnerships with foreign enterprises and joint ventures allowed industrial and manufacturing companies to benefit from the most up-to-date technologies. There has also been strong growth in biotechnology, pharmaceuticals, telecommunications equipment, and aerospace and healthcare equipment.

Tourism remains a key driver of economic growth in the UAE and sits at the heart of all seven emirates’ diversification plans. Over the past decade, the industry has contributed to and
benefited from the rise of other high-growth sectors in the economy, such as retail and aviation. Taking into account direct, indirect and induced impacts, Dh193.6 billion (US$53 billion) or 14 per cent of the UAE’s GDP came from the tourism industry in 2012, a figure that is expected to rise in coming years.

Tourism provides one in nine jobs in the country, which beats the global average of one in 11 jobs. The industry grew by 14 per cent in the UAE in 2012, faster than the world average of 9 per cent. The UAE aims to increase tourism arrivals from around 15 million in 2012 to 26 million over the next ten years.

Driven mainly by rising trade and tourism activity, the UAE has also taken great strides towards becoming a regional hub for transport and logistics, and for the global travel industry. The country is currently constructing and expanding several port and airport facilities, as well as roads and a nationwide rail network. The aviation industry alone contributes about 15 per cent to the UAE’s GDP (and as much as 28 per cent in Dubai). With Dubai International, the country boasts the world’s tenth busiest airport for international passenger traffic and the sixth busiest cargo airport. The UAE has over 20 ports, including state-of-the-art oil terminals and world-class industrial ports and container-handling. Its newest port, Khalifa Port Container Terminal, opened at Taweela, northeast of Abu Dhabi City, in 2012, giving the emirate one of the largest and most modern maritime cargo handling facilities in the region. Fujairah is also developing fast as an oil transport and storage hub.
The UAE real estate and construction sector is showing strong signs of recovery after the property slowdown caused by the global financial crisis in 2009. According to 2011 statistics, the sector accounts for around 10 per cent of UAE GDP. The country’s economic and political stability has seen it emerge as a safe haven for international investors during regional turmoil in recent years, a trend that has played an important part in keeping the real estate sector on track. The Abu Dhabi Government is focusing on a number of significant new infrastructure developments, while several major real estate developments are nearing completion, which has contributed to a steady supply of new units into the formerly under-supplied market. Dubai has seen a pronounced improvement in conditions, with market confidence returning, occupancy rates on the rise and hotel and retail segments benefiting from an upswing in tourist numbers. Meanwhile, similar positive news emerged from other emirates in the UAE. Thus Ajman, the smallest emirate, saw the total value of property transactions increase by 50 per cent to Dh300 million between 2011 and early 2013. Rising interest from GCC investors and Dubai’s comeback have played a large role in the continued buoyancy of the UAE’s overall real estate sector. The market, which was estimated at US$39 billion in 2012, is expected to register a compound annual growth rate of around 9.5 per cent during 2012-16, outpacing the majority of developed nations around the world.

The banking and finance industry has maintained its position as one of the leading contributors to the economy, at around 7 per cent of total GDP. UAE banks witnessed 8 per cent growth in total assets to Dh1.8 trillion (US$490 billion) in 2012, enabling the banking sector to remain the Arab region’s largest in terms of assets. Banks in the UAE continue to achieve comfortable liquidity levels, strong capital bases and a high capital adequacy ratio. In June 2013, the UAE market was upgraded from ‘frontier’ to ‘emerging market’ status by Morgan Stanley Capital International, which classifies 77 markets worldwide. The shift, which comes into effect in May 2014, opens up new sources of longer-term capital for the UAE.
Economic Trends

Amid continued uncertainty in regional and global markets, the UAE has upheld its commitment to economic liberalisation, the diversification agenda and enhancements in the role of the private sector. With both the hydrocarbon and non-oil economy performing well, growth has been spread across the whole country. Buoyed by high oil prices, the country bucked downward international trends to grow 4.4 per cent in 2012 while keeping inflation and its public finances in check. In 2013, growth of over 3.5 per cent is expected as lower hydrocarbon prices are offset by strong investment.
Seven-Emirate Economy

**Abu Dhabi**
The energy-rich capital accounts for well over 60 per cent of UAE economic output and in 2012 saw GDP grow by an estimated 3.9 per cent. The population of the Emirate of Abu Dhabi in 2013, as a whole, is just over 2.5 million, with annual growth of over 8 per cent, one of the highest rates in the world. Abu Dhabi has diversified into cultural tourism, aviation, manufacturing, media, healthcare, financial services and renewable energy.

**Dubai**
Dubai, which accounts for around 30 per cent of the UAE economy with a population in 2012 of 2.1 million, has positioned itself in recent years as a regional hub for trade, transport and logistics, retail, tourism and banking. These key pillars have shown resilience since the financial crisis, with overall GDP growing by approximately 4.5 per cent in 2012. Oil and gas represent only 2 per cent of the economy.
Sharjah
The UAE’s third-biggest emirate, with a population in 2009 according to the National Bureau of Statistics of 1.01 million, has built up a solid manufacturing sector and is now focusing on developing green business and sustainable tourism. Driven by Shurooq, the emirate’s investment body, Sharjah accounted for some 5 per cent of the UAE’s output and 8 per cent of total non-oil GDP in 2012.

Ra’s al-Khaimah
With a prudent fiscal policy and expansion to the industrial, financial services and aviation sectors, Ra’s al-Khaimah has developed well in recent years. According to latest government figures, the economy is estimated to have grown by 8 per cent in 2012, while the population in 2009 according to the National Bureau of Statistics was 241,000.

Fujairah
Its strategic coastline location on the Gulf of Oman, outside the Straits of Hormuz, means Fujairah is emerging as a major oil and chemical storage and products trading hub. With a population in 2009 according to the National Bureau of Statistics of 152,000, it now ranks as the second largest bunkering port in the world. An oil pipeline from Abu Dhabi was opened in 2012 and a second refinery is under construction, along with a liquified natural gas terminal.

Ajman
Ajman is the smallest emirate in size, despite a population in 2009 according to the National Bureau of Statistics of 250,000. It has invested steadily in its ports, roads, transport sector and industrial zones. The government has implemented policies to encourage foreign capital inflows, including 100 per cent freehold ownership of real estate for international investors.

Umm al-Qaiwain
Traditionally reliant on industries such as cement, pharmaceuticals and glass, the emirate’s GDP makes up around 1 per cent of the UAE’s economy, with a population in 2009 according to the National Bureau of Statistics of 56,000. Its recent diversification efforts include plans to develop a sophisticated ecotourism industry around its natural beauty and historical sites.
Government Spending

Government investment was key for growth in 2012 and will remain important, not least in Abu Dhabi, where a new Dh330 billion four-year investment programme was announced in January 2013. The focus is on upgrading physical infrastructure and social facilities in line with world standards. Much of this investment is directed towards the construction of residential, educational and health facilities and the improvement of transport infrastructure. In the smaller emirates, too, there is a significant federal investment programme under way, designed primarily to modernise and expand power and water supply.

While spending increased, the UAE targeted a prudent approach to fiscal policy that saw growth in expenditure slow to 6.9 per cent, from 11.9 per cent a year earlier. After the rapid increase in 2011, the Government embarked on a phase of fiscal adjustment, aiming to unwind the stimulus seen during recent years and to ensure that the budget can break even at a time of lower oil prices, without hindering economic recovery.

Government revenues increased by 9.1 per cent in 2012 and accounted for almost 36 per cent of GDP. Though growing, the expansion rate was down from over 40 per cent in the previous year when both federal and local investment programmes were introduced to shore up economic growth in the face of the global slowdown. As a result, despite high levels of investment, the country’s fiscal surplus grew by 14 per cent in 2012. Hydrocarbons, which account for almost 80 per cent of total...
government revenues, witnessed a weaker momentum than in 2011, with revenues increasing by 10.1 per cent in 2012, compared with 54.2 per cent in the previous year as prices and production levels remained relatively stable. Revenues generated by non-hydrocarbon activities – primarily trade, tourism, logistics and manufacturing – now account for around 20 per cent of total federal and local fiscal revenues, having shown an increase of 9.4 per cent in 2012, following a drop of 1.3 per cent in 2011.

Overall, growth in government receipts outpaced that of spending in 2012, sustaining a positive balance for the third consecutive year at 12 per cent of GDP, compared with surpluses of 11.2 per cent in 2011 and 4.3 per cent in 2010. Both federal and local governments played a big role in the return of strong growth, especially through increasing investments in infrastructure projects, such as Abu Dhabi’s Khalifa Port, which was officially inaugurated in December 2012, a new Dubai airport building designed for the 380 Airbus, the new Union Railway and new power generating stations, including nuclear power and water desalination plants (see Chapter 4 Infrastructure).

### Inflation and Interest Rates

The UAE’s annual rate of inflation in 2012 eased to 0.7 per cent, compared with 0.9 per cent in the previous year, with monetary conditions in the country marked by sustained growth in the Central Bank’s foreign assets, amid rising oil prices and a moderate expansion in the money supply. Inflation in 2012 was driven by increases in the costs of food, education and health care, while declines were recorded for alcohol and tobacco, housing, and other durable goods and services.

<table>
<thead>
<tr>
<th>Category</th>
<th>Inflation Rate (2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol and tobacco</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Food &amp; beverages</td>
<td>0.7%</td>
</tr>
<tr>
<td>Education</td>
<td>0.5%</td>
</tr>
<tr>
<td>Hotels &amp; restaurants</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Clothing &amp; Footwear</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Household Goods &amp; Services</td>
<td>0.2%</td>
</tr>
<tr>
<td>Goods and other services</td>
<td>0.3%</td>
</tr>
<tr>
<td>Medical care</td>
<td>0.4%</td>
</tr>
<tr>
<td>Transport</td>
<td>0.8%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>0.3%</td>
</tr>
<tr>
<td>Communications</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Housing, Water, Electricity &amp; Fuels</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

**Total Index**: 0.7% growth in 2012

Source: National Bureau of Statistics
tion remains stable in 2013. The consumer price index (CPI), an inflation indicator that measures the changes in the costs of a fixed basket of products and services, saw a fall of 2.6 per cent in housing and utility costs, its largest contributing segment, while food prices, which account for around 14 per cent of the index and are historically a large source of inflationary pressure, increased by more than 5 per cent on an annual basis.

Dubai’s consumer prices fell by 1.7 per cent in 2012, the first full-year deflation since 2007, after a rise of 0.5 per cent in 2011. In December, prices fell by 1.9 per cent year-on-year owing to a 6.5 per cent drop in housing and utilities costs, which account for almost 44 per cent of consumer expenses. Meanwhile, Abu Dhabi registered an overall rise of 1.1 per cent in consumer prices during 2012, while Sharjah, Fujairah and Ajman all saw price rises of more than 3 per cent.

A low global interest rate environment and subdued inflation in the domestic markets meant that the UAE’s monetary policy remained relatively loose under the fixed exchange-rate regime. The UAE dirham has been pegged to the US dollar since November 1997. Since oil prices are denominated in US dollars, this allows for greater convenience in oil transactions, as well as helping the UAE to benefit from the US’s financial stability, keeping the dirham stable. The benchmark interest rate remained at just 1 per cent throughout 2012, partly as a result of the influx of foreign funds. Interest rates, set by the Central Bank of the UAE, have averaged 1.38 per cent from 2007 to 2012, having reached an all-time high of 4.75 per cent in November 2007.
Trade

UAE trade activity grew solidly in 2012, with both imports and exports rising. The net expansion was partly down to sustained higher oil prices and partly to diversification efforts by the Government. But the UAE proved itself resilient to any negative impact from regional unrest. In total, exports climbed by 7.4 per cent to US$302 billion over 2012, while imports grew by 9 per cent to US$220 billion. Non-oil foreign trade witnessed estimated growth in 2012 of 15 per cent.

The UAE’s performance is in direct contrast to patterns of
Revenues from the oil and gas sector made up around 42% of overall export revenues, compared with 32 per cent a year earlier.

Growth in world trade, which fell by 2 per cent in 2012, from its recovery in 2011. The UAE successfully avoided the impact of the abrupt deceleration of global trade that was caused by slow growth in many developed economies and recurring bouts of uncertainty over the future of the euro zone. That was in large part due to Abu Dhabi’s energy credentials. Revenues from the oil and gas sector made up around 42 per cent of overall export revenues, compared with 32 per cent a year earlier. Crude oil exports grew in value by 40.6 per cent in 2012, following an increase of 50.8 per cent in 2011. Statistics are not yet available for liquid natural gas exports in 2012.

### Foreign Trade

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td><strong>Total exports</strong></td>
<td>178,606.04</td>
<td>239,179.96</td>
<td>191,776.20</td>
<td>213,509.94</td>
<td>281,601.69</td>
</tr>
<tr>
<td>% change</td>
<td>22.7</td>
<td>33.9</td>
<td>-19.8</td>
<td>11.3</td>
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<tr>
<td><strong>Oil &amp; gas exports</strong></td>
<td>73,816.50</td>
<td>102,073.24</td>
<td>67,866.32</td>
<td>74,628.10</td>
<td>111,591.61</td>
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<tr>
<td>Crude oil</td>
<td>61,161.72</td>
<td>85,416.55</td>
<td>54,117.34</td>
<td>60,080.86</td>
<td>90,628.64</td>
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<tr>
<td>Refined products</td>
<td>4,895.45</td>
<td>6,016.88</td>
<td>5,445.14</td>
<td>6,679.01</td>
<td>8,929.21</td>
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<tr>
<td>Gas</td>
<td>7,759.32</td>
<td>10,639.80</td>
<td>8,303.84</td>
<td>7,868.23</td>
<td>12,033.76</td>
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<tr>
<td><strong>Non-oil exports</strong></td>
<td>34,241.22</td>
<td>42,965.97</td>
<td>43,963.79</td>
<td>51,003.27</td>
<td>62,061.80</td>
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<tr>
<td><strong>Re-exports</strong></td>
<td>70,548.33</td>
<td>94,140.76</td>
<td>79,946.09</td>
<td>87,878.57</td>
<td>107,948.27</td>
</tr>
<tr>
<td><strong>Total imports</strong></td>
<td>150,102.9</td>
<td>200,299.8</td>
<td>170,098.2</td>
<td>186,975.8</td>
<td>229,677.4</td>
</tr>
<tr>
<td>% change</td>
<td>50.0</td>
<td>33.4</td>
<td>-15.1</td>
<td>9.9</td>
<td>22.8</td>
</tr>
</tbody>
</table>

Source: National Bureau of Statistics
although these have been expanding, along with capacity.

Dubai’s booming gold trade played a role too. The emirate is a long-established market for gold bullion, both in the wholesale and the retail jewellery segment, with trade fuelled by strong demand from the Arab world and from India, the world’s top gold market. Total trade is estimated to have exceeded US$70 billion in 2012, hitting record highs as more of the precious metal was exchanged and stored in Dubai, although most is for re-export.

The UAE’s healthy trade surplus reached a historical high of US$82 billion in 2012. In terms of share of GDP, the trade balance narrowed slightly, as imports grew faster than exports. It now accounts for a still-large 21 per cent of GDP, compared with a share of 23 per cent in 2011.

In 2012 the UAE’s healthy trade surplus reached a historical high of

US$82 bn

Trade and Current Account Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports as % of imports</th>
<th>Current account as % GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>150</td>
<td>10</td>
</tr>
<tr>
<td>2006</td>
<td>150</td>
<td>20</td>
</tr>
<tr>
<td>2007</td>
<td>100</td>
<td>15</td>
</tr>
<tr>
<td>2008</td>
<td>75</td>
<td>10</td>
</tr>
<tr>
<td>2009</td>
<td>60</td>
<td>5</td>
</tr>
<tr>
<td>2010</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>2011</td>
<td>45</td>
<td>10</td>
</tr>
<tr>
<td>2012*</td>
<td>60</td>
<td>15</td>
</tr>
</tbody>
</table>

* Estimate Source: IMF
Exports, Imports and Re-Exports

The UAE became the world’s twentieth biggest exporter in merchandise trade in 2011, according to the latest analysis by the World Trade Organisation. The country accounts for 1.6 per cent of total world exports. It was the twenty-fifth largest importer, with a share of 1.1 per cent. Although the UAE is becoming less dependent on natural resources for its overall revenue, petroleum and natural gas exports still play a major role in the economy and its trade balance. Within the non-hydrocarbon sector, machinery and transport equipment, chemicals and food are some of the primary traded commodities.

Dubai handles almost 80 per cent of the UAE’s imports, exports and re-exports. It hosts the Middle East’s biggest port in Jebel Ali and the largest airport. With the exception of oil, gas and petrochemicals, the primary export centres in the UAE are free zones that provide logistical, administrative and financial advantages for exporting or re-exporting companies.
Total 2012 trade in the free zones reached almost Dh13 billion (US$3.5 billion) in the first nine months, including Dh6.2 billion in imports, Dh1 billion in exports and Dh5.5 billion in re-exports.

India is the UAE’s largest trading partner, accounting for almost one-quarter of total trade, followed by China. Meanwhile the US declared that the UAE was its largest trading partner among Arab and Middle Eastern countries in 2012 for the fourth year in a row. US exports to the UAE reached US$23 billion in 2012, a 40 per cent increase over 2011. The UAE’s five largest export partners are Japan, India, South Korea, Thailand and Singapore, while the largest import partners are India, China, the US, Germany and Japan. Primary exports are crude oil, natural gas and re-exports. Primary imports are machinery and transport equipment, chemicals and food.

The UAE is the world’s third-largest re-export market (trailing only Hong Kong and Singapore) and trades with more than 220 countries. Re-export involves importing merchandise of
foreign origin into the country and shipping it to another destination in the same condition in which it was imported, or after reprocessing inside the country. The UAE’s unique geographical location between East and West has meant that re-exporting was always a key activity; it remains essential to the growth of the UAE economy and a key driver to connecting it with the fast-growing emerging economies of Asia. In addition, the country offers world-class logistics and infrastructure facilities.

UAE re-exports to foreign markets stood at Dh153 billion (US$42 billion) in the first nine months of 2012, compared with Dh161 billion during the same period a year earlier. The decline was the result of a significant fall in re-exports to Iran due to international sanctions. Diamonds, gold and jewellery are the major re-exports followed by plastics, cars, phones (including mobiles or other wireless networks) and fibreglass. Almost half of the UAE’s food imports are re-exported to the GCC and other countries in the Middle East and Africa.

The rising influence of the Asia-Pacific region meant that it was the largest of the re-exporting commercial partner regions of the UAE. According to HSBC Bank, China now represents 10 per cent of total UAE non-oil trade, while some 60 per cent of China’s total exports pass through the UAE, from where they are re-exported to Africa and Europe. That makes the UAE a crucial partner for China and one of the greatest beneficiaries of its rise. Even the UAE’s largest trading partner, India, relies on the Emirates for a significant portion of its Chinese imports. The UAE’s total trade with China was worth over US$40 billion in 2012.

Free-Trade Agreements

Trade openness, driven by a network of free-trade agreements (FTAs), has proved vital to the economic growth of the UAE. FTAs promote intra-regional trade and facilitate the ease of doing global business, while creating new job opportunities and opening the door to the exchange of skills and technology.

The UAE is a member of the GCC Customs Union, which has a common customs law and a common external tariff, although there are exceptions on a country-by-country basis. The other member states are Bahrain, Kuwait, Oman, Qatar and Saudi Arabia. Trade between them is generally duty-free, and in respect of goods imported from a non-member state, customs duties are levied on the first entry of these goods into the customs union.
The UAE accounted for one-third of the GCC’s US$1 trillion of exports in 2012. Among the UAE’s trade partners in the GCC, Saudi Arabia was most important, accounting for 34 per cent of UAE-GCC trade, followed by Oman with 24 per cent, Kuwait with 20 per cent, and Bahrain and Qatar with around 11 per cent each.

The UAE concluded FTAs with Singapore and the ASEAN Free Trade Area (AFTA) in 2008 and 2009 respectively, and is now cooperating with the GCC’s negotiating team to conclude other free-trade agreements with the EU, Japan, China, India, Pakistan, Turkey, Australia, South Korea and the Mercosur bloc, comprising Brazil, Argentina, Uruguay and Paraguay. All these agreements are aimed at improving wider trade and economic cooperation based on equality and mutual benefits and in accordance with the laws prevailing in each country. In 2011, as part of its Economic Vision 2030, the Abu Dhabi Government formed an Advisory Committee on FTAs to help identify opportunities for its strategic goods that can be exported to international markets.

The UAE is a member of the Greater Arab Free Trade Area (GAFTA), an agreement signed in 1998 that provides for the duty-free trade of limited goods between the 17 Arab countries that are signatories to the agreement.

The UAE has also entered into many agreements on the protection and promotion of investment and the prevention of double taxation, to facilitate an attractive investment climate and foster foreign trade in non-oil commodities. It signed double taxation agreements in 2012 with Japan and Latvia and, in 2013, started negotiations with India over an investment protection agreement.

Inward FDI

The UAE has excellent conditions for foreign direct investment (FDI) and investors, both regional and international, have sought opportunities to place capital in the country as it earned a reputation as a safe haven. According to the office of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, a total of US$8.1 billion of international investment flowed into the economy in 2012, following US$7.9 billion in 2011 and US$5.5 billion in 2010, according to the United Nations Conference on Trade and Development (UNCTAD).

Historically, the UAE has been the most important destination for FDI projects in the Middle East for West European and North American companies. The UAE alone attracted 44 per cent of projects, 20 per cent of FDI by value and 31 per cent of jobs created by investors between 2003 and 2011, according
to Ernst & Young’s *Shifting Perspectives 2012* report. The UAE, Saudi Arabia and Qatar have been a particularly attractive trio within the GCC, taking 65 per cent of investment projects, 52 per cent of FDI by value and 51 per cent of total jobs created.

The UAE was instrumental in ensuring that the Middle East and Africa region performed better than the world average in 2012. The fastest growth was recorded in transportation, warehousing and storage; information and communications technology (ICT); engines, turbines and industrial machinery; and in the real estate and tourism sector.

The UAE’s attractiveness as an FDI destination stems from many factors including a world-class infrastructure, a politically stable economy and an expatriate-friendly culture. Abu Dhabi and Dubai remained the leading emirates in terms of attracting FDI in 2012, although there have been noticeable gains posted by the smaller emirates during this period.

Abu Dhabi has focused on attracting FDI that brings expertise, technology and experience to improve production methods and enhance infrastructure rather than on the volume of money flowing into the emirate. The Abu Dhabi Economic Vision 2030 aims to transform Abu Dhabi’s economy from oil-based to knowledge-based by attracting foreign direct investment and encouraging the country’s private sector to take the lead as the primary force driving the economy. The emirate currently accounts for around one-quarter of total foreign investment in the UAE, or approximately US$1.9 billion, according to the latest estimates for 2012. The leading sectors attracting outside investment were oil and gas field machinery and services, power and water, IT, medical equipment, telecommunications and franchising.

Dubai attracted the lion’s share of investment, with investors drawn to its well-integrated multi-modal logistics platform and quick connections to 2.2 billion consumers across the Middle East, North Africa and South Asia. Between January and June 2012 (the latest reliable data) a total of 115 FDI projects were recorded in Dubai, equivalent to a 1.5 per cent share of global FDI. These projects represented a total capital investment of US$4.5 billion and a total of 9678 jobs.

Out of a total of 24 sectors, business services accounted for 20.9 per cent of FDI projects in Dubai during the first half of 2012, with the real estate sector emerging as a key driver. Other primary destinations for substantial investment in Dubai included leisure
Outward FDI

The Middle East and Africa was the only region to increase its volume of outbound FDI in 2012, according to UNCTAD, with UAE enterprises leading the way by increasing their outward FDI flows by 26 per cent. The country’s market share of outward FDI from the Middle East and Africa increased to 34 per cent, with 220 projects recorded in 2012, compared with 174 projects in 2011. Overall, the region’s outward FDI grew by 9 per cent last year, driven by growth in overseas FDI from the UAE, South Africa and Saudi Arabia. The key driver has been growth in intra-regional FDI in the Middle East.

In total, the UAE has pumped over US$55 billion into foreign markets over the past three decades to emerge as the largest Arab capital exporter, accounting for around one-third of Arab capital flows. The highest FDI outflows from the UAE were during 2006-08, when they totalled nearly US$41 billion, according to UNCTAD. The outflow slowed in the following years to reach an average of US$2 billion per year, although figures are not yet available for 2012.

Sharjah’s success in attracting FDI into environmental sectors in 2012 gained international acclaim, with Bee’ah being crowned as the Best Waste Management Company in the Middle East by the Facilities Management Middle East Awards in 2012. The Sharjah Government is keen to expand further into green business through attracting FDI into solar energy generation plants and water desalination projects. Manufacturing accounts for the largest sector of the emirate’s economy at 19 per cent, but there are emerging opportunities for prospective investors in services, for instance in the ecotourism industry and the growing telecoms sector.

According to a ranking of cities by fdi intelligence, part of the Financial Times, in January 2013, Dubai is the Middle East’s top FDI location by far with 1300 foreign-owned companies, five times more than any other city in the region, and top listings for infrastructure and economic potential. The UAE’s smaller emirates are, however, climbing up the ranking, with Ajman and Fujairah taking the first and second slots for cost-effectiveness. Sharjah is in seventh place, followed by Ra’s al-Khaimah.

Abu Dhabi Investment Authority is one of the largest sovereign wealth funds in the world.
China and India have become new favoured destinations for Arab investors, although South-east Asian countries have also offered distinctive and profitable investment markets, featuring high demand and relatively low labour costs in recent years. The country has also made significant investments into Europe, including the UK.

The UAE’s largest institutional investors, sovereign wealth funds, have been leading from the front. The Abu Dhabi Investment Authority (ADIA), which was established in 1976, is one of the largest sovereign wealth funds in the world, responsible for investing a significant portion of Abu Dhabi’s oil revenues. ADIA invests funds on behalf of the Government of Abu Dhabi to make available the necessary financial resources to secure and maintain the future welfare of the Emirate. Its investment decisions are based solely on its economic objective of delivering sustained long-term financial returns.

ADIA manages a diversified global investment portfolio across more than two dozen asset classes and sub-categories, including quoted equities, fixed income, real estate and infrastructure, private equity and alternatives. Since its inception, ADIA has built a strong reputation across global markets as a highly professional, trusted and responsible investor. According to ADIA’s latest portfolio overview, between 5 and 10 per cent of the fund is allocated to real estate investment, and between 55 and 85 per cent of the total fund portfolio is targeted at Europe and North America. In 2012, approximately 75 per cent of ADIA’s assets were managed by external fund managers, subject to careful oversight by internal ADIA teams, and approximately 55 per cent of ADIA’s assets were invested in index-replicating strategies.

The Abu Dhabi-based Mubadala Development Company made its biggest ever investment in Latin America in 2012 after announcing it would buy a US$2 billion stake in Brazil’s EBX Group. Mubadala, which also has stakes in General Electric and private equity firm Carlyle, has increasingly looked to emerging markets for faster growth.

Meanwhile, 2013 began with news that Dubai Holding, a conglomerate owned by the Ruler of Dubai, had bought a US$1 billion stake in DaimlerChrysler. The purchase makes Dubai Holding the third-biggest shareholder in the German-American auto manufacturer.

In early 2013, the Abu Dhabi National Energy Company (TAQA) announced a major investment in the Turkish power sector, potentially paving the way for investment in Turkey’s nuclear programme. The deal will see Abu Dhabi develop coal-fired power plants across Turkey at a cost of up to US$12 billion. The company has also been actively acquiring in the North Sea in recent years, buying up over US$1 billion in additional assets from BP in 2012.
Doing business in the UAE has never been easier. The UAE climbed the World Bank’s global rankings on the ease of doing business in 2013, improving its score by three places to 26, compared to an average for the Middle East and North Africa region of 98. The report, which assesses regulations affecting domestic firms in 183 economies around the world and across 10 categories, found in particular that the UAE had further streamlined the requirements for business start-ups, raising its rank 24 places to 22. Merging the requirements to file company documents between two governmental entities helped in this.

The UAE ranks first place in the world in the category of paying taxes, partly due to zero tax in some categories but also as a result of online payments for labour taxes and other fees. The country comes fifth globally and first regionally in the ease of cross-border trading.

### Ease of Doing Business Index (UAE results)

<table>
<thead>
<tr>
<th>Category</th>
<th>DB 2013 Rank</th>
<th>DB 2012 Rank</th>
<th>Change in Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a Business</td>
<td>22</td>
<td>46</td>
<td>24</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>13</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>7</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Registering Property</td>
<td>12</td>
<td>12</td>
<td>No change</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>83</td>
<td>80</td>
<td>-3</td>
</tr>
<tr>
<td>Protecting Investors</td>
<td>128</td>
<td>124</td>
<td>-4</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>1</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>5</td>
<td>5</td>
<td>No change</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>104</td>
<td>108</td>
<td>4</td>
</tr>
<tr>
<td>Resolving Insolvency</td>
<td>101</td>
<td>105</td>
<td>4</td>
</tr>
<tr>
<td>Overall ranking</td>
<td>26</td>
<td>33</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: World Bank
Banking and Finance

The UAE’s financial sector largely escaped the buffeting felt by international banks in 2012 in the wake of the euro-zone crisis. Indeed national banks performed better in 2012, with their net earnings increasing by around 11.4 per cent. There have been increases in bank assets and loans, prompt repayment of bonds and loans, and progress in key restructurings. However, the sector still faces a number of challenges, in particular an increase in non-performing loans in the banking sector.

Central Bank governor Sultan bin Nasser Al Suwaidi was reappointed for a further four-year term in July 2012, following his successful introduction of banking reforms and smooth handling of the fall-out from the global downturn. Financial regulators introduced various liquidity-orientated policies to boost recovery, as well as stabilising measures such as a mortgage loans cap, the monitoring of large exposure limits, and the establishment of the Al Etihad Credit Bureau.

The Central Bank issued its first-ever Financial Stability Review in September 2012, assessing the performance and prospects of the financial sector, based on 2011 data. The Review’s Executive Summary gave the following verdict on the country’s banks.

Banks operating in the UAE are well equipped to deal with major stress scenarios and contingencies. Banks’ high capital adequacy levels, together with robust provisioning policies and high profitability, enhance their capability to cope with
## Bank Credit to Residents by Economic Activity (Dh million)

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2,391</td>
<td>642</td>
<td>712</td>
<td>1,221</td>
<td>2,055</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>11,853</td>
<td>6,729</td>
<td>6,717</td>
<td>27,905</td>
<td>21,961</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>45,668</td>
<td>44,192</td>
<td>45,897</td>
<td>45,319</td>
<td>46,165</td>
</tr>
<tr>
<td>Food, beverages and tobacco</td>
<td>5,170</td>
<td>4,550</td>
<td>3,440</td>
<td>3,209</td>
<td>3,472</td>
</tr>
<tr>
<td>Textile and leather products</td>
<td>955</td>
<td>959</td>
<td>909</td>
<td>889</td>
<td>806</td>
</tr>
<tr>
<td>Furniture and other wood products</td>
<td>1,324</td>
<td>1,189</td>
<td>1,397</td>
<td>1,211</td>
<td>1,298</td>
</tr>
<tr>
<td>Paper and paper products</td>
<td>823</td>
<td>564</td>
<td>624</td>
<td>598</td>
<td>642</td>
</tr>
<tr>
<td>Chemicals and chemical products, petroleum and petrochemicals</td>
<td>6,265</td>
<td>5,925</td>
<td>6,188</td>
<td>5,119</td>
<td>6,180</td>
</tr>
<tr>
<td>Basic metal products (including aluminium)</td>
<td>8,139</td>
<td>10,580</td>
<td>13,492</td>
<td>13,709</td>
<td>12,185</td>
</tr>
<tr>
<td>Fabricated metal products, machinery and equipment</td>
<td>3,386</td>
<td>2,581</td>
<td>2,442</td>
<td>2,750</td>
<td>3,576</td>
</tr>
<tr>
<td>Other manufactured products</td>
<td>19,608</td>
<td>17,844</td>
<td>17,405</td>
<td>17,834</td>
<td>18,006</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>20,250</td>
<td>24,886</td>
<td>23,742</td>
<td>22,198</td>
<td>19,538</td>
</tr>
<tr>
<td>Construction</td>
<td>119,251</td>
<td>126,010</td>
<td>122,683</td>
<td>116,066</td>
<td>129,188</td>
</tr>
<tr>
<td>Trade</td>
<td>124,243</td>
<td>100,489</td>
<td>97,087</td>
<td>105,420</td>
<td>106,213</td>
</tr>
<tr>
<td>Wholesale</td>
<td>75,510</td>
<td>63,053</td>
<td>63,347</td>
<td>74,792</td>
<td>75,933</td>
</tr>
<tr>
<td>Retail</td>
<td>48,733</td>
<td>37,436</td>
<td>33,740</td>
<td>30,628</td>
<td>30,280</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>25,039</td>
<td>27,523</td>
<td>26,450</td>
<td>25,362</td>
<td>32,568</td>
</tr>
<tr>
<td>Financial institutions (excluding banks)</td>
<td>72,772</td>
<td>86,150</td>
<td>81,879</td>
<td>72,905</td>
<td>73,534</td>
</tr>
<tr>
<td>Government</td>
<td>72,260</td>
<td>91,873</td>
<td>99,982</td>
<td>102,390</td>
<td>121,334</td>
</tr>
<tr>
<td>Personal loans for business purposes</td>
<td>160,103</td>
<td>171,352</td>
<td>181,949</td>
<td>182,950</td>
<td>179,654</td>
</tr>
<tr>
<td>Personal loans for consumption purposes</td>
<td>67,039</td>
<td>66,561</td>
<td>65,172</td>
<td>69,141</td>
<td>81,199</td>
</tr>
<tr>
<td>All others*</td>
<td>203,516</td>
<td>212,181</td>
<td>219,837</td>
<td>222,029</td>
<td>212,850</td>
</tr>
<tr>
<td>Total</td>
<td>924,383</td>
<td>958,588</td>
<td>972,107</td>
<td>992,906</td>
<td>1,026,259</td>
</tr>
</tbody>
</table>

Source: Central Bank. Amount outstanding excluding inter-bank lending, net of provisions and interest in suspense

*Including Loans to Service Sector and Non-Profit Institutions
major global or domestic stress. Looking forward, the UAE banking system will continue to show a high level of resilience to future shocks owing to the following factors:

- A conservative and traditional banking model with a strong focus on the UAE
- Sound financial indicators
- Low dependence on overseas funding
- A capped real estate exposure
- A high loss-absorbing capability as demonstrated by stress testing

The biggest challenge is non-performing loans, and specific provisions for these continued to rise, amounting to Dh68 billion at the end of the year, up 23 per cent. The UAE banking system had a non-performing loan ratio of 7.2 per cent at the end of December 2011, the Central Bank noted in the review. The Central Bank argued that while NPLs were likely to increase in the short term as banks finalised major restructuring deals, the NPL ratio was expected to peak at around 8-9 per cent.

Credit issued to residents net of provisions and interest in suspense grew to Dh1.02 trillion in December 2012, a year-on-year increase of 3.4 per cent. This compared favourably with increases of 1.4 per cent and 2.1 per cent in 2010 and 2011 respectively, but was still significantly lower than the double-digit growth figures of 2008-9. Credit to the construction and government sectors increased by 11.3 per cent and 18.5 per cent.

### Banking Indicators (Dh billion)

<table>
<thead>
<tr>
<th></th>
<th>Dec-10</th>
<th>Dec-11</th>
<th>Dec-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bank Assets (net of provisions)*</td>
<td>1,605.6</td>
<td>1,662.1</td>
<td>1,791.6</td>
</tr>
<tr>
<td>Certificates of Deposit held by Banks</td>
<td>94.0</td>
<td>80.4</td>
<td>95.1</td>
</tr>
<tr>
<td>Bank Deposits</td>
<td>1,049.6</td>
<td>1,069.7</td>
<td>1,167.8</td>
</tr>
<tr>
<td>Resident Deposits</td>
<td>929.3</td>
<td>957.3</td>
<td>1,033.7</td>
</tr>
<tr>
<td>Non-Resident Deposits</td>
<td>120.3</td>
<td>112.4</td>
<td>134.1</td>
</tr>
<tr>
<td>Loans &amp; Advances: (net of provisions)*</td>
<td>1,031.3</td>
<td>1,071.0</td>
<td>1,099.1</td>
</tr>
<tr>
<td>of which: Personal Loans to Residents</td>
<td>247.1</td>
<td>252.1</td>
<td>260.9</td>
</tr>
<tr>
<td>Total Private Funds (Capital + Reserves)**</td>
<td>256.0</td>
<td>258.4</td>
<td>276.4</td>
</tr>
<tr>
<td>Specific Provisions for NPLs</td>
<td>44.3</td>
<td>55.3</td>
<td>67.9</td>
</tr>
<tr>
<td>General Provisions</td>
<td>12.5</td>
<td>16.3</td>
<td>17.5</td>
</tr>
<tr>
<td>Total Investments by Banks</td>
<td>124.2</td>
<td>143.0</td>
<td>155.2</td>
</tr>
<tr>
<td>Capital Adequacy Ratio (Tier 1 + Tier 2)</td>
<td>20.8%</td>
<td>20.8%</td>
<td>21.0%</td>
</tr>
</tbody>
</table>

Source: Central Bank
Data for Year 2012 are estimates subject to revision.
* Net of interest in suspense, specific provisions and general provisions
** Excluding current year profit
cent respectively in 2012. However, credit to the trade sector increased only marginally by 0.75 per cent, while personal loans for business purposes decreased by 1.8 per cent.

The Central Bank is currently in consultation with UAE banks over new risk-management measures. One set of guidelines is for loans to governments and government-related entities. The Central Bank wants new limits to be set at 100 per cent of the capital base for all lending by a bank to local governments of the Federation and their non-commercial entities, and 25 per cent to individual borrowers. Negotiations are ongoing about the timing for complying with this rule.

The other area of discussion is liquidity requirements, with the ultimate aim of ensuring that banks have efficient and effective measures in place for liquidity risk management and governance, and are well prepared to implement the requirements of Basel III, which establishes voluntary standards for capital adequacy, stress tests and market liquidity risk for banks around the world. Proposals on the table include new provisions requiring banks to hold 10 per cent of their liabilities in 'high quality liquid assets', including cash, certificates of deposit and highly-rated local government bonds, in preparation for a more complex liquidity coverage ratio (LCR) as mandated by Basel III from 2015, according to the Central Bank.

In addition to the Central Bank guidelines, Abu Dhabi issued new rules on the organisation of public debt in Abu Dhabi, which set out a new framework for the provision of Abu Dhabi government guarantees and established a public debt committee to bolster the emirate’s public debt office, which was formally set up in 2009.
Equities Markets

The UAE was upgraded from ‘frontier’ to ‘emerging market’ status by Morgan Stanley Capital International in June 2013, joining countries such as China, Brazil and Turkey and opening up new source of longer-term investment flows. The re-categorisation recognised significantly improved liquidity, along with numerous improvements introduced in the trading environment over the past few years.

The UAE has three separate stock exchanges: the Abu Dhabi Securities Exchange (ADX), the Dubai Financial Market (DFM) and NASDAQ Dubai, a bourse which operates out of the free zone of the Dubai International Financial Centre (DIFC). The ADX and DFM are regulated by the Emirates Securities and Commodities Authority (ESCA), while NASDAQ Dubai, where equities are traded in US dollars, is regulated by the DIFC’s Dubai Financial Services Authority.

New regulations introduced by the ESCA during 2012 include regulations on market making, short selling and liquidity provisioning, together with new guidelines on margin trading and refreshed regulations on investment funds.

The DFSA introduced a new markets law and associated markets rules module in 2012, replacing the framework introduced in 2004. The new law and rulebook introduced significant changes in a number of areas, including prospectus disclosure requirements, what activities constitute an offer, market misconduct provisions and corporate governance.

Both the ESCA and NASDAQ Dubai took steps in 2012 to encourage the listing of small and medium-sized enterprises (SMEs), in line with a series of government initiatives in the sector during 2012. NASDAQ Dubai signed an agreement in December with Dubai SME, an agency of Dubai’s Department of Economic Development, to provide assistance to Abu Dhabi Securities Exchange.
SMEs looking for financing options, including possible listings on NASDAQ Dubai.

At its board meeting in September 2012, the ESCA discussed the establishment of a secondary financial market for SMEs and newly established companies, with its own separate rules and regulations, as part of the regulator’s efforts to increase liquidity in local markets.

The main Abu Dhabi Index of the ADX finished 2012 at 2630.86, up from 2396.98 at the beginning of the year. Market capitalisation of the exchange grew by 8.9 per cent to Dh249.6 billion (US$68 billion). Total trading volume for the year stood at Dh22.3 billion, a 10.5 per cent decrease on 2011. Yet while the number of trades fell by 8.7 per cent to 258,685, the total traded volume increased by 3.4 per cent to 16,394 billion traded units.

The real estate sector was responsible for the largest contribution to total trading value, contributing 39.6 per cent, followed by banks and telecommunications with 24.9 per cent and 17.4 per cent respectively. The consumer staples index enjoyed the highest increase of the year with 49.46 per cent, followed by real estate with 42.38 per cent and banking with 17.81 per cent.

The DFM’s general index saw an increase of 19.9 per cent in 2012, ending the year at 1622.5 points. While the value of shares traded during the year increased by 51.4 per cent to reach Dh48.6 billion, total market capitalisation rose 1 per cent year-on-year to Dh181.9 billion. The total number of shares traded increased by 60.8 per cent during 2012 to 40.5 billion, while the number of transactions executed during the year was up by 39.7 per cent to reach 621,400.

The real estate and construction sector ranked highest in terms of traded value, accounting for 47.7 per cent of the DFM’s traded value in 2012. This was followed by the banking sector, which accounted for 18.2 per cent of traded value. The real estate and construction index increased by 44.6 per cent during the year.
Fixed Income Market

The UAE’s fixed income market was buoyed in 2012 by a series of early repayments of existing facilities, together with significant progress in a number of the larger restructuring operations in the country.

DP World repaid a US$3 billion credit facility out of its cash resources, six months ahead of schedule, while DIFC Investments repaid a US$1.25 billion sukuk in June after arranging a fresh US$1.035 billion facility. JAFZA also repaid a US$2.04 billion sukuk five months early, via a new US$1.2 Sharia-compliant loan, a new US$650 million sukuk and the company’s internal cash resources. Such moves saw an increase in pricing across a number of the country’s bonds, and a narrowing of credit default swap (CDS) spreads.

Of particular note was the restructuring of US$2.2 billion of debt by Drydocks World, which became the first company to take advantage of a special insolvency regime created in 2009 for Dubai World companies. Drydocks took advantage of the insolvency regime’s protection in April, after its attempts to restructure its debt were blocked by a US-based hedge fund.

Dubai International Capital clinched an agreement to restructure US$2.5 billion of debt, while Dubai Group and Al Jaber Group inched towards restructuring US$10 billion and US$1.91 billion of debt respectively.

In the light of such progress and record-low borrowing costs, appetite for new issues has been high. A dual tranche US$2 billion bond issued by TAQA of Abu Dhabi in December 2012 was particularly well received; a US$ 750 million five-year tranche with a coupon of 2.5 per cent attracted US$9 billion worth of orders, while the remaining US$1.2 billion ten-year tranche with a 3.625 per cent coupon attracted orders worth US$11 billion. Emirates NBD issued a US$1 billion, five-year bond at a coupon of 4.625 per cent in March 2013, attracting US$3 billion worth of bids.
Key Sectors

Oil and Gas

Hydrocarbons are an integral part of the UAE economy. That is not surprising since the country has the world’s seventh-largest proven oil and gas reserves. According to BP’s Statistical Review of World Energy 2012, the UAE’s 97.8 billion barrels of proven oil reserves will offer a steady flow for another 80 years at current production rates, with an assumed 70 per cent overall recovery. The sustainable oil production average for the first quarter of 2013 was 2.7 million barrels per day (mbpd), up from 2.5 million bpd in 2011, according to the International Energy Agency (IEA). This makes the UAE the world’s fifth-largest producer, with 3.8 per cent of global production, up from 3.2 per cent in 2010.

The UAE’s gas production has also grown steadily over the past five years, rising from 1.7 trillion cubic feet (cf) in 2006 to 1.8 trillion cf in 2011. This represents 1.6 per cent of global gas supply, though reserves account for 3.2 per cent of the world total. In the past, associated gas was largely a byproduct of oil and, given its high levels of sulphur dioxide and other impurities, this sour gas was difficult to process. However, strongly growing domestic demand for gas is prompting enormous investment to boost both production and import capacity. The rapidly expanding electricity grid relies on natural gas for around 80 per cent of its feedstock, industrial demand is
rising too, while some 30 per cent of the UAE’s gross gas production is re-injected into oil fields. As a result, the Government is focusing on finding technological solutions to developing its sour gas deposits, while improving import capacity.

As both the oil price and oil output have risen, the share of oil and gas in the economy has grown from just 26 per cent of GDP in 2009 to 42 per cent in 2012. Indeed hydrocarbon revenues reached a record high in 2012 at around US$125 billion (Dh458 billion), according to the Institute for International Finance. Oil and gas have also spawned a major associated petrochemicals industry along with energy-intensive industries like fertilisers and aluminium that rely on gas feedstock.

The bulk of the UAE’s hydrocarbon activity is in the Emirate of Abu Dhabi, where the sector accounted for 58.5 per cent of GDP in 2011. Several multi-billion dollar projects are under way to increase oil and gas production, transport as well as downstream refining capacity. Abu Dhabi holds around 95 per cent of the UAE’s crude and more than 92 per cent of gas reserves, but the other emirates benefit from the revenues through the federal budget, as well as through development grants from Abu Dhabi and through employment opportunities, supporting diversification efforts. Oil and gas revenues account for over 80 per cent of government revenues. Other emirates are also active in services to the oil and gas industry, including exports and storage.

Since 1962, when Abu Dhabi became the first of the emirates to begin exporting oil, the UAE’s hydrocarbon sector has developed into one of the world’s best. Huge discoveries and a decision to continue partnership with international oil companies (including BP, Shell, Total, Exxon-Mobil and the Japan Oil Development Company) under long-term production-sharing agreements transformed the sector quickly. The biggest such concession, accounting for over half of UAE oil production, comes up for renewal in January 2014. Signed in 1939 for 75 years, it covers the onshore fields, including the three giant fields of Asab, Bab and Bu Hasa. Bids from the main existing foreign shareholders, along with oil companies from Japan, Korea, China, Norway, Russia and the US, for a stake in the new concession are under review and a
decision is due to be made by the end of 2013.

According to Suhail bin Mohammed Faraj Al Mazroui, Minister of Energy, the UAE’s aim is to increase production capacity from the current level of around 2.9 mbpd to 3.5 mbpd, with the aim of contributing to the stability of global markets. Abu Dhabi has set 3.5 mbpd as its own target for production and, along with international partners, is investing US$40 billion (Dh147 billion) into crude, natural gas, petrochemical and refinery projects from 2010 until 2014.

Although the country is continuing to explore for new fields, the main focus is to extend the lifespan and capacity of existing oil fields. It is doing this partly by a combination of advanced and traditional techniques, including enhanced oil recovery (EOR), water-flooding and lateral and horizontal drilling. It is also completing full field development projects for existing fields, many of which are huge in global terms, to extend their production plateaus, while developing previously discovered, but smaller, fields, such as Bida al-Qemzan, which came into production in early 2013 but was first discovered nearly 50 years ago.

Another key project, completed in 2012, was the 370 kilometre oil pipeline that links Habshan, in the Western (Al Gharbia) Region of Abu Dhabi, and Fujairah. The first oil shipment left the port of Fujairah in July 2012. The US$3 billion pipeline was financed by the International Petroleum Investment Company (IPIC), owned by the Abu Dhabi Government.

Abu Dhabi’s Oil and Gas Industry

According to the 1971 Constitution of the UAE, natural resources are the public property of each emirate. In Abu Dhabi, oil and gas fall under the jurisdiction of two bodies. The Supreme Petroleum Council (SPC), chaired by HH Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE and Ruler of Abu Dhabi, directs overall oil and gas policy for Abu Dhabi. The Abu Dhabi National Oil Company (ADNOC) runs the sector on a day-to-day basis, is the key shareholder in nearly
all upstream and downstream activity in Abu Dhabi (both with and without foreign partners) and has its own exploration programme for oil and gas.

ADNOC operates 15 subsidiaries organised into six different categories, including oil and gas exploration, processing and distribution, petrochemicals, fertilisers and others. Its largest onshore operator is ADCO, which runs the 1939 concession that is up for review. It has extended its sustainable production capacity to 1.4 mbpd in recent years and is aiming for 1.8 mbpd by 2017. The major Asab Full Field Development project, ADCO’s largest-ever, was recently completed, the Bida al-Qemzan field came on stream early 2013 and another new field, Qusaihwira, is due to come into production soon, adding 30,000 bpd. The Habshan-1 reservoir in the Bab field is currently under development and is expected to increase production by 30,000 bpd by January 2015. ADCO awarded the first engineering, procurement and construction contract (EPC), worth US$203 million, to Petrofac Emirates, a joint venture between Sharjah-based Petrofac and Abu Dhabi’s Mubadala Petroleum, in June 2013. Two of the North East Bab fields are expected to increase production by 2016 and 2017. Another Thamama reservoir and Habshan-2 will also be developed to raise production by 80,000 bpd. ADNOC has recently signed concession agreements for three new onshore ventures, in 2008 with Occidental Petroleum for the Jarn Yaphour and Ramhan fields, in 2012 with the Korean National Oil Company, KNOC, for two onshore fields and one offshore, and with a consortium of Austria’s OMV, 24.9 per cent owned by Abu Dhabi’s IPIC, and Wintershall, for an onshore sour gas and condensate field.

Offshore capacity is also growing. One of Abu Dhabi’s major offshore developers is the Zakum Development Company (ZADCO), owned by ADNOC (68 per cent share), ExxonMobil (28 per cent), and the Japan Oil Development Company (12 per cent). It is in charge of developing and operating the giant Upper Zakum field, along with the small Satah and Umm Al Dalkh fields. The Upper Zakum field
currently produces 520,000 bpd and its planned development to increase production to 750,000 bpd by 2017 is one of the largest ongoing projects. Four artificial islands are being constructed that will house drilling platforms, oil production facilities and supporting infrastructure. These will be connected to the present facilities to increase oil production. Capital expenditure for the upgrade of Upper Zakum is estimated at over US$10 billion. In March 2012, ZADCO awarded a construction contract to Al Jaber Energy Services for basic construction of the islands built in water of depths ranging from 6 metres to 14 metres. In July 2012, it awarded the EPC 1, worth US$800 million, to Abu Dhabi’s National Petroleum Construction Company and France’s Technip, with a scope of work including about 240 km of sub-sea pipelines and 128 km of subsea composite and fibre optic cables, besides the initial production facilities and brownfield modification. The larger EPC 2 offshore section, estimated to cost between US$2 billion and US$4 billion, is yet to be awarded.

The Lower Zakum field, operated by the Abu Dhabi Marine Operating Company (ADMA-OPCO), is also being expanded, with production expected to reach some 400,000 bpd, up from 300,000 bpd currently. The company is also reviewing bids from contractors to develop the Umm Lulu and Saath al-Razboot (Sarb) oil fields, which together are expected to add 100,000 bpd. With field developments also planned in the Nasr field, ADMA-OPCO hopes to increase its total capacity to 970,000 bpd by 2020. In 2012, ADMA-OPCO recorded the highest levels of oil production in its history and celebrated the 50th anniversary of the first oil shipment from Abu Dhabi’s offshore fields.

ADCO, ADMA-OPCO and ZADCO account for around 90 per cent of Abu Dhabi’s oil and gas production, although smaller players are also active. At the end of 2012, for example, the Japanese Abu Dhabi Oil Company (ADOC) received an additional concession to develop the Hail oil field, located above the Hail sour gas deposit.

Abu Dhabi also accounts for over 90 per cent of the UAE’s natural gas reserves. ADNOC is the main player in this sector too, and is currently investing some US$25 billion, with its partners, on projects to expand gas supply, amid rapidly growing demand. In 2012, the company set up a gas directorate to coordinate its efforts to maximise gas production.

Onshore, ADNOC, through ADCO, is currently developing the Bab Gas Compression project, which will add total additional output capacity of 2.4 billion cubic feet per day (cfd) when fully commissioned at the end of 2015. Following the successful implementation of Phase 1, ADCO awarded the US$500 million Phase 2 contract to Petrofac Emirates in June 2013.
ADNOC also completed in June 2013 a US$11 billion Integrated Gas Development project to process and bring to land offshore gas from Umm Shaif and Das Island. The project will add 800 million cfd of gas per day to domestic supply and marks a shift towards offshore gas to meet local demand that has been increasing at a rate of 15 per cent a year.

ADNOC is bringing in new partners as it focuses on finding solutions to the development and processing of its sour gas deposits, which have a high sulphur content that slows their exploitation. A key gas project that is expected to have a dramatic impact on the UAE’s ability to meet its own gas needs is the Shah Gas Development, a Dh37 billion (US$ 10 billion) project in the Empty Quarter desert, 210 km south west of Abu Dhabi city. It is the first unconventional development of sour gas resources in the Arabian Gulf. The work is being carried out by Al Hosn Gas Company, a joint venture between ADNOC and Occidental Petroleum. Operating the Shah gas field is challenging as it requires poisonous hydrogen sulphide to be removed from 1 billion cfd of raw gas, and then turned into sulphur pellets for the commercial market, leaving the UAE with 500 million cfd of clean gas. With work on the facilities and pipelines more than half finished and drilling under way, Al Hosn aims to deliver the first gas by late 2014.

Abu Dhabi will deploy the expertise it gains through the Shah project, which has the highest sulphur content of all the sour gas deposits, to open up similar fields. One such project could be the Bab sour gas reservoirs, which also has a high content of hydrogen sulphide. Royal Dutch Shell won the bid for the project in 2013 and will be ADNOC’s partner in a 30-year joint venture. There are also longer term plans to develop another major sour gas reservoir offshore at Hail.

Abu Dhabi Gas Industries Limited (GASCO) is another key player, created as a joint venture between ADNOC, Shell, Total and Partex, tasked with processing Abu Dhabi’s onshore natural gas, as well as the associated gas recovered from onshore oil operations. Another important player in Abu Dhabi’s natural gas sector is Abu Dhabi Gas Liquefaction Limited (ADGAS), which controls the production and export of Abu Dhabi’s liquid natural gas (LNG) and liquefied petroleum gas from the offshore fields via the Das Island terminal.

Abu Dhabi is also investing in the development of import capacity to facilitate industrial expansion. The CEO of GASCO, Mohammed Sahoo Al Suwaidi, announced plans in 2012 to build a liquefied natural gas (LNG) bunker station in Fujairah. Abu Dhabi also announced plans to add a second re-gasification terminal, Emirates LNG, offshore at Fujairah, with an initial capacity of 600 million cubic feet per day (cfd) and the potential for expansion to 1.2 billion cfd. The project...
is scheduled to be operational in late 2014, with the location ensuring that the country could still receive shipments if the Straits of Hormuz were to become impassable. The new terminal will be built by an alliance between Abu Dhabi’s International Petroleum Investment Company (IPIC) and Mubadala.

Through these projects, Abu Dhabi seeks to provide gas supplies to its Khalifa Industrial Zone Abu Dhabi, KIZAD, and the Industrial City of Abu Dhabi as well as to cities in the northern regions. Currently, some 80 per cent of domestic gas demand is met by ADNOC through its operating companies; the remaining 20 per cent is provided by Dolphin Energy from the Qatari North field.

Other Emirates

Dubai is the UAE’s second largest oil-producing emirate, but oil-related GDP has dropped from 50 per cent at the establishment of the UAE in 1971 to just 2 per cent in 2008 and has remained at or around that level since. Reserves are estimated at around 4 billion barrels. In early 2013, it announced a new offshore find which could boost reserves and allow for an increase in production, which is currently below 80,000 bpd. As a result, the emirate now imports most of its petroleum requirements but it remains deeply involved in the petroleum sector, as a hub for oil trading and energy services. The port
of Jebel Ali, located about 35km southwest of the city of Dubai, handles a large part of the UAE’s trade in refined petroleum products and can accommodate tankers of up to 80,000 tonnes capacity.

Four of the UAE’s other emirates also produce minor amounts of oil and gas. Crescent Petroleum, a private Sharjah company, is the major player in the emirate. It produced oil from the Mubarak field near Abu Musa Island until the end of 2009, when it determined that, after 100 million barrels, the field had reached the end of its productive life. Focus has now shifted to the undeveloped Sir Abu Nu’air field, with Crescent conducting an airborne gravity and magnetic survey in 2012 to develop the exploration work programme. In the gas sector, the Sharjah Government produces gas and condensate from onshore fields, such as Saja’a and Moveyeid. Crescent’s Dana Gas subsidiary is developing the Zora gas field, located in territorial waters shared by Sharjah and Ajman. Dana and Emarat, a federally owned marketer of petroleum products, have jointly developed a common-user gas pipeline to serve Sharjah customers.

RAK Petroleum in Ra’s al-Khaimah holds interests in oil and gas concessions in Sharjah, the Sultanate of Oman and its home emirate. Following the acquisition of a controlling stake in Norway’s DNO International, the company reported that the Bukha and West Bukha fields in Omani territorial waters off the Musandam peninsula had been returned to production. DNO is now focusing on the nearby Saleh field in Ra’s al-Khaimah, formerly seen as depleted, with the aim of bringing it back on stream in the near future.

In Umm al-Qaiwain, an offshore gas field has been developed by Abu Dhabi’s Mubadala in partnership with Atlantis Holdings, a Chinese-owned firm. Gas production began in 2008. Fujairah does not produce oil or gas, but hosts the world’s second-largest bunkering port. The port of Fujairah, on the Arabian Sea, handles about 1 million tonnes per month of marine transportation fuel and other oil products.

International Oil and Gas Activities

As the UAE’s oil and gas sector has become more sophisticated, it has spawned a number of public- and private-sector companies that pursue energy development abroad. In Abu Dhabi, three government-owned entities, Mubadala Petroleum, the Abu Dhabi National Energy Company (TAQA) and
IPIC, are the main investing vehicles. Mubadala Petroleum, established as a 100 per cent subsidiary of Mubadala Development in 2012, is the controlling shareholder of Dolphin Energy, a joint venture with Occidental Petroleum and Total, also producing gas and condensates in Qatar. It is engaged in EOR projects in Oman and, through a partnership, in Bahrain. It produces oil and gas in several south-east Asian countries, following the 2008 acquisition of Pearl Energy, and has concessions in Libya, Kazakhstan and Libya.

TAQA, established in 2005 as a diversified international energy group, produces most of its oil from the UK North Sea. It completed its most recent US$1.1 billion acquisition there in June 2013, taking over from BP as operator of the Harding field and production platform, and so adding some 20,000 bpd to its existing production. In February 2013, it announced that it had discovered oil in the new Darwin acreage. TAQA’s gas production is concentrated in Western Canada and the Dutch North Sea. The company also owns interests in pipelines, production platforms and gas storage facilities in those areas, and is leading a project in the Netherlands to develop a major gas storage and marketing hub for Western Europe. In addition, TAQA has a substantial international and domestic portfolio of power generation assets.

In addition to its domestic financing activities, such as the Fujairah refinery and the Habshan-Fujairah oil pipeline, IPIC has 15 investments throughout the world, mostly in large oil companies such as Austria’s OMV (24.9 per cent) and Spain’s CEPSA (100 per cent).

The Dubai Government’s Emirates National Oil Company also invests overseas through its 52 per cent interest in Dragon Oil, which produces oil in Turkmenistan, has exploration concessions in Tunisia and Iraq and won an invitation, as part of a consortium, to negotiate with the government in Afghanistan. The Al Thani Corporation, a private-sector Dubai company, has oil and gas assets in several African countries, including Egypt and Libya. Sharjah’s Crescent Petroleum and Dana Gas are jointly producing gas in Iraqi Kurdistan and are the largest oil and gas investor there to date with over US$1 billion invested since 2008. Dana also produces oil and gas in Egypt. RAK Petroleum is involved in oil and gas exploration and production in Oman, produces oil in Iraqi Kurdistan and Yemen through its acquisition of DNO International, and has acquired a minor interest in Heritage Oil, a Canadian company with a big oil discovery in Kurdistan.
Win-Win Technology

ADNOC injects around half of its natural gas production into its maturing oil fields to compensate for their depletion. To reduce that consumption, it is cooperating with Masdar Carbon, a subsidiary of renewable energy firm Masdar, to experiment with using carbon dioxide instead of gas. Ultimately, the big prize will be in the offshore oil fields, but in 2012 ADCO, ADNOC’s onshore company, completed a two-year pilot project at its Rumaitha field. Having injected 1.2 million cfd of carbon dioxide, the results were promising enough to plan four further projects onshore, requiring up to 30 times as much carbon dioxide and increasing oil recovery by 10 per cent. If rolled out across all ADCO fields, the additional production would be twice as high as current levels, but would require more than 400 million cfd of carbon dioxide. The additional cost per barrel would be around US$20 – clearly viable even offshore with an oil price of around US$100 per barrel.

To produce a sustainable source of such large quantities of carbon dioxide, Masdar Carbon and ADNOC are cooperating on carbon capture and storage, a technology that is being developed to reduce the carbon footprint of fossil fuels. One plan under consideration is to build a plant next to Emirates Steel to capture some 800,000 tonnes per year of carbon dioxide prior to emission. The feedstock would be compressed, transported through a 50km pipeline and injected into the onshore oil fields. For Emirates Steel, this would bring the benefit of much “greener” steel production. For ADNOC, it would solve the gas dilemma. And for the UAE, according to Suhail bin Mohammed Faraj Al Mazroui, UAE Minister of Energy, ‘this approach could be cheaper than importing or developing new gas. It also allows the UAE to develop a new industry around decarbonising the oil/gas and industrial sectors.’
Downstream

As part of its oil and gas expansion projects, Abu Dhabi is investing in its refining and other downstream capacity with the aim of increasing total UAE refining capacity to 1.35 mbpd by 2017. That would mean the country could refine close to half of its crude oil production and become a major petroleum products exporter.

Abu Dhabi has two refineries, Umm an-Nar Refinery and Ruwais Refinery, with a combined current capacity of 485,000 bpd. They are managed by the Abu Dhabi Oil Refining Company (Takreer), established in 1999 to take up the refining responsibilities for ADNOC. Ruwais, the largest plant, is currently undergoing a US$10 billion expansion plan that will nearly double Abu Dhabi’s total refining capacity to 907,000 bpd by mid-2014. The expansion will make Ruwais the largest refinery in the region and one of the largest in the world. The additional output will allow the UAE to be self-sufficient in petrol, meeting export commitments and domestic fuel needs, while providing feedstock for the growing petrochemicals industry.
In addition to the Ruwais expansion, which includes a catalytic cracking unit, Takreer is also installing a delayed coking unit of 30,000 bpd capacity to enhance production of gasoline and other light products. The project, which costs US$2.5 billion and is scheduled for completion in 2016, includes construction of a 40,000 tonne a year carbon black production facility to supply the petrochemical and aluminium sectors.

Abu Dhabi’s IPIC is going ahead with plans to build a US$3 billion refinery in Fujairah, located near the recently opened Abu Dhabi Crude Oil Pipeline terminal. The refinery, which aims to complete in 2017, will be able to process UAE crudes such as Murban, Upper Zakum and Dubai. Abu Dhabi plans to add petrochemical units to the refinery in a second phase. Fujairah already has refining capacity of 80,000 bpd, operated by Fujairah Terminals Limited (FTL), a private company which is 10 per cent owned by the Government of Fujairah. FTL is in the process of dramatically expanding the emirate’s oil storage capacity, adding an additional 1 million cubic metres, taking advantage of Fujairah’s strategic location on the Indian Ocean, outside the Straits of Hormuz.

Emirates National Oil Company (ENOC), owned by the Dubai Government, operates a petroleum refinery in the Jebel Ali Free Zone. The 120,000-bpd complex refines condensate and light crude oil to produce naphtha, jet fuel, diesel oil, fuel oil and liquid petroleum gas. In 2010 the refinery also began producing 102 octane reformate and ultra-low sulphur naphtha.

ADNOC’s petrochemicals subsidiary is Borouge, established in 1998 as a joint venture with Borealis, itself owned 64 per cent by Abu Dhabi’s IPIC and 36 per cent by OMV, the Austrian oil and natural gas group. The company supplies polyethylene and polypropylene to the UAE as well as Middle Eastern and Asia Pacific markets. In 2010 Borouge tripled polyolefins production to around 2 million tonnes a year, with an investment of some US$1.5 billion. It is currently undergoing another round of expansion, known as Borouge3, which is intended to raise Borouge’s olefins and polyolefins capacity at Ruwais to around 4.5m tonnes a year from 2014. Some of the additional capacity will be used to export to Europe.

ADNOC’s downstream industries also include Fertil, a producer and supplier of urea and ammonia fertilisers. Fertil, a joint venture with France’s Total, started production in Ruwais in 1983, with the aim of using associated gas to manufacture fertilisers for export. In line with its drive to boost production capacity and technologies to meet the demands of the domestic and global market, Fertil expanded its urea plant in 2009. As a result, daily production of ammonia and urea has reached 1,310 and 2,200 metric tons, respectively. Over 90 per cent of the fertilisers are exported.
Industrial Development

Industry contributed some 16 per cent to the UAE’s GDP in 2012 and the Government is targeting a 25 per cent share by 2021. The country has made significant strides in adopting technologies and best practices from countries such as Germany, Austria and Japan. Although petrochemicals (see Oil and Gas above) and metals dominate, along with ceramics and cement, industries such as the automotive sector, chemicals, electrical machinery, power equipment and food processing continued to gain momentum in 2012, as partnerships with foreign enterprises and joint ventures allowed industrial and manufacturing companies to benefit from the most up-to-date technologies. There has also been strong growth in biotechnology, pharmaceuticals, telecommunications equipment, and aerospace and healthcare equipment.

The UAE has emerged as a metals production powerhouse in the Middle East, with aluminium and steel producers making some impressive gains. The UAE has a 46 per cent share of the total Middle East aluminium production, followed by Bahrain and Qatar. In June 2013, the country took a significant step to improve efficiency and remain competitive within the region by merging its two state aluminium companies, Dubai Aluminium Company (DUBAL) and Emirates Aluminium (EMAL) into one huge player – the world’s fifth largest – now known as Emirates Global Aluminium, with a value of US$15 billion.

Dubai Aluminium Company (DUBAL) was established in 1979 and operates the largest single-site smelting facility in the world. Built on a 480-hectare site in Jebel Ali, the complex’s major facilities comprise a 980,000 metric tonnes/year primary aluminium smelter, a 2335 megawatt power station (at 35°C), a large carbon plant, casting operations with a capability of more than 1.27 million metric tonnes/year, a 30 million gallon/day seawater desalination plant, laboratories, and port and storage facilities. It has the capacity to produce more than 1 million metric tonnes of high quality production at Emirates Global Aluminium.
finished aluminium products per year.

Emirates Aluminium (EMAL), a green-field smelter development at Taweelah in Abu Dhabi, has embarked on a US$4 billion phase 2 expansion project intended to create the world’s biggest aluminium smelter. The merged entity, Emirates Global Aluminium, will have production capacity of 2.4 million tonnes per year from 2015, following the completion of EMAL’s expansion. It currently produces 800,000 tonnes a year.

In steel, the UAE is the second largest producer in the GCC behind Saudi Arabia and is expanding capacity rapidly. The industry has been through a recovery period after a drop in demand during the post-financial crisis years. However, with strong market fundamentals in 2013, supported by large-scale developments occurring throughout the UAE, all of which require steel in their construction, the sector is proving resilient.

UAE steel plants contribute greatly to the economy and are counted among the major heavy industries of the country. The largest UAE steel plant is Emirates Steel Industries (ESI), which utilises the latest rolling-mill technology to produce reinforcing bars for the construction industry. Established in 2001 to satisfy the growing demand for quality steel products for the UAE’s fast developing construction sector, ESI is the only significant domestic supplier of deformed reinforcing steel bars. In 2012, following two expansions involving an investment of Dh10 billion, ESI began producing at a capacity of 3.5 million metric tonnes per year.

Ra’s al-Khaimah is home to the world’s largest ceramics manufacturer, RAK Ceramics, which exports 75 per cent of its output and supplies to more than 160 countries around the world. Established in 1991 to exploit the large limestone deposits in the emirate, the company continues to register solid growth and in 2012 reached a major milestone by becoming the first ceramics firm in the region to produce 1 billion square metres of tiles. At 117 million square metres of ceramic and porcelain tiles, its average production is nearly double the UK’s total tile production. The company’s profits rose 9 per cent in 2012 to Dh223 million.
The UAE is ranked as the second-largest producer of cement in the Middle East and North Africa region, after Saudi Arabia. The Al Ittihad Cement Company in Ra’s al-Khaimah started commercial production in 1975, making cement one of the oldest manufacturing industries in the country. This was followed by the construction of several other factories in Al Ain, Dubai, Fujairah, Ajman, Umm al-Qaiwain and Sharjah. There are currently 12 cement factories in the UAE producing clinker, Portland cement and white cement. In 2012 Sharjah Cement reported a 76 per cent increase in net operating profits to Dh44 million (US$12 million).

While domestic textile manufacturing has declined due to rising business costs in the UAE over the years, green shoots appeared in 2012, when the biggest textile factory in the Middle East opened in Fujairah at a cost of Dh225 million (US$61 million). Producing 10,000 tonnes of cotton yarn each year, the plant was built by the Azerbaijani government, in partnership with the Government of Fujairah. While, even with this investment, the UAE is no longer a major textiles manufacturer, it has garnered a reputation as a trading hub for the re-export of textiles and related materials from Asia. Dubai has put itself at the heart of this trade by successfully exploiting its location—at the centre of a massive consumer market extending from the CIS to Africa and the Indian subcontinent—and by creating a free zone, Dubai Textile City, for the warehousing needs for such trading activities. Imports of both fabrics and garments come mainly from South Korea, Japan, China, India, Indonesia and Thailand, while re-exports head mostly to the Middle East, East Africa and Russia.
Transport and Logistics

The transport and logistics industry is one of the UAE’s key economic sectors. Economic recovery and a surge in trade flows between the country and its key trade partners, the GCC, West Asia, Africa, India, China and the Commonwealth of Independent States (CIS), including Russia, has opened up huge opportunities for the logistics sector in the free zones.

The UAE’s overall logistics market grew last year to approximately Dh33 billion (US$9 billion).

The World Economic Forum’s 2012 Trade Enabling Index places the UAE’s transport infrastructure first in the region, with revenues rising to reach an estimated US$8.1 billion in 2012, equivalent to an average annual growth rate of 8.5 per cent since 2009. Bank loans allocated to the transport and storage sectors reached their highest level in 2012 of nearly US$27.8 billion, above the previous record of 2009.

The UAE has over 20 ports, ranging from state-of-the-art oil terminals, world-class industrial ports and container-handling facilities, to smaller wharves that accommodate dhows. Abu Dhabi received a boost with operations commencing in September 2012 at its newest port, Khalifa Port Container Terminal, giving the emirate one of the largest and most modern maritime cargo handling facilities in the region. A decline in sea and air cargo volumes to Europe, the US and other recession-affected regions has seen the UAE shift its focus to new trade corridors, such as Asia, Africa and Latin America.
Free Zones Focus

The UAE’s first free zone, the Jebel Ali Free Zone, was established in 1980, and since then the objective has been to foster economic success by attracting foreign investment and technological expertise. The growth of re-exports and transshipment as a major commercial activity led all the emirates to create such free zones to attract inward investment, generate jobs and yield significant economic development.

The policy of clustering businesses and industries to achieve economies of scale and to exploit synergies for the mutual benefit of enterprises operating within these specialised zones has been hugely successful in the UAE. The clustering has taken three main forms: free zones, where businesses united by common interest factors may enjoy 100 per cent foreign ownership and special tax and administrative incentives; industrial cities, which provide coordinated services and facilities for similar industries; and special zones, which may not offer all the business and tax incentives of free zones, but which create a critical mass that enables the participating establishments to benefit, either in terms of labour pool and facilities, licencing, raw materials, manufacturing facilities and expertise, or in terms of cooperative sales, marketing and distribution strategies.
The UAE free zones have been one of the strongest pillars of the country’s economic performance, attracting significant amounts of foreign investment, creating thousands of jobs and facilitating technology transfer into the country. The combined output of the country’s free zones accounts for more than half of its non-oil exports and underpins the UAE’s ranking as the third most important re-export centre in the world.

The main free zones across the UAE are Jebel Ali Free Zone, Sharjah's Hamriyah Free Zone, the Fujairah Free Zone, Ajman Free Zone, the Ahmad Bin Rashid Port and Free Zone in Umm al-Qaiwain, and Ra’s al-Khaimah Free Trade Zone.

The industrial clusters in Abu Dhabi include the Industrial City of Abu Dhabi, Twofour 54 Media and Production and Masdar City. Dubai’s include Dubai Media City, Dubai Academic City, Dubai Knowledge Village, Dubai International Financial Centre and Dubai Maritime. Other free zones include the RAK Industrial and Technology Park and the Fujairah Creative City.
Maritime Industries

The UAE Government’s policy of harnessing the country’s unique geography between East and West and quickly building up the local maritime industry has paid dividends over the last decade. As trade increased and more foreign businesses set up onshore, the UAE shipping industry has become a truly global shipping hub. Currently, services range from import and export of goods to ship repairing and refuelling. Half of the world’s internationally trading fleet of tankers passes through UAE waters twice a year.

The shipping industry in the UAE spent around US$500 million in 2012 to buy materials for building, repairing and servicing ships and vessels. Maritime cities have been established in most emirates to accommodate the growing demand. Dubai Maritime City (DMC) is a new multipurpose maritime zone situated between Port Rashid and Dubai Dry Docks and is a member of the Dubai World group of companies. DMC is an integrated state-of-the-art development that aims to provide every element of infrastructure required by key marine- and maritime-related industries from six diverse sectors – marine services, marine management, product marketing, marine research and education, recreation, ship design and manufacturing – offering world-class facilities and services to maritime businesses in the region and worldwide. The Business District was opened in 2011 and the Goltens ship repair facility opened in 2013.

Meanwhile, seeking to capitalise on the growth in the shipping industry in the UAE, the Sharjah-based Hamriyah Free Zone Authority also set up a new maritime city in the zone for marine- and maritime-related industries.

Abu Dhabi Ship Building (ADSB) is a UAE public joint-stock company listed on the Abu Dhabi Securities Exchange (ADX) and is a leading provider of construction, repair and refit services for naval, military and commercial vessels. Headquartered in Abu Dhabi and established in 1996, ADSB was originally formed to support the repairs and refits of UAE Navy vessels and now has a portfolio of construction and refit projects worth over Dh3 billion. The company is 40 per cent owned by Mubadala, 10 per cent by the Abu Dhabi government and 50 per cent publicly traded.
Aerospace and Aviation

A focus on creating an easier environment in which to do business, a sound university and training system and high levels of investment have shown that the UAE’s aerospace star is on the rise. Mubadala has been a leading investor in the industry so far, with companies such as Abu Dhabi Aircraft Technologies, Gulf Aircraft Maintenance Company and Horizon International Flight Academy in its stable. It is creating a new global aerospace industry for Abu Dhabi focused on an integrated approach, including manufacturing, maintenance, repair and overhaul.

Dubai Aerospace Enterprise (DAE), whose shareholders include the Investment Corporation of Dubai, Dubai Silicon Oasis Authority, Dubai International Capital, Istithmar World and EMAAR Properties, has been establishing a global aerospace manufacturing and services corporation based in Dubai. While creating an innovative business that builds on Dubai’s continuous growth in aviation, the company has established subsidiaries in six key sectors: research and development, manufacturing, maintenance, repair and overhaul, aircraft leasing and aerospace services. The group is forming international partnerships at the highest level of industry with the aim of establishing one of the most innovative and successful businesses in the global aerospace industry. DAE is expected to grow through a series of phased developments to produce an integrated aerospace cluster.

With both Abu Dhabi and Dubai developing their aerospace capabilities, the aviation industry is seen as an important plank in the country’s industrial diversification. The aviation industry, led by Emirates Airline, contributes about 15 per cent to the UAE’s GDP (and as much as 28 per cent of Dubai’s GDP). Dubai International Airport, home to flag
carrier Emirates Airline and budget airline Flydubai, was the tenth-busiest airport in the world in 2012 according to Airport Council International, welcoming 58 million passengers and achieving 13.2 per cent annual growth in passenger traffic in 2012. Dubai World Central near the Jebel Ali free zone and port currently operates cargo services only, but will open to passenger traffic from late 2013.

Abu Dhabi airport already welcomes 18 million passengers a year and is expanding capacity to 40 million. It is home to the UAE’s national airline, Etihad, which became profitable in 2012 for the first time in its nine-year history. It also hosts Rotana Jet, which was the first airline to launch daily domestic flights last year from the capital to Fujairah, Al Ain and Sharjah. Sharjah Airport is home to Air Arabia, the Middle East and North Africa’s first low-cost carrier, with hubs in Sharjah, Alexandria and Casablanca, which grew 21 per cent in 2012. RAK Airlines, flag carrier of Ra’s al-Khaimah rebranded and relaunched in 2010, registering a 60 per cent increase in passenger numbers in 2012 while launching regular domestic flights across the UAE.

According to Shurooq, Sharjah’s transport and logistics sector was worth Dh3.6 billion in 2012. Officials predict that the sector will be worth Dh4.1 billion in 2013, with growth driven mainly by Sharjah’s marine and air freight industry. Having access to three deepwater ports, including Khor Fakkan on the East Coast, and being host to one of the region’s fastest-growing international airport and free zone, means that Sharjah has been a draw for investors who wish to export goods to the rest of the Middle East as well as the Indian subcontinent.
Tourism

The UAE is one of the fastest-growing travel destinations in the world. The UN’s World Tourism Organisation ranks the country 31st in the world, measured by receipts from hotels and air travel which measured US$10 billion in 2012. That puts it in first place in the Arab world, just ahead of Egypt. By 2023 international tourist arrivals to the UAE are forecast to total 26 million (up from around 16 million in 2012), with visitor expenditure rising 5 per cent per year.

The tourism sector has been of critical importance to the country’s ambitious economic expansion plans over the past two decades. Tourism contributed 14 per cent to the overall economy in 2012 and attracted nearly a quarter (23 per cent) of the country’s total investment at Dh82.8 billion, while supporting more than 380,000 jobs. In addition, tourism has benefited from, and helped spawn, a number of high-growth areas of the UAE’s economy, most notably hotels, airlines and airports, and retail.

Overall, the UAE can confidently boast essential holiday ingredients such as sun, sand, sea, sports, shopping, top-class hotels and restaurants, as well as an intriguing traditional culture and a safe and welcoming environment. In addition to standard leisure tourism, the UAE also attracts visitors around business and other special events, cruises and, increasingly, ecotourism.

The UAE’s tourist industry began in the late 1980s in Sharjah, followed by Dubai. But the country turned into a globally recognised tourism destination with the establishment of the Dubai Department of Tourism and Commerce Marketing (DTCM) in 1997. This was followed by the launching of the world-famous Burj Al Arab hotel in 1999 and the flood of hotels, resorts and entertainment facilities that have since been developed. Now each of the seven emirates has orchestrated its own unique action plans, usually by establishing a tourism authority or launching an economic vision roadmap. Fundamental to this shift has been the realisation of the importance of the sector to their society’s future prosperity. This has given rise to a huge range of travel propositions for tourists.

In Dubai, the tourism sector continued to achieve noticeable growth. The Emirate recorded a 9.3 per cent rise in the number of hotel guests and cruise passengers in 2012, to 10.2 million visitors – topping the 10 million mark for the first time.

### Tourist Arrivals 2012

<table>
<thead>
<tr>
<th>Emirate</th>
<th>Arrivals (million)</th>
</tr>
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<tbody>
<tr>
<td>Dubai</td>
<td>10.2</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>2.3</td>
</tr>
<tr>
<td>Sharjah</td>
<td>1.7</td>
</tr>
<tr>
<td>Ra’s al-Khaimah</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Sources: DTCM, ABTCA, SCTDA.
Airport rose to 58 million. The tourism and hotel sector accounted for 31 per cent of Dubai’s GDP in 2012.

Dubai’s visitor numbers were boosted by increases from its largest source markets, such as a 30 per cent rise in tourists from Saudi Arabia and a 54 per cent increase in Russian visitors, both countries which feature in the city’s top five markets. The hotel sector achieved an 80 per cent occupancy rate—one of the highest rates internationally.

While Dubai has traditionally grabbed the headlines, Abu Dhabi has continued to make major strides towards the implementation of its Vision 2030, which seeks to find a balance between managing growth and fostering tourism and trade, while preserving the city’s cultural heritage and natural environment. In 2012, the Abu Dhabi Tourism and Culture Authority (ADTCA) was created, replacing both the Abu Dhabi Tourism Authority and the Abu Dhabi Authority for Culture and Heritage. This new entity aims to preserve, promote and manage the cultural heritage of the Emirate and achieve tourism development. Tourist numbers have risen from about 1.5 million guests in 2008 to a record 2.3 million in 2012 and the ADTCA projects a further rise to 2.5 million in 2013. Abu Dhabi airport handled 14 million passengers in 2012.

Abu Dhabi’s Saadiyat Island is currently a significant focus of development. In addition to developing three high-profile museums including the Louvre Abu Dhabi (for more details see Chapter 4), it boasts a newly opened golf course, beach club and luxury resorts as well as the Hawksbill Conservation Programme which protects endangered sea turtles. Yas Island, the venue for the Formula 1 Abu Dhabi Grand Prix, also hosts Ferrari World Abu Dhabi, which is the world’s largest indoor theme park and the first ever Ferrari theme park in the world. The park hosts over more than 20 Ferrari-inspired rides and attractions for the entire family including the world’s fastest...
roller coaster and the region’s first duelling coaster

Sharjah, particularly, has made strides in ecotourism, which it views as a viable way forward, as related activities have a low environmental impact and can help further the economic development of local communities. The Government of Sharjah promotes itself as a green tourism hotspot with coral reefs, history museums and farms. Mohammed Ali Al Noman, Chairman of the Sharjah Commerce and Tourism Development Authority, explained the Emirate’s focus in a speech in 2012: ‘Sharjah is ideally suited for ecotourism as it has a diverse ecological profile that includes a long coastline, rich marine life, mountains, valleys, deserts and natural reserves.’

Sharjah launched a number of important ecotourism projects in 2012 to be executed in its natural reserve areas. These include the ambitious Kalba project, which is a joint effort between Shurooq, the Sharjah Investment and Development Authority, and the Environment and Protected Areas Authority. This multi-billion ecotourism project is expected to draw in private investments of over Dh1 billion and create 5000 new jobs.

In other tourism projects, Shurooq completed the Al Majaz Waterfront in 2012, a popular recreation areas linked to the Khalid Lagoon. At an estimated cost of Dh100 million, the project won the Sharjah Tourism Excellence Award in the Destination Development category. Shurooq also announced the launch of a Dh420 million project to develop the Chedi Khor Fakkan Resort.

The Ra’s al-Khaimah Tourism Development Authority exceeded its target of one million visitors in 2012, generating a revenue boost of almost Dh583 million.
4 Infrastructure

Urban Development Plans
Transport and Logistics
Electricity and Water
Telecommunications and the Digital Economy
On the back of rapid economic and population growth, the UAE has pushed ahead with a vast urban development agenda, aiming to create sustainable cities, while at the same time building infrastructure that will attract tourism, trade and industry. Construction slowed markedly as the global financial crisis hit the country in 2009, but there has been a strong sense of revival across the UAE in 2012 and 2013 as a host of new projects were launched, some of which had been re-evaluated or delayed in the difficult post-crisis years. Throughout the country, government has pledged billions of dollars of new investment as part of the long-term commitment to ensure that development is planning-led, as opposed to demand-led.

These efforts were guided by frameworks such as Abu Dhabi’s Vision 2030 and the Dubai Strategic Plan 2015, while entities including Abu Dhabi’s Urban Planning Council (UPC) and Tourism Development and Investment Company (TDIC), Dubai’s Urban Planning Committee and the Sharjah Investment and Development Authority (Shurooq) led efforts to ensure that urban planning is undertaken in a sustainable manner.

The Federal Government also launched a Dh5.7 billion investment programme in the smaller emirates in 2011, to modernise and expand existing infrastructure, especially power and water, thus removing bottlenecks to further growth. The programme was announced by His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE, following a tour of inspection by His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces. Further major investment has been announced subsequently.

The UAE construction industry witnessed rapid growth in 2012 as a result of ongoing projects, as well as investment in new projects and strong government support. The market was estimated at Dh375 billion in 2011, with an expected compound annual growth rate of around 9.5 per cent during 2012-16. As well as upgrades to utilities infrastructure across the emirates, a number of mega-projects were launched in the leisure and hospitality segment.
Urban Development Plans

Abu Dhabi has been actively and effectively managing its burgeoning development ever since the launch in 2007 of its Vision 2030 concept. In the past few years, the emirate has introduced extensive spending plans to back up its urban expansion programme. Its ratio of development spending has been steadily rising in recent years to reach 15.2 per cent of GDP in 2011, amounting to Dh27 billion (compared with less than Dh24 billion in 2010), and therefore overtaking pre-crisis levels.

Vision 2030 was designed to help the emirate filter and respond to current and future development needs, establish a planning culture and introduce strong guidelines for sustainable development. Implementation and development of the framework was entrusted to the UPC. During its 2013-17 development plan, Abu Dhabi is to invest nearly Dh30 billion, which will spur growth, create about 5000 jobs and expand the non-hydrocarbon sector. The emirate’s population is expected to grow to about 3 million in 2030, having reached just over 2.5 million in 2013.

In addition to housing, infrastructure projects will account for a large proportion of these investments, particularly the
planned expansion of Abu Dhabi International Airport and the completion of road and communication projects. One of the most important additions to the transport sector is the Etihad Rail network, which will provide services (initially in freight) from the border of Saudi Arabia in the south west to Ra’s al-Khaimah and the east coast. Eight of the thirteen planned stations are in Abu Dhabi.

Central to Vision 2030 is the creation in the capital itself of a sustainable city built around vibrant neighbourhoods. This has meant concentrating growth, introducing transport choice, creating mixed-use, pedestrian-friendly streets, implementing more sustainable, cost-effective infrastructure, and protecting and enhancing the natural environment. The UPC has also focused attention on the rest of the emirate outside Abu Dhabi city, with urban planners drawing up an ambitious schedule for developing Al Ain in the east and Al Gharbia (the Western Region).

The Dubai Strategic Plan 2015, launched in 2007, recognises that urban planning is a prerequisite to optimise land use in order to meet the needs of sustainable development while preserving natural resources. Dubai’s Urban Planning Committee brings together key stakeholders such as the Dubai Municipality, the Road and Transport Authority, the Dubai Electricity and Water Authority and the Dubai Land Department, as well as developers such as Dubai Holdings, Emaar and Nakheel, to implement the strategy. Work is ongoing to update
the Plan to look forward to 2030 and to incorporate revised assumptions since the disruptions of the financial crisis.

The direction of Dubai’s aspirations remains clear, however. Announcing the creation of an ambitious new city in Dubai, Mohammed Bin Rashid City (see more details below under Real Estate and Construction), HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, emphasised: ‘The current facilities available in Dubai need to be scaled up in line with the future ambitions for the city. Therefore we have to start work immediately on the third phase of development that is aligned to our Vision till 2030 and boost the UAE economy to enable it to enter a new era in which it will become the capital of entrepreneurship, arts, culture, and family tourism for over 2 billion people…We have a vision and high aspirations. The future does not wait for those who are hesitant. We do not anticipate the future. We build it.’

In Ajman the government took the innovative step of completely redesigning and recategorising its city. In May 2012, Yahya Ibrahim Al Reyaysa, Director General of Ajman Municipality, announced that the city would be divided into six sectors and 44 residential areas in a bid to facilitate rapid development in the emirate, attract investors and boost tourism. Each sector is to be surrounded by main roads to facilitate easy access. The roads will divide the sectors and areas, for instance residential from industrial zones, to ensure comfort, peace and stability for the residents. The municipality has also initiated a number of green belts and residential parks in all residential areas. The roads, bridges and highways will be named after the country’s leaders. Other names will reflect the national culture.
Real Estate and Construction

The UAE’s real estate and construction sector bounced back in 2012, following a major slowdown in the property market in 2009. With a number of key mega-projects hitting the market and a lot more being unveiled, there is no shortage of confidence-boosting measures as the economy recovers throughout the country. The UAE’s largest property firms began to embark on more ambitious developments, the likes of which had not been seen since before the financial crisis, and projects increased in size and complexity.

The total construction market in the UAE at the end of 2012 stood at Dh375 billion, which was almost 44 per cent of the entire GCC market. Taking into account the UAE’s GDP recovery in 2012, its thriving leisure and tourism sector and the country’s ability to raise debt funding, it is estimated that the construction industry has returned to near-full capacity. Favourable government policies, such as permitting non-UAE nationals to own freeholds and leaseholds, are also attracting foreign direct investment in construction.

In Abu Dhabi, TDIC is working on a number of significant projects, including its flagship development of Saadiyat Island, where several major new museums are planned, including the Louvre Abu Dhabi which began construction in early 2013 (see Chapter 5 for more details). The St Regis Saadiyat Island
Resort, a 377-room, five-star hotel, opened its doors in 2012 and features a number of amenities and world-class restaurants. Also on Saadiyat is the Monte Carlo Beach Club, the first Monte Carlo property outside of Monaco.

Sowwah Square, a newly constructed business district developed by Mubadala on Al Maryah Island off the Abu Dhabi coastline, started operations in March 2012. The square is the new home of the Abu Dhabi Securities Exchange and has already attracted a critical mass of domestic and international firms. A luxury hotel and retail complex will open in 2013, while plans for an offshore international finance centre, to be called Global Marketplace-Abu Dhabi, were announced in early 2013. Sowwah Square was a pillar of Abu Dhabi’s Economic Vision 2030, intended to house the companies that will help diversify the capital’s economy.

In January 2012, TDIC announced the successful completion of the Al Bateen Beach project, which consists of a beachside park that overlooks 800 metres of coastline and a number of amenities for visitors, with an emphasis on family-friendly fun. Al Bateen Beach is close to the Abu Dhabi Corniche and is set to cater to the immediate local residential population, as well as visiting residents.

Dubai is home to a number of existing high-profile projects, several of which are steadily recovering from the global economic crunch. Dubai Marina, Downtown Dubai and Jumeirah Lake Towers, for example, performed well throughout 2012 with an overall increase in rents of 16.6 per cent, 5.8 per cent and 20.7 per cent respectively. Dubai’s general economic improvement, coupled with returning investor confidence and rising occupancy rates in the hotel and retail segments, gave the government and developers the impetus to plan and launch an array of new projects.

The largest new project is the Mohammed bin Rashid City (MBR), launched in November 2012 as a joint venture between Emaar Properties and Dubai Holding. This multi-billion dollar project includes the world’s biggest...
shopping mall, a Universal Studios family theme park and a park that is a third bigger than Hyde Park in London. Dubai Hills will be the first residential project within MBR City and will consist of a gated community with luxury residences similar to Emaar’s existing Emirates Hills development.

A Dh10-billion mega-project to develop five world-class theme parks has also been approved by Sheikh Mohammed. The scheme, to be built by Meraas, Sheikh Mohammed’s own property and investment company, starting with Dubai Adventure Studios fun park, had originally been discussed in 2011 but had been put on hold. There was also confirmation of a Dh4-billion investment in new and relaunched developments, including the Dh2.5 billion expansion of the Madinat Jumeirah Resort and a new footbridge across Dubai Creek. Meanwhile, the master plan has been published for Dubai Trade Centre-Jebel Ali, which the city’s authorities hope will attract 25 million visitors if its bid for the World Expo 2020 succeeds (for more details see Box in Chapter 7).

In Sharjah, the third largest of the seven emirates, 2012 saw the opening of the Sharjah Corniche after the completion of the Dh21 million development. The waterfront road is situated in the Heart of Sharjah project, a five-phase, 15-year historical preservation and restoration project that aims to revitalise the heritage area in the centre of Sharjah. One of the region’s largest tourism and heritage projects, the Heart of Sharjah is overseen by Shurooq, in cooperation with a number of other govern-
Sharjah launched a number of important ecotourism projects in 2012 to be executed in its nature reserve areas. These included the ambitious Kalba ecotourism project, which is a joint effort between Shurooq and the Environment and Protected Areas Authority, as well as the plan for the green development of Sir Bu Nu’air island. Mohammed Ali Al Noman, Chairman of the Sharjah Commerce and Tourism Development Authority, explained the emirate’s focus in a speech in 2012: ‘Sharjah is ideally suited for ecotourism as it has a diverse ecological profile that includes a long coastline, rich marine life, mountains, valleys, deserts and natural reserves.’

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The UAE has continued to invest heavily in vital aspects of its infrastructure in recent years, with a number of new facilities unveiled and substantial budget allocations granted to power generation, ports, healthcare and education. New roads and bridges are being constructed and public transport systems installed. Business Monitor International estimates that the UAE’s governments, both federal and local, are investing Dh213 billion (US$58 billion) on roads and bridges alone,
including projects under way and in the planning stage.

Abu Dhabi Vision 2030 was named in a list of the top 100 infrastructure projects worldwide, alongside a host of other projects from the UAE and the wider Arabian Gulf. KPMG’s Infrastructure 100: World Cities Edition profiled Vision 2030, Masdar City, Paris-Sorbonne University on Reem Island, and Yas Island Waste Management. Relatively unknown compared with the major attractions on Yas Island, the automated vacuum waste-management system consists of 43 inlet points and 5.3km of pipes that can suck 40 tonnes of waste every day from sites around the island.

Abu Dhabi’s Al Gharbia (formerly known as the Western Region) is set to be the next investment hotspot in the UAE. Announcements in 2012 confirmed the area attracted Dh300 billion in development investment and this trend looks set to continue in 2013. Al Gharbia covers an area of 40,000 square kilometres, approximately 83 per cent of the area of the emirate, and its development projects testify to Abu Dhabi’s Vision 2030. The population of the region accounts for just 9 per cent of Abu Dhabi’s total, but its contribution to the emirate’s GDP amounted to 44 per cent in 2011. Al Gharbia hosts the Barakah nuclear power plant, currently under construction and the first in the Middle East; it also has the biggest solar power plant in the world (Shams 1), and the largest petrochemicals facility in the world. Al Gharbia is also home to the largest oilfields and refineries in the UAE, with expansion projects at the ADNOC-owned Ruwais refinery alone running up to Dh16 billion.

In Sharjah, Bee’ah, a partnership between the government and the Sharjah City Municipality, has become the Middle East’s leading environment and waste-management company. In addition to engaging in a series of educational and sensitisation initiatives on recycling with citizens across the UAE, Bee’ah has developed the requisite infrastructure to process and recycle waste, and in 2012 Sharjah rolled out the Middle East’s first residential recycling programme.
Sustainable Building Frameworks

After a period of rapid development in the past few decades, the UAE is focusing on improving its environmental footprint as it continues to grow, with an effort to embed green building standards into the buoyant construction sector. Abu Dhabi’s Urban Planning Council led the way in 2008 by reaching out to developers in a bid to encourage them to meet strict sustainability standards, while adapting international monitoring systems, like the US’s LEED, to the particular requirements of the Gulf region. Water issues need to be handled differently, for example, while points for cycle racks and changing rooms have less relevance in the UAE due to both climate and culture.

In 2010, the Estidama Pearl Rating System came into effect in Abu Dhabi, making a minimum level of sustainability mandatory. New developments by government entities need to score two ‘pearls’, while all other developers in Abu Dhabi need just one. Estidama (‘sustainability’ in Arabic) is an integrated programme, within the context of Vision 2030, that oversees a set of discretionary guidelines and mandatory regulations for the sustainable design, operation and maintenance of all types of buildings and communities within Abu Dhabi. In 2012, the UPC organised the first Estidama Developers Forum, to continue its dialogue with the construction industry and to discuss the success of its Pearl Rating System in its first full year of operation.
Estidama is gaining strong momentum, with more developers committing to its inter-disciplinary approach and sustainability guidelines, which form a strong part of any development.

In Dubai, awareness of the need for more sustainability in buildings has grown too since HH Sheikh Mohammed issued a green building directive in 2007. Since 2009, all government building plans in Dubai have had to comply with green building standards. Some 60 buildings in the emirate, including hospitals and hotels, already have Leadership in Energy and Environmental Design (LEED) certification. In June 2013, The Change Initiative, a UAE-based sustainability venture, was awarded LEED Platinum certification with 107 out of a maximum 110 points for its flagship store in Dubai, making it the most sustainable building in the world. In 2013, the Dubai Land Department revealed its detailed requirements for the Dubai Certificate for Real Estate Sustainability. As of 2014, private and public sector firms will also have to meet these requirements.

Other sustainability issues are gaining greater awareness in the emirate too, with a greater focus on waste management and separation of recyclable materials at source, water and energy conservation, renewable energy production and sustainable transport.
Transport and Logistics

As the UAE’s economy enters a period of economic recovery, the Government has increasingly focused on the expansion of the country’s transport and logistics infrastructure, in line with increases in air passenger numbers and freight volumes. Investment in ports and airports runs parallel with investment in the transport infrastructure for the country’s resident population. Increasing the capacity of public transport is a priority, with aggressive targets set by both Abu Dhabi and Dubai to reduce commuters’ reliance on private vehicles and increase the use of public transport.
Roads, Rail and Public Transport

The Abu Dhabi Department of Transport launched its Surface Transport Master Plan in April 2009, laying out guidelines to achieve the transport goals set out in Plan Abu Dhabi 2030. Similar Master Plans were published in June 2009 for Al Ain and Al Gharbia.

The Department of Transport intends to boost the use of public transport participation in Abu Dhabi City to 35 to 40 per cent of all daily trips by 2030. To this end, an integrated system of buses, trams, metro and regional rail will connect with personal rapid transit, an environmentally friendly mode of transport in Masdar City, involving battery-powered podcars.

In March 2012 the Department announced that it had begun work on the design of a metro and light-rail transit system, after the Executive Council approved funding for the projects. The first phase of the new network is forecast to be operational in 2016-17. Under current plans, the metro system will be approximately 131km long and will be supported by tram and bus feeder networks, as well as being linked to the country’s planned national rail network and Dubai’s metro system.

In February 2012, the Department of Transport invited tenders for the construction of a new Dh2 billion (US$545 million) highway between Dubai and Abu Dhabi, as a means of relieving pressure on the main E11 highway between the two emirates. Major works continued on the E11 during the year, with the construction of the Khalifa Interchange, catering to the newly-opened Khalifa Port.

A major milestone was the opening of the 4.2km Sheikh Zayed Tunnel in downtown Abu Dhabi in December 2012. The tunnel is the longest traffic tunnel in the region, enabling vehicles to travel from Sheikh Zayed Bridge to Mina Road and
the Corniche without encountering traffic lights, helping to tackle traffic congestion heading to the downtown core of the city.

Work continued during 2012 and the first half of 2013 on Etihad Rail, a 1200km freight (and later passenger) railway network that will make a significant contribution to the UAE economy, as well as forming a part of the planned GCC Railway Network. The first phase of the project, a 264km stretch of railway linking the oil and gas facilities at Shah and Habshan to the port of Ruwais, is forecast to be operational by the end of 2013, with the first consignment of wagons arriving in December 2012. The company launched tenders in July 2012 for the second phase of the project, a 628km stretch of railway, which will connect Phase One to Mussafah Port and Khalifa Port in Abu Dhabi and to Jebel Ali Port in Dubai, further extending to the country’s borders with Saudi Arabia and Oman.

The guiding policy document for Dubai’s transportation policy is the Dubai Strategic Plan 2015, unveiled in 2007. On transportation, the Dubai Plan emphasises the need for improving mobility and safety, including an increased use of public transport, less use of private cars, the building of more roads, bridges and links.

Dubai’s Roads and Transport Authority (RTA) announced the award of two contracts worth Dh38 million in May 2012 for the construction of new roads in Al Qusais and Al Quoz. The contracts form the first part of the RTA’s Dh1 billion Internal Roads Construction Plan, which will see a significant upgrade in the road infrastructure of several residential areas in the emirate over the next five years.

The RTA has set a target of 30% of the population using public transport in 2020, compared with a figure of just 12 per cent in 2010. The RTA is confident that this target will be met; the emirate’s public transport system served 368 million passengers during 2012, up from 347 million in 2011 and 323 million in 2010. More than a million commuters a day on average used public transport during 2012, the RTA noted.

One of Dubai’s great success stories in recent years has been its metro system, launched in September 2009. The system,
consisting of two interconnecting lines, carried 110 million passengers in 2012, compared with 69 million in the previous year. The RTA confirmed its intention in early 2012 to seek government approval for a 20km extension to the metro’s Green Line, extending the line from Etisalat station to the areas of International City, Academic City and the Dubai Lagoons. The authority is also proposing a 12km extension of the Red Line from Jebel Ali station to the emirate’s border with Abu Dhabi. The RTA has plans to launch three more metro lines by 2030, covering an area of 421km with 197 stations.

The metro system will intersect with Dubai’s new Al Sufouh tramline, currently under construction with a view to an initial launch in 2014. Upon completion, the tramline will extend 14km from the Jumeirah Walk to the Mall of the Emirates and will have 19 passenger stops, three of them interconnecting with the Dubai metro, served by a fleet of 25 trams.

Dubai saw the introduction of the Middle East’s first public rent-a-bike service in February 2013. In the first four months, 6000 people signed up to the scheme, which offers 160 bikes in 10 locations around the city, following a German business model.

Sharjah has taken a number of steps to upgrade its transport network in response to an increased volume of cars on its roads. The emirate’s Department of Public Works commenced a Dh11.3 million expansion of Sheikh Salim bin Sultan Al Qasimi Road in June 2012, and in September opened the newly redeveloped Al Bahr Road, one of the main arterial roads delivering traffic to surrounding freeways. In November 2012, the Department announced the provision of five new zebra crossings and two new underpasses, responding to residents’ concerns about pedestrian safety.
Airport Expansion

Dubai’s International Airport has seen passenger traffic at the airport grow to 58 million passengers in 2012, an annual increase of 13.2 per cent. Passenger numbers are projected to rise to 65 million in 2013 and 98 million by 2020.

Faced with such an increase in passenger traffic, the airport is undergoing significant expansion works; Arabtec Construction was awarded a Dh561 million contract in January 2012 for the expansion of Terminal 2. Terminal 3’s new Concourse A opened in January 2013. Used exclusively by Emirates airline passengers, is the world’s first purpose-built facility for Airbus 380 planes, with an annual capacity of 19 million passengers.

The expansion of Dubai International Airport runs parallel with the development of Dubai World Central Al Maktoum International Airport, designed as the world’s largest airport. Open to cargo operators since 2010, the airport handled 219,092 tonnes of air freight in 2012 up from the 2011 total of 89,729 tonnes. Construction of the passenger terminal building, capable of accommodating 5 million passengers per year, was completed in 2012, with passenger services scheduled to commence in October 2013. Upon completion around 2025, Dubai World Central will become the world’s largest airport with an ultimate capacity of 160 million passengers and 12 million tonnes of cargo per annum.

To handle an anticipated surge in air traffic through the emirate, Abu Dhabi Airport Company (ADAC) is undertaking a series of upgrades to Abu Dhabi International Airport. Passenger numbers grew by 18.9 per cent to 17.7 million in 2012, while gateway cargo traffic increased by 17.9 per cent to 567,965 tonnes.

ADAC received formal approval from the emirate’s Executive Council in February 2012 to begin construction work
The X-shaped Midfield Terminal Building at Abu Dhabi International Airport will increase capacity by 20 million passengers when it opens in 2017.

The X-shaped Midfield Terminal Building at Abu Dhabi International Airport will increase capacity by 20 million passengers when it opens in 2017.

on the airport’s flagship Midfield Terminal Complex. The complex will provide capacity for a further 20 million passengers per year in its first phase, and more than 40 million passengers per year when fully completed.

The key component of the project, the X-shaped Midfield Terminal Building, will significantly increase the airport’s passenger handling capacity, whilst offering a smoother customer experience. ADAC signed a Dh10.8 billion contract in June 2012 with a joint venture of Arabtec, TAV and CCC for construction of the terminal. The building will be the largest in Abu Dhabi, and is expected to open in the first half of 2017.

Meanwhile, passenger traffic at Sharjah International Airport grew by nearly a million to 7.5 million in 2012, primarily as a result of the rapid expansion of Sharjah-based airline Air Arabia. The airline’s passengers grew by 13 per cent to 5.3 million in 2012.

Ra’s al-Khaimah International Airport saw a 24 per cent growth in passenger numbers in 2012, following the appointment of a new management team earlier in the year. The airport’s revenues increased 60 per cent over the same period, with aircraft movements, duty-free sales and cargo tonnage also showing positive growth.

The UAE also has a small airport at Al Ain, which predominantly services flights to India and Pakistan and is popular for its ease of use and friendly staff. Both Al Ain and Fujairah airports saw new passenger growth as Rotana Jet introduced regular flights from Abu Dhabi.
Ports

At the heart of Dubai’s trade and logistics sector is Jebel Ali Port, the largest port in the Middle East and the largest situated between Europe and the main Asia markets. The port’s container throughput stood at 13.3 million TEU (twenty-foot equivalent units) in 2012, more than the total container throughput of India for the year.

The port’s owner, DP World, announced in December that upgrades to the port’s Container Terminal 2 were nearing completion. As part of the expansion project, the port’s quay wall has been extended from 400m to 3000m, allowing the simultaneous handling of six 15,000 TEU mega ships. Terminal 2 is scheduled to be inaugurated in mid-2013, expanding the port’s capacity by one million TEUs. Work has already begun on a third terminal for the port, which will have a further capacity of 4 million TEUs. Upon completion of the project in 2014, the port will have a total capacity of 19 million TEUs per year.

One of Abu Dhabi’s infrastructure highlights of 2012 was the official opening of Khalifa Port. The new container port, occupying 51 square kilometres and built at a cost of Dh26.5 billion, replaces Mina Zayed as the emirate’s main general cargo port.
Abu Dhabi Terminals (ADT), which manages the commercial ports under the direction of Abu Dhabi Ports Company, completed the redirection of container traffic from downtown Abu Dhabi to the new terminal three months ahead of schedule.

When the first phase of the new port is completed by the end of 2013, it will have an initial capacity to handle 2 million TEUs of container traffic and 12 million tonnes of general cargo annually. By 2030, Khalifa Port will have the capacity to handle 15 million TEUs and 35 million tonnes of general cargo. It is estimated that, by that stage, Khalifa Port and the surrounding industrial zone, Kizad, will contribute 15 per cent of Abu Dhabi’s non-oil GDP.

Sharjah witnessed increased traffic at its two ports during 2012. Khor Fakkan Container Terminal, located on the Indian Ocean coast of the UAE, experienced 28 per cent annual growth with a throughput of over 3.3 million TEUs for the year. A recently completed expansion project increased the number of gantry cranes now in operation to 20, with the overall storage space increased to 450,000 square metres. Sharjah Container Terminal, situated on the Arabian Gulf, is near to completing expansion work to increase its draft to 12.5 metres, with an increase of its storage and stacking area by 30,000 square metres.

Ra’s al-Khaimah’s Mina Saqr port plans to expand its capacity to 3 million TEUs by 2020, in line with expanding activity in the surrounding Ra’s al-Khaimah free zone.

The Port of Fujairah, strategically located outside the Strait of Hormuz and the second-largest oil-bunkering centre in the world, is also expanding. In June the port awarded a contract for two new oil berths of 830 metres length and 18 metres depth, in addition to its existing seven oil berths, totalling 2340 metres in length. The port aims to provide over 10 million cubic metres of oil storage by the end of 2014.
Electricity and Water

The UAE’s demand for electricity and water continues to grow rapidly, driven by an increasing population and an expanding economy, especially given the return of big public projects to the country as recovery solidifies. Ensuring an adequate supply is an absolute prerequisite to fuel further development and the country is focusing on building up its power and water capacity in response to sustained growth in demand nationwide.

Demand for electricity in Abu Dhabi is expected to grow at an annual rate of 11 per cent up to 2015, while Dubai expects electricity consumption to grow by 3.5 per cent over the next decade. One of the country’s greatest challenges, however, remains the supply of power and water to the northern parts of the country, with capacity often struggling to meet soaring demand from burgeoning real estate projects and new businesses. In 2011, President HH Sheikh Khalifa ordered the Abu Dhabi Water and Electricity Authority (ADWEA) to increase its supply of power and water to parts of the country that need it. In Sharjah, ADWEA is supplying an additional 700 megawatts...
(MW) of power and an additional 10 million imperial gallons a day (MIGD) of water to meet local requirements.

The production and distribution of water and electricity in the country is handled by four authorities. The Abu Dhabi Water and Electricity Authority (ADWEA) is responsible for the Abu Dhabi region, but also supplies other emirates through the operation of power and water plants outside Abu Dhabi and by exporting spare power to other providers over the national grid. The Dubai Electricity and Water Authority (DEWA) and Sharjah Electricity and Water Authority (SEWA) supply their respective emirates, while Ra’s al-Khaimah, Ajman, Umm al-Qaiwain and Fujairah are supplied by the Federal Electricity and Water Authority (FEWA), with additional power supplied to FEWA from Abu Dhabi-owned power plants at Qidfa in Fujairah.

ADWEA's installed capacity stood at 13,842 MW at the end of the year, down slightly from 2011. However, power generation grew to 62,165 gigawatt hours (GWh), up from 56,576 GWh in 2011. ADWEA's peak electricity generation exceeded 10,000 MW for the first time in early July 2012. About 80 per cent of this record generation was accounted for by Abu Dhabi’s electricity demand, with the remainder exported to FEWA and SEWA. Peak electricity generation is expected to increase markedly in 2013-15, being principally driven by higher exports to FEWA and SEWA and significantly higher supplies to the Abu Dhabi National Oil Company (ADNOC), following a decision by Abu Dhabi’s onshore operating oil and gas companies to cease generating their own power and to link up to the emirate-wide grid. ADWEA’s energy exports to SEWA grew by 9.6 per cent to 5501 GWh, while exports to FEWA grew by 13.2 per cent to 8163 GWh.

In Dubai, DEWA recorded a 10.6 per cent increase to 9646 MW in installed capacity during 2012, while demand for electricity grew by 4.9 per cent to 36,299 GWh in 2012. In Sharjah, SEWA’s power production capacity grew to 2384 MW in 2011, with figures for 2012 not yet available. SEWA’s maximum peak load in 2011 grew to 1968 MW in mid-August, up from its 2010 peak of 1936 MW, although power cuts still occurred at times of peak demand in summer.

In the smaller emirates, demand grew by approximately 20 per cent to an estimated 2200 MW in 2012, prompted by a surge in real estate projects and new businesses, according to FEWA’s Director General, Mohammad Saleh. Of this, FEWA produced just 700 MW, with the remainder imported from ADWEA. FEWA spent Dh3.4 billion in 2011 and 2012 to upgrade its distribution and transmission network, in an effort to eliminate summer power cuts.
Increasing Capacity

A number of large power and desalination plants were opened in 2012 and 2013 as plans to increase capacity to meet the needs of the growing population and of industry are implemented. In addition to conventional plants, the Government is committed to diversifying its energy mix and reducing its dependence on natural gas, with firm targets set for the provision of energy from other sources, including solar and nuclear.

Abu Dhabi’s Shuweihat S2 power and water plant commenced operations in October 2011 and was formally opened in April 2012. The plant is a partnership between the Abu Dhabi National Energy Company (TAQA) and ADWEA (with stakes of 54 per cent and 6 per cent respectively), IPR-GDF SUEZ (20 per cent), and Marubeni and Osaka Gas of Japan (both 10 per cent). It has a production capacity of 1510 MW of electricity and 100 Million Imperial Gallons per Day (MIGD) of water. TAQA, which provides 98 per cent of Abu Dhabi’s electricity and water in its eight power and desalination units, expects Shuweihat 3, a 1600 MW plant, to be commissioned in 2013. This adds to the capacity of the Taweelah water and power plant, completed in 2003.

ADWEA announced in June 2012 that it had received approval from Abu Dhabi’s Executive Council to develop further power generation and desalination facilities at an existing site near Mirfa, primarily to supply Sharjah and the smaller emirates. The greenfield power generation plant has an expected net power generation capacity of 1100 MW, in addition to the installation of four gas turbines of 400 MW and 30 MIGD greenfield reverse osmosis desalination unit added to the 23 MIGD currently installed at the plant. The plant is expected to start operations in 2017.

TAQA is also developing a 100 MW waste-to-energy facility in Abu Dhabi with the Centre of Waste Management Abu Dhabi. The Memorandum of Understanding for the joint project was signed in June 2012 and the plant is expected to start operations by 2016. The facility, the first of its kind in the UAE, will be one of the largest waste-to-energy plants in the world and will be capable of processing up to 1 million tonnes of municipal solid waste per year.

Dubai’s Jebel Ali M Power Station was commissioned in
April 2013. It is the largest power and desalination plant in the UAE, with six gas turbines capable of producing 2060 MW and 140 MIGD of water. With this new capacity, increasing efficiency and the slowdown in growth over the past three years in the emirate, DEWA announced in April 2012 that it was postponing plans indefinitely for the construction of a US$1.3 billion power and water plant at Hassyan, 60km south-west of Dubai, which would have had a total production capacity of 900 MW of power and 720 MIGD of desalinated water. The Hassyan project was to have been the Government of Dubai’s first use of a public-private partnership (PPP) model to fund the construction of a project, and it had already received four shortlisted bids in 2011 for the plant’s construction.

In Sharjah, SEWA announced in October 2012 that it was launching a project for a power station in Musla, which will have a total generating capacity of 225 MW.

In 2011, President HH Sheikh Khalifa bin Zayed Al Nahyan ordered the investment of Dh5.7 billion in the expansion of the water and electricity supply sector in the north of the country, and the establishment of a special committee comprised of representatives from ADWEA, FEWA and the municipalities to tackle supply problems. FEWA in turn announced in May 2011 that it would build four new power plants in Umm al-Qaiwain as part of its efforts to boost its power-generating capacity. The utility is also overseeing the upgrade of its reverse osmosis desalination plants in Ajman and Ghalilah, Ras al-Khaimah.

In Fujairah, Abu Dhabi has also constructed two power and desalination plants at Qidfa. The newest, the Fujairah F2 Plant, is a greenfield power generation and seawater desalination plant with 2000 MW of net power capacity. It started operating in December 2010, increasing production capacity in ADWEA’s Fujairah plants to 2850 MW of power and 230 MIGD of water.
Renewable and Nuclear Energy

The UAE has shown increased determination in recent years to reduce its reliance on gas-powered plants, which account for about 98 per cent of the country's electricity generation, in favour of renewable and nuclear energies.

The Abu Dhabi government announced in January 2009 that it would seek to generate 7 per cent of electricity from renewable energy sources (not including nuclear) by 2020, with solar power expected to be the main contributor to meeting this target. At the same time, it launched the UAE's nuclear industry, culminating in the award of a contract in December 2009 for the construction of the country’s first four nuclear plants.

Dubai in turn launched its Dubai Integrated Energy Strategy in April 2011, which includes targets of reducing energy consumption by 30 per cent and significantly diversifying the sources of its energy supply. The strategy envisages that by 2030 the emirate will derive 5 per cent of its energy needs from renewables, 12 per cent from clean coal, 12 per cent from nuclear power, and 71 per cent from gas.

In the face of such targets, the Ministry of Economy predicted in 2011 that US$100 billion would be spent on alternative energy investment in the UAE in the coming decade. However, the drive to invest in renewables is limited by the lack of a comprehensive renewables policy agenda on a federal level that would provide predictability to investors.

The difficult issue remains how to absorb the relatively higher costs of generating energy from renewable sources in a way that provides discounts for reducing carbon emissions and encourages sustainable energy solutions. One possible solution under
discussion is the introduction of green tariffs. These would enable companies generating renewable energy to feed electricity into public grids, obtaining fixed rates for each kilowatt-hour produced. The formalisation of such a policy would significantly boost confidence in the country’s renewables sector in the coming years.

The UAE’s drive towards the large-scale adoption of renewable energy is being led by Masdar, founded in 2006 as a wholly owned subsidiary of Abu Dhabi investment vehicle Mubadala, and comprising four main initiatives. Masdar Clean Energy invests in the development of large-scale clean energy projects as a means of diversifying Abu Dhabi’s energy mix, together with investment in similar projects worldwide, while Masdar Capital invests in the commercialisation of promising renewables technologies via two clean-technology funds of US$540 million under management.

Masdar City is a community project located 17km from downtown Abu Dhabi, near Abu Dhabi International Airport, and is designed as a model for sustainable urban development with the lowest possible ecological footprint. The community houses the Masdar Institute, established in 2007 with cooperation from the Massachusetts Institute of Technology (MIT) as an independent, research-driven, graduate-level university focused on advanced energy and sustainable technologies.

Recognition of the UAE’s renewable energy efforts received a significant boost in June 2009 when members of the UN’s six-month-old International Renewable Energy Agency (IRENA) selected Abu Dhabi to host its headquarters. The body’s relationship with the UAE was further cemented in June 2012 with the signing of the IRENA Headquarters Agreement by IRENA Director-General Adnan Z. Amin and the UAE’s Minister of State for Foreign Affairs, Dr Anwar Gargash, in a ceremony at the Foreign Ministry in Abu Dhabi. The agreement formalised Abu Dhabi as the permanent seat for the Agency.

The Masdar Institute of Science and Technology, part of Masdar City in Abu Dhabi.
Renewable and Clean Carbon Technologies

The country’s nascent renewable energy sector has started to become a reality, with the inauguration in February 2013 of the country’s first major solar plant, Shams 1, which is the world’s largest concentrated solar power project. Shams (‘sun’ in Arabic) will produce 100 MW of power, using 250,000 parabolical mirrors spread over an area of 2.5 square kilometres. Construction of the plant, a joint venture between Masdar (60 per cent), France’s Total (20 per cent) and Spain’s Abengoa (20 per cent), began in the second half of 2010. Shams 1 is to be followed by the Nour 1 solar plant, to be set in a site of 3 square kilometres east of the city of Al Ain. The plant will use photovoltaic (PV) cell technology, will have a capacity of 100 MW, and will generate 170 GWh per year. The sector received another boost with the announce-
ment by Dubai’s Supreme Council of Energy of the Mohammed bin Rashid Al Maktoum Solar Park. The Dh12 billion project, to be managed and operated by DEWA, will be constructed in stages. The first phase, which will use PV cell technology, will begin power production with a capacity of 10 MW by early 2014. The park’s total production capacity will eventually rise to 1000 MW on completion in 2030. DEWA announced in October 2012 that it had awarded the contract for the construction of the first phase of the park to a US-based company, First Solar, one of six bidders for the initial project.

While the UAE does not experience the high winds of other regions, Masdar is planning a wind farm on Sir Bani Yas Island with a production capacity of 30 MW and is considering a 100 MW wind farm near the border with Saudi Arabia.

In addition to renewables, Masdar plans to apply carbon capture, use and storage (CCUS) in the UAE, both for environmental reasons and for use in enhanced oil recovery (EOR), thereby increasing yields from the country’s oil operations. A pilot CO₂ injection project, undertaken at Rumaitha, south-west of Abu Dhabi, by the Abu Dhabi Company for Onshore Oil Operations, ADCO, has already proved successful, and a full-scale project, the first of its kind in the region, is due to commence by 2015. Masdar announced in December 2012 that it had completed the front-end engineering and design of the Abu Dhabi CCUS network, with the first element of the network due to commence operations by 2015.
Nuclear Energy

The Federal Authority for Nuclear Regulation formally gave the green light in July 2012 for construction work to begin on the country’s first nuclear reactor at Barakah, with work proceeding briskly by the end of the year.

Despite the great strides made in the field of renewables in the past few years, the UAE believes that the most environmentally friendly and most sustainable solution to its energy requirements is electricity generated by nuclear plants. Therefore, nuclear reactors are destined to become the second most important source of energy in the UAE after natural gas, producing about 25 per cent of the UAE’s electricity by 2020 and ensuring the continued economic development of the nation.

The UAE’s nuclear energy programme was formally launched in April 2008 with the release by the UAE Foreign Minister, HH Sheikh Abdullah bin Zayed Al Nahyan, of the full text of a policy white paper entitled ‘Policy of the United Arab Emirates on the Evaluation and Potential Development of Peaceful Nuclear Energy’, following its endorsement by the UAE Council of Ministers.

Sheikh Abdullah stressed that the UAE’s interest in nuclear energy stems exclusively from a desire to meet growing domestic energy demand in a commercially and environmentally responsible and sustainable manner, and that the government would not develop any domestic enrichment or reprocessing capabilities in favour of long-term arrangements for the external supply of nuclear fuel.

In October 2009 the Federal Government approved a law that formally set the nuclear programme in motion, with the creation of an independent nuclear safety regulator, the Federal Authority for Nuclear Regulation (FANR), which is responsible for the oversight of the peaceful nuclear energy sector within the country and the enforcement of nuclear safety and radiological protection standards. FANR is also responsible for the licencing of operators in the nuclear sector.
President HH Sheikh Khalifa bin Zayed Al Nahyan issued a decree in December 2009 that formally established the Emirates Nuclear Energy Corporation (ENEC) as the entity in charge of implementing the UAE’s nuclear programme. ENEC oversees the construction and operation of nuclear plants and coordinates the distribution of electricity across the country with federal authorities. At the same time, a consortium of South Korean and US companies led by Korea Electric Power Corporation (KEPCO) was awarded a Dh75 billion contract to build and operate an array of reactors in the UAE, following a three-way competition between consortia from France, South Korea, Japan and the US.

Construction of the first 1400-MW unit got under way in 2012 with the start of safety-related construction. The first two units are situated at the coastal site of Barakah, in the far west of Abu Dhabi; Unit 1 is scheduled to begin providing electricity to the grid in 2017. ENEC plans to apply for licences for the third and fourth units in 2013.

The UAE signed nuclear cooperation agreements with Canada, Russia and Australia during 2012, building on similar agreements signed with the US, the UK, South Korea and Japan since 2009. The UAE’s legislative framework governing the nuclear sector was boosted in October 2012 with the issuance of a new federal law concerning civil liability for nuclear damage. “This Law was drafted in accordance with the Vienna Convention on Civil Liability for Nuclear Damage as amended by the 1997 Protocol, to which the UAE acceded in August 2012,” said Hamad Al Kaabi, the UAE’s permanent representative to the International Atomic Energy Agency (IAEA) and Special Representative for International Nuclear Cooperation, at a press conference held at FANR’s headquarters in Abu Dhabi.

The law aims to regulate the provisions and determine the scope of the civil liability and compensation for nuclear damage that could occur as a result of a nuclear accident. It determines the financial security that the operator must maintain and further elaborates on the implementation of the 1997 Vienna Convention on Civil Liability for Nuclear Damage.

Under the new Federal Law by Decree, the operator of a nuclear facility is solely and exclusively liable for damages arising from a nuclear incident as defined in the 1997 Vienna Convention. The operator’s liability under this Federal Law by Decree is set not to exceed 450 million Special Drawing Rights (SDRs), which is equivalent to roughly Dh2.5 billion.
Water

The UAE faces a key challenge in the area of water supply, with one of the highest per-capita consumption rates in the world and dwindling groundwater reserves. While the country’s consumption still trails the US and Canada at 500 litres per person per day, the UAE uses three times as much per person as the European Union. Groundwater use exceeds regenerating capacity by a factor of 15 and demand for water is expected to grow 30 per cent by 2030. The Environment Agency in Abu Dhabi estimates that the country’s groundwater supply will run out within 55 years if use is not restricted.

The Ministry of Environment and Water, as well as local environment agencies, are actively promoting water conservation, especially by farms and parks, which use over 70 per cent of water supply. The country is also trying to maximise its rainwater harvest. Its hundred-plus dams are undergoing maintenance, more than 30 remote-controlled water-monit-
toring stations were installed in 2012 and there are plans to build further dams.

But the country has become increasingly reliant on water production via desalination plants, often through co-genera-
tion with power stations, at a cost of more than Dh11 billion per year. More than 90 per cent of the country’s potable water is produced via desalination.

ADWEA’s water production capacity stood at 916 Million Imperial Gallons per Day (MIGD), according to the company’s January 2013 announcement. ADWEA’s most recent project, the Al MirfaIWPP, is expected to have a maximum capacity of 1,600MW and 52.5 MIGD, 30 MIGD of which will be produced through reverse osmosis, offering greater flexibility than traditional thermal desalination. Water demand in Abu Dhabi is estimated to be growing by 5-6 per cent per year.

DEWA recorded an increase in desalinated water production capacity of 17 per cent in 2012 to 470 MIGD, compared with 400 MIGD in 2011. As with electricity, water capacity in Sharjah and the smaller emirates is often barely sufficient to cater for the needs of growing industries and rising populations.

In the smaller emirates, the Federal Government is investing some Dh5.7 billion in water and power supply alone, with a 100km main water pipeline under construction from Kalba, at the southern end of the UAE’s east coast, to Dibba, in the north, passing through the cities of Fujairah and Khor Fakkan. Estimated to cost Dh900 million, the pipeline will supply 23 MIGD to Fujairah, 5 MIGD each to Khor Fakkan, Dibba and Kalba, and 3 MIGD to Dhadnah. Another 60km pipeline, costing Dh300 million, will be built to supply 18 MIGD of water to the emirate of Umm al-Qaiwain. The water will be supplied from the ADWEA power and desalination plants in Fujairah.
Wastewater

Sewage works have been stretched by the unprecedented rate of urbanisation throughout the UAE, making large-scale upgrades to the system a priority. The Abu Dhabi Sewerage Services Company (ADSCC) launched its Strategic Tunnel Enhancement Programme (STEP) in February 2009 for the immediate short- and long-term needs of Abu Dhabi’s wastewater and drainage system. The Dh5.7-billion project includes completing 41km of deep sewer tunnels, 43km of smaller diameter link sewers, and a pumping station with a pumping capacity of 30 cubic metres per second.

The project reached a significant milestone in December 2012 with the project’s fifth breakthrough, marking the completion of work between work shaft 9 and work shaft 8 at Al Wathba area in Abu Dhabi. Approximately 33km of the 41km project were completed by January 2013. The project is expected to be completed in the final quarter of 2015.

Sharjah Municipality opened a new underground sewage treatment plant in the emirate in April 2012, catering for the residential areas of Al Majaz, Al Taawun, Al Nahda and Industrial Area 1. The plant was built at a cost of Dh60 million, and construction had been under way since late 2010.
Telecommunications and the Digital Economy

Fostering telecommunications is a major part of UAE government strategy, based on the awareness that connectivity is a key component of public infrastructure. Today, telecommunications across all platforms in the UAE are fast and effective with fixed-line, internet and mobile connectivity among the best in the world. Indeed, in May 2013, the Vice President and Prime Minister, HH Sheikh Mohammed bin Rashid Al Maktoum, launched a two-year programme intended to ensure that all services of government will, in future, be accessible through mobile phones.

The UAE ranks third in the Arab World in the World Economic Forum’s Network Readiness Index (NRI) for 2011-12, and thirtieth out of 142 countries assessed. The country achieved the highest ranking for an Arab country in several measures, including the number of broadband internet subscribers and the impact of information and communications technology (ICT) on new services and products, and was equal first in the measure of mobile network coverage.

The country’s reputation for advanced telecoms infrastructure and services was underlined when it hosted the landmark World Conference on International Telecommunications, organised by the UN’s International Telecommunication Union (ITU) in December 2012.

The UAE is served by two providers of fixed, mobile and internet services. The country’s first operator, Etisalat, began offering telecoms services in 1976, taking over from foreign-owned companies, while the second entrant, du, commenced operations in 2006. The UAE Government is the largest shareholder in both operators. The telecoms sector is regulated by the Telecommunications Regulatory Authority.
The UAE has a mobile penetration rate of 168 per cent, one of the highest in the world. A TRA survey conducted in October 2012 found that nearly one-third of the population of the UAE had more than one mobile account. The two operators had a combined total of 13.8 million active mobile subscriptions at the end of 2012, a year-on-year increase of 17.5 per cent. Prepaid subscriptions account for 87.5 per cent of total subscriptions.

Faced with a growing number of unregistered prepaid SIM cards in the country, the TRA launched its ‘My Number, My Identity’ campaign in 2012, in conjunction with both operators, obliging all prepaid mobile users in the UAE to register their SIM cards.

Mobile data are an increasing priority for Etisalat and du, especially given the increased popularity of smartphones and social networking sites in the country, which has led to a surge in usage. Around 45 per cent of mobile users in the UAE access the internet on their handsets, the TRA survey noted. BlackBerry handsets account for 51 per cent of devices used to access the internet, with Apple’s iPhone accounting for 26 per cent. Both operators launched 4G mobile services at the end of 2011, with the further expansion of their networks set to offer such high-speed services as a priority in the years to come.

The country’s more established residential and business communities are typically served exclusively by Etisalat, while du is typically the exclusive fixed-line and broadband carrier available to residential and business subscribers in newer developments.

Total fixed-line subscriptions in the country reached almost 2 million in December 2012, an annual increase of 7.8 per cent, according to the TRA. Broadband subscriptions increased by 9.8 per cent during the year to 954,988, with broadband penetration ending the year up 11.6 per cent.

The Government introduced a new Internet Law in 2012, clarifying a range of non-permissible online activities including the transmission, publication or promotion of pornographic material, gambling activities, cyber fraud, insulting religion and inciting conspiracy. In accordance with TRA regulations on content, both operators filter websites not in compliance with UAE laws through proxy servers.

Du service store in Khaleej Centre in Bur Dubai.
Telecom Operators

Etisalat is 60 per cent owned by the UAE Government. Its remaining shares are publicly traded but are currently only available to Emirati investors. In addition to its operations in the UAE, Etisalat has operations in 14 markets across the Middle East, Africa and Asia, including Saudi Arabia, Egypt, Nigeria and Pakistan. The group’s revenues reached Dh32.9 billion in 2012, an annual increase of 2 per cent, while net profits rose by 16 per cent to Dh6.7 billion. The UAE remains the company’s largest area of activities, generating Dh22.7 billion of revenues in 2012.

The Ministry of Finance announced in December 2012 that Etisalat’s royalty payments to the Government, previously calculated as 50 per cent of its annual net profits, would in future be calculated as 15 per cent of annual revenues and 35 per cent of net profits, the latter figure falling to 30 per cent in 2016.

Among Etisalat’s key priorities in its home market is the continued upgrade of both its mobile and fixed-data networks, together with enhancing the services offered over such networks. To this end, it continued to roll out its 4G mobile network in 2012, which covered 82 per cent of the population at the end of the year. In September 2012, Etisalat recorded the highest 4G mobile speed test in the world, with speeds of 300 Megabites per second (Mbps).

On the broadband side, the operator’s high-speed Fibre to the Home (FTTH) progressed to reach 1.5 million homes. The
operator is migrating a significant number of its existing fixed-line subscribers to its eLife suite of products, which are carried over its fibre network. The eLife segment, which encompasses fixed-line, broadband and Internet Protocol Television (IPTV) services, grew by 46 per cent during the year to over 500,000 subscribers.

Etisalat was the first provider in the UAE and the wider region to offer 3D television with the broadcast of the 2010 FIFA World Cup. In 2012 the operator claimed another regional first with the launch of a dedicated 3D entertainment and lifestyle channel. In 2013, it launched the first cloud data storage service offering in the UAE, providing a choice of public, private and hybrid cloud services.

Du is 39.5 per cent owned by the UAE Federal Government via its sovereign wealth fund, the Emirates Investment Authority. Mubadala, owned by the government of Abu Dhabi, holds a stake of just over 20 per cent and Dubai Holding a stake of just under 20 per cent, with the remaining shares publicly listed. Unlike Etisalat, there is no restriction on foreign ownership of du’s shares.

The operator’s revenues reached Dh10.2 billion in 2012, an increase of 14.7 per cent on 2011, with net profits before royalty increasing by 55.8 per cent year on year to Dh2.8 billion. While Etisalat remains the country’s largest mobile operator, the gap is rapidly being closed by du; the operator estimated that it had captured 48.7 per cent of mobile subscriptions and a 32.5 per cent value share of the country’s mobile sector by the end of 2012.

A significant portion of du’s marketing presence is at music events; the operator sponsors the prestigious du Arena on Abu Dhabi’s Yas Island, which in 2012 hosted concerts by Eminem, Nickelback and Kylie Minogue. The operator also sponsored concerts by Jennifer Lopez, The Eagles, Coldplay and Amr Diab during the year.

One of the operator’s big successes
of the year were mobile data revenues, which increased by 74 per cent to Dh1.76 billion in 2012, accounting for 22.4 per cent of total revenues. The increase in mobile data revenues will be one of the main focuses for du in the coming years, with the operator securing additional financing in 2012 to expand its 4G service throughout the country.

In addition to Etisalat and du, the UAE is home to two satellite communications providers. Abu Dhabi-based Thuraya Satellite Telecommunications Company, a leading provider of cost-effective, satellite-based mobile telephony services through dual-mode handsets and satellite payphones, is majority-owned by Etisalat. Thuraya empowers people in rural and remote areas as well as those at sea or beyond the reach of terrestrial networks by giving them reliable access to voice and data communications.

During 2012, Thuraya launched the XT-Dual, the world’s first GSM/Satellite dual-mode satellite phone, and the XT-Hotspot, the world’s fastest handheld hotspot. The operator also announced roaming agreements with, among others, T-Mobile in the US and GTNT in Russia.

Al Yah Satellite Communications Company (YahSat), owned by Mubadala, is the region’s first hybrid military and commercial satellite firm. YahSat has spent over US$1 billion on its space programme, consisting of two satellites that are used
for both civilian and military purposes. YahSat’s first satellite, launched in 2011, provides communications to the UAE Armed Forces, as well as commercial links to corporate customers and TV broadcasters. The second satellite, launched in April 2012, also provides broadband internet (YahClick) in a number of markets, thereby giving users a third choice of provider in the UAE.

DubaiSat-2, the second UAE-owned and operated earth imaging satellite, which is being built by a team of Emirati engineers from the Emirates Institution for Advanced Science and Technology (EIAST) in conjunction with South Korea’s Satrec Initiative, will be launched towards the end of 2013. It has been designed to provide high quality images at a one-metre resolution, which is needed for environmental projects, urban planning, telecommunications and electricity projects. EIAST, which was established in 2006, launched DubaiSat-1 in July 2009. The next satellite, DubaiSat-3, will be designed with Satrec but then built wholly in the UAE. EIAST is now building a manufacturing facility for the satellite. DubaiSat-3 is scheduled for launch by 2017, followed by DubaiSat-4 in 2020.
Social Media and E-Services

The increase in broadband subscriptions and mobile data usage in the UAE is bound inextricably with the increasing usage of social networking sites such as Facebook and Twitter. The TRA survey found that visiting social networking sites is second only to email as the most common mobile internet activity.

The UAE has the highest Facebook user penetration in the Middle East, with an estimated 40.6 per cent of the population registered users of the service in June 2012, according to the Arab Social Media Report, published by the Dubai School of Government. The report found that 54 per cent of Facebook users in the UAE were between the ages of 15 and 29.

The country has the third-highest number of Twitter users in the Gulf Cooperation Council, behind Saudi Arabia and Kuwait, with 263,000 active users as of June 2012, the survey found.

Twitter is a medium that has been embraced by both UAE citizens and other residents and the Government. HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister and of the UAE and Ruler of Dubai, regularly tweets on both personal and state matters and has more than one million followers. HH Sheikh Abdulla bin Zayed Al Nahyan, the UAE’s Foreign Minister, has accrued more than half a million followers since joining Twitter in 2012.

Several UAE government entities are using eParticipation and social media channels to communicate with the public and respond to their queries. These channels include discussion forums, blogs, surveys and online chat in addition to Facebook, Twitter and YouTube, among others.

The UAE’s efforts in the field of eParticipation were acknowledged in the UN E-Government Survey 2012. It ranks the UAE in sixth place globally for its eParticipation channels, up from eighty-sixth in the 2010 report.
The UAE and World Expos

The UAE’s Participation in the World Expo

The UAE has a long history of participating in World (Universal) Expos and International Expos stretching back more than four decades to Abu Dhabi’s participation in the 1970 World Expo in Osaka, Japan. Since then, the UAE has participated in four World Expos in Seville in 1992, Lisbon in 1998, Hanover in 2000, and Shanghai in 2010, together with two International Expos at Zaragoza in 2008 and Yeosu, South Korea in 2012.
Expo 2010, Shanghai, China

The UAE participated in World Expo 2010, held in Shanghai from May to October 2010, with a pavilion on a 6000 square metre plot, the largest available to country exhibitors. The general theme of World Expo 2010, with over 200 countries and institutions taking part, was ‘Better City, Better Life’.

Comprising two dune-shaped peaks, the highest reaching 20 metres, the UAE Pavilion attracted almost two million visitors. Now permanently located on Saadiyat Island in Abu Dhabi, the Pavilion is a landmark exhibition centre and is gaining maximum value from the extensive planning, design and construction that is involved in Expo participation.

Praised for its sustainable design, the pavilion was designed by Foster + Partners, who won awards from the Illinois Society of Structural Engineers and the National Council of Structural Engineers Associations. In order to mimic the way the desert is shaped by wind, the building is rippled on the windward side and smooth on its sheltered side.

The UAE chose ‘The Power of Dreams’ as the central thread of its participation in Expo 2010. The exhibitions within the pavilion expanded on this unifying concept to show how the UAE has harnessed its dreams of a better life and applied imaginative thinking to lead the twenty-first century urban agenda. The theme explored in historical, social and contemporary contexts how economic prosperity, assisted by innovations in science and technology, transformed the
UAE from a rural society to a group of thriving urbanised communities where over 200 diverse cultures live and work.

The University of Southern California’s Center on Public Diplomacy commended the UAE Pavilion in their research paper “Nation Branding at Expo Shanghai 2010” concluding that:

“Our results also indicate that, with sensory stimulation and dramatic resonance, the UAE pavilion was the most successful in presenting its national image at the Shanghai Expo. It serves as a revealing case of “strategic narrative” in nation-brand storytelling by achieving an even balance between “credibility” and “novelty” through its content and expressions. Most important, this was accomplished with an adept grasp of the contextual dynamics of the Shanghai Expo. It is therefore reasonable to conclude that the UAE pavilion made a distinctive, positive impact on the image of the country among the Chinese public.”

Shanghai Jiao Tong University conducted an official study, entitled “State Research Project on The Image of EXPO”. The survey-based research paper analysed how 1,500 members of the general public actually perceived the participating countries’ pavilions. Based on overall criteria, the top pavilion at EXPO 2010 was that of the UAE.

**Expo 2012, Yeosu, South Korea**

The 2012 Expo theme, ‘The Living Ocean and Coast’, resonated deeply with the UAE, which has a proud seafaring history. The UAE Pavilion in Yeosu reflected the nation’s commitment to the responsible development and protection of its coastline and marine habitat and included a timeline detailing key events in the country’s history.
The UAE Pavilion was designed to reflect the country’s relationship with the sea and to shed light on its ancient maritime heritage as well as on the important role the UAE has played in maritime trade in the past and the present. It was awarded a Silver Medal for its creative display. With over 100 participating countries, categorised into A, B, and C classes, depending on their level of participation, the UAE was assessed alongside ten other major nations in the top-rated A Class.

The UAE Pavilion’s films, all of which were strongly focused on the Yeosu theme, were selected by the judges for their high quality and strong impact on audiences. The main film, The Turtle, drew considerable praise. The international judging panel of the Bureau International des Expositions Medal Awards made special mention of the film in their comments at the award ceremony, prior to the closing of the exhibition.

**Expo 2015, Milan, Italy**

The UAE is making preparations for participation in EXPO 2015 Milan, where the theme is ‘Feeding the Planet: Energy for Life.’ The UAE has chosen its own theme, within the overall criteria, of ‘Food for Thought.’ The EXPO development team established by the National Media Council once again includes the architectural team of Foster + Partners. The project is also being developed in close cooperation with Masdar, the sustainability hub headquartered in Abu Dhabi. Masdar will play a significant role in helping the Expo 2015 team adhere to ‘One-Planet’ guidelines and achieve a carbon neutral project.
Expo 2020: Dubai’s Bid

For its bid to host the 2020 World Expo in Dubai, the UAE selected the theme ‘Connecting Minds, Creating the Future’. A World Expo in Dubai in 2020 would be the first to be held in the Middle East, North Africa and South Asia region (MENASA). Its focus is one that reverberates both in the country and around the world. As the global community faces more complex and increasingly interconnected challenges, the links between people, societies and ideas have never been more important. Dubai Expo 2020 would strive to be a platform for connectivity to help pioneer new partnerships for growth and sustainability for the future.

An independent study conducted for Dubai Expo 2020 by Zogby Research Services in 2012 found an impressive 92 per cent of business leaders rating it favourably and 85 per cent saying it was relevant. The study, which questioned top level executives in Kuwait, Qatar and Saudi Arabia and the UAE, also found that nine in 10 said the image of the UAE and commercial activity and tourism in the region would be positively impacted by hosting the Expo 2020. At the same time, 85 per cent of UAE respondents said Dubai is a good venue to host the World Expo in 2020 and 89 per cent supported the UAE’s bid. Business leaders also gave a favourable rating to the theme ‘Connecting Minds, Creating the Future’ with 80 per cent saying they are likely to attend and 82 per cent saying they would encourage their employees to attend.
EXPO site to boost Private Sector

The proposed Expo 2020 site, which is integral to Dubai’s wider urban development strategy, is adjacent to the new Al Maktoum Airport in a previously undeveloped area. It is equidistant from Abu Dhabi International Airport and Dubai International Airport. The area, known as Dubai Trade Centre - Jebel Ali, will be a concrete interpretation of ‘aerotropolis’, a city integrating with its airport to develop new services. As the site is undeveloped, it will not require any displacement of people, businesses or infrastructure. The emirate is preparing to invest over US$3 billion to build the infrastructure.

In June 2013 HH Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, led a delegation that unveiled one of Dubai Expo 2020’s flagship initiatives, Expo Live, in a presentation to the 166 member nations of the Bureau International des Expositions (BIE) in Paris. HRH Princess Haya Bint Al Hussein, wife of HH Sheikh Mohammed, highlighted the importance of partnerships under the bid’s overarching theme, ‘Connecting Minds, Creating the Future’, and discussed what would be the foundation and the legacy of Dubai Expo 2020.

If the UAE’s bid to host World EXPO 2020 is successful, Expo Live, a global engagement platform, will ignite the best ideas with an Expo Partnership Fund of €100 million. The fund will accelerate entrepreneurial spirit around the world and support projects of varying size, scale and stages of development – all with the same objective of delivering a lasting and positive impact.

Results of a BIE Enquiry Mission to the UAE, which took place in February 2013, were announced at the June 2013 BIE General Assembly in Paris. A series
of Enquiry Missions had been conducted to each of the competing nations with a view to assessing the feasibility of each proposal. The BIE General Assembly formally approved the candidature of the UAE, stating that it had complied with all the required criteria. BIE commended the UAE for the level of national support, as well as for the strength and vision of its bid in line with the traditions and values of World Expo.

In accordance with BIE regulations, every country must submit an aid package as part of their file. The UAE presented a development assistance package of €150 million, ensuring strong representation for all developing nations.

Voting and announcement of the successful bidder to host EXPO 2020 was scheduled to take place at the November BIE General Assembly Meeting in Paris.
5 Society and Culture

Labour and Social Affairs
Housing
Women
Education
Healthcare
Media
Culture
The UAE has experienced rapid economic and demographic growth in the past few decades, transforming the life of its citizens and other residents in many ways and integrating the country closely into developments in the rest of the world. All of the emirates have worked hard to preserve their traditional values, embracing the opportunities brought by rapid change and diversity, while tackling the challenges.

UAE Total Population (million)

*Bold are census years  Source: National Bureau of Statistics
Population and Demographics

The UAE’s enviable track record of economic growth going back decades has ensured continued growth in both Emirati and expatriate population numbers. According to the National Bureau of Statistics, the population had reached 8.3 million by the end of 2010, more than double the 4.1 million residents recorded in the last national census undertaken in 2005. UAE citizens account for just under 1 million (947,947) of the total population, against a non-national population of 7.3 million. Males also outnumber women by around three to one, due to the migration flow of working-age men.

In spite of the substantial increase in population, among the highest in the world, the UAE has managed to absorb the increased numbers without eroding the national fabric. Compared with other countries in the region, the UAE’s demographic trends have served to solidify the existing characteristics of stability, innovation and tolerance.

The UAE Government is now formulating a population strategy that aims to define a satisfactory demographic mix between Emiratis and expatriates. Under the ethos of sustainable development laid down by the UAE’s founder, Sheikh Zayed bin Sultan Al Nahyan, the authorities guide policy
to ensure that the livelihoods of present and future generations are protected, and that increases in population do not imperil the delicate environmental balance.

As part of this approach, the Federal Demographic Council (FDC), created in 2010, has been actively working to re-balance the UAE’s demographic structure while strengthening the loyalty of UAE citizens to their leadership and homeland. The Council, chaired by HH Lt. Gen. Sheikh Saif bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Interior, conducts research on population issues with the emphasis on socially relevant developments and problems. Its board members include the key ministries with responsibility for population issues: the Ministries of Labour, Economy, Foreign Affairs and Social Affairs.

The responsibilities of the FDC are to review demographic policies and work to develop strategies and national initiatives, coordinating with relevant authorities including ministries, federal institutions, local departments and agencies and research centres.

Much of the population growth reflects the economic dynamism of the individual emirates.
Source: National Bureau of Statistics

Age Pyramid of Citizens 2005

Age Pyramid of Non-Citizens 2005
Above all, the FDC is charged with establishing what proportion of the population should be Emirati citizens by 2021.

Much of the population growth reflects the economic dynamism of the individual emirates. Abu Dhabi has announced a population of 2.5 million in 2013, compared with 1.96 million at the end of 2010. To put this in perspective, Abu Dhabi’s population in 1975 was just 211,000.

The Emirate’s population grew by an annual average of 7.7 per cent in 2005-11, well above the 4 per cent growth rate recorded in 1995-2005, according to Abu Dhabi Statistics Bureau figures.

This growth is concentrated in the expatriate population, which increased by an average of 8.8 per cent annually during the 2005-11 period, compared with 3.8 per cent in 1995-2005.

Dubai’s population was estimated in 2012 at 2.1 million, according to the Dubai Statistics Centre, representing a 5 per cent increase annually. Of the other emirates, Sharjah is the largest with a population estimated by the National Bureau of Statistics in 2009 at 1.01 million followed by Ajman with 250,000, Ra’s al-Khaimah with 241,000, Fujairah with 152,000 and Umm al-Qaiwain the smallest with 52,000.
Developing an Identity Strategy

Although a national census has not been undertaken since 2005, the UAE authorities are attempting to obtain a more accurate picture of demographic trends through the use of cutting-edge technology. At the centre of this effort is the Emirates Identity Authority (EIDA), a government body that was launched in 2003 to develop the infrastructure for a national identity management programme. As part of this effort, all citizens and legal residents are issued with unique identification numbers and smart cards that hold their personal information and biometric details.

The move to an advanced and integrated system for managing personal IDs is in line with the UAE’s shift to online government services under the federal e-government plan and the UAE Vision 2021.

EIDA is focused on ensuring the accuracy of the data of the population register, supporting the Government’s decision-makers by providing accurate and smart information on the demographic structure of the UAE population.

To achieve this strategic objective of having an accurate and up-to-date population register, the Government has conducted a detailed analysis of how citizen and resident information can be continuously updated. The development of a smart identity card with a five-year validity provides a single secure identification document, furthering the streamlining and simplification of government procedures.

EIDA has achieved a rapid increase in the annual registration rate in the population register since its initial introduction in 2005. By 2012, EIDA had registered a total 4.2 million people, raising the number of people registered by 44 per cent for the year. To assist in this effort, it operates 53 registration centres, enabling it to register up to 27,800 citizens per day in 2012, against 12,000 per day the previous year. By 2012, nearly 92 per cent of UAE citizens had been registered for the scheme.

Identification cards connect a unique 15-digit personal number, known as the identity number, with the biometric attributes. Some of the data are encrypted and can only be read or updated by the relevant authorised department to
protect the privacy of data. In February 2013, the name of the Emirates ID card for non-UAE citizens was changed to ‘Resident Identity Card,’ but the features and security specifications of the ID card remain the same.

The identity cards have multi-use functionality. Cardholders benefit from access to all governmental services and some services provided by non-governmental and private entities that require proof of identity. The smart card is used, for example, in eGate systems at all airports in the Federation, for accessing e-government services and for voting in elections to the Federal National Council (used with great success in the FNC elections held in September 2011). They also act as a travel document, enabling UAE citizens to travel within the Gulf Cooperation Council countries.

Nine separate UAE entities now require the ID card as proof of identity. Beyond the evident improvements in administrative efficiency delivered so far, the identity card is also designed to reinforce security for UAE residents, guarding against fraud and ensuring better preparedness against crime and terrorism.

The EIDA Director General, Dr Ali Mohammed Al Khouri, has been spearheading the development of the authority’s new strategic plan (2014-19), which will focus on developing a comprehensive roadmap to achieve the UAE 2021 Vision and develop the necessary infrastructure to support e-government and integration with key governmental institutions.

Addressing a conference on digital security in Abu Dhabi in April 2013, Dr Al Khouri said that as a result of the ID programme, the UAE was now one of the leading countries globally in the development of advanced infrastructure for digital security. According to Dr Al Khouri, EIDA continues to develop its infrastructure, which is based on advanced and modern information and communications technologies, to create new means and applications in order to enhance the security of digital transactions and increase people’s confidence in such types of transaction.
The Human Development Index

Published annually since 1990, the UN Human Development Index (HDI) – introduced as an alternative to conventional measures of national development – has pushed for a broader definition of well-being. It is a measure on which the UAE scores highly. According to the latest HDI value for 2012, based on a composite measure of three basic dimensions of human development, namely health (including life expectancy), education (adult literacy and gross enrolment) and standard of living (measured by purchasing power parity – income), the UAE ranks forty-first out of 187 countries globally with a score of 0.818, which puts it in the very high human development category.

The UAE’s ranking places it above the Arab states’ average HDI score, which stands at 0.652.

The fundamental drivers of the UAE’s strong showing in the HDI reveal health, education and social improvements as having delivered consistently better life chances and life expectancy for Emiratis and expatriates alike. Between 1980 and 2012, life expectancy at birth in the UAE increased by 8.5 years; mean years of schooling increased by 5.3 years; and expected years of schooling increased by 3.5 years. According to the UN Human Development Report (HDR), average life expectancy for Emirati nationals is 76.7 years, and the mean years of schooling are 8.9 years.

The UAE is experiencing continued improvements across a range of measures. According to the Health Authority-Abu Dhabi, Emirati average life expectancy increased in the emirate from 79.9 to 80.4 between 2008 and 2010. This places it above the United States, where average life expectancy is 79, and Qatar, where it is 78.
### Human Development Index 2013 (selected countries)

<table>
<thead>
<tr>
<th>Countries</th>
<th>Life expectancy, years, 2012</th>
<th>GDP per capita $ at PPP</th>
<th>Expected years of schooling</th>
<th>Overall HDI rank</th>
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</thead>
<tbody>
<tr>
<td>Norway</td>
<td>81.3</td>
<td>46,982</td>
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<tr>
<td>United States</td>
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</table>

Source: UNDP, Human Development Indicators

### UAE in HDI Perspective 2013

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
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</tr>
<tr>
<td>Health</td>
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<tr>
<td>Education</td>
<td>0.41</td>
</tr>
<tr>
<td>Income</td>
<td>0.63</td>
</tr>
</tbody>
</table>

Sources: UNDP, Human Development Indicators
Labour and Social Affairs

With unprecedented levels of change sweeping through the UAE, the Government has made a concerted effort to ensure that reform does not undermine the essential social cohesion that is the cornerstone of the Federation. This means focusing resources on areas such as employment, housing and social welfare, to ensure that the advances in wealth seen over the past few decades are spread as widely as possible and that the traditional hallmarks of Emirati culture – respect for tradition, religious faith and tolerance for others – remain firmly embedded in the national fabric.

Addressing unemployment remains a serious issue in the UAE, with 20.8 per cent of Emirati citizens of working age being without work, according to a National Bureau of Statistics Report issued in June 2012. However, overall, the unemployment level – taking into account both Emiratis and expatriates – is significantly lower, at 4.6 per cent of the workforce. Among expatriates, the unemployment level in 2011 was estimated at just 3.2 per cent.

Employment of UAE citizens is skewed towards the public sector. Of the four million employed in the private sector, Emirati citizens account for just 20,000 jobs. In contrast, Emiratis accounted for 60 per cent of government sector jobs in 2010. The highest proportion of UAE citizens employed
in the private sector is in the service, shop and market sales segment, which absorbed 19.8 per cent of the Emirati workforce, according to National Bureau of Statistics figures from 2009. This was also the sector with the highest employment of expatriates, at 21.6 per cent. The armed forces, employing 19.6 per cent, were the next-biggest employer of UAE citizens, followed by technical and associate professions at 18.1 per cent.

According to the International Monetary Fund (IMF), foreigners comprise 96 per cent of the UAE workforce, with the largest communities coming from South Asia, although there is also a substantial presence from the Middle East and North Africa (MENA) region. Foreign workers’ remittances out of the UAE in 2012 were estimated at almost US$20 billion, a quarter of the GCC’s total remittances.

The Government is working to ensure that the imbalance of UAE citizens in the private sector is addressed with active Emiratisation efforts under way. At the same time, bodies such as the UAE National Human Resource Development and Employment Authority (Tanmia) are working hard to develop the skills and competitiveness of citizens. The broad aim of policy is to ensure that Emiratis entering the labour market are able to compete more effectively with expatriate labour. Initiatives are designed to create a level playing field through the targeted use of incentives and penalties.

The main challenge is not in creating jobs: the UAE economy is sufficiently vibrant to produce suitable employment oppor-

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<th>Employment by Sector (ranked by 2010 data)</th>
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<td><strong>Total</strong></td>
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Source: Ministry of Labour
opportunities in the private sector. Indeed, according to the Labour Minister, Saqr G Hobash, speaking in December 2012, around 300,000 private-sector jobs were suitable for UAE citizens. Rather, the key ambition is to address the structural imbalance that makes it more attractive for some employers to employ non-UAE citizens rather than nationals. As Minister G Hobash told a meeting of G20 labour ministers in 2011, most UAE job creation has been concentrated in low-skilled, labour-intensive sectors that are unattractive to national job seekers.

The challenge then is to upgrade the skills base of citizens. As G Hobash noted, even attractive employment opportunities in the private sector require skills that the UAE’s educational and skills development systems have been slow to promote, given the traditional orientation towards public sector needs. The imperative to act now is strong. G Hobash estimated that while the number of Emirati jobseekers was just 35,000, this figure could rise to more than 200,000 over the next decade.

The Year of Creating Jobs for Emiratis

The campaign to boost the employment of UAE citizens has gained vigour after HH Sheikh Mohammed bin Rashid al Maktoum, Prime Minister and Vice President of the UAE and Ruler of Dubai, announced in November 2012 that 2013 would be ‘the year of creating jobs for UAE nationals’, a national priority for which all efforts must unite. As a result, a series of initiatives and policies are being launched to promote Emiratisation – the positive promotion of UAE citizens in the workforce.
Federal programmes such as Work is Life, which has trained 300 Emirati women and provided vocational courses for a further 250, have been effective at the micro level. But much greater emphasis will in the future be placed on the need to ensure that Emiratisation is strengthened, with a reboot of the existing quota system to make it more effective at moving citizens into private-sector employment.

The system has worked on the basis of quotas for certain sectors where citizens were considered able to compete for jobs, such as banking and insurance, retail and wholesale commerce. The 1998 UAE Emiratisation Decree stipulated, for example, that banks operating in the UAE should employ citizens at an incremental rate of 4 per cent annually, which would imply that 60 per cent of bank employees should by now be Emiratis. However, by the end of 2010 the average rate of Emiratisation in the banking sector was just 35.4 per cent.

The renewed emphasis on the Emiratisation strategy also means greater use of the ‘carrot’ rather than the ‘stick’. Instead of forcing companies to reduce their expatriate headcount – and potentially lose out on valued skills and experience – the UAE authorities are looking to devise mechanisms that instead create more incentives to recruit Emirati workers, rather than punish firms that fail to do so. One such incentive is the provision of reduced fees for firms employing expatriates, so long as they meet the official 15 per cent quota for employing Emiratis in skilled labour positions. Mindful that many Emirati citizens are reluctant to take private-sector jobs with lower salaries and fewer benefits and holiday provision, the authorities are also looking to reform working practices to allow for a two-day weekend in the private sector, with increased working hours to compensate for the extra day off.

Public money is being made available to smooth the process. In 2011 the Government announced the creation of the Khalifa Fund for Enabling Emiratisation, with a budget set at Dh440 million. The fund provides subsidies to employers to offer salaries to Emiratis that can compete with the salaries offered in the public sector, as well as funding the training of Emiratis on university courses that are geared to the needs of the employment market.

Another key endeavour to promote the employment of Emiratis in the private sector is the Absher Initiative, launched by the UAE President, HH Sheikh Khalifa bin Zayed al Nahyan, in 2012. This project, which aims to place Emiratis in the private sector, has already created 3768 new jobs, with the target of 20,000 jobs by 2017. HH Sheikh Mohamed bin Zayed al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces, launched the second phase of the Absher Initiative in June 2013, forming partner-
ships with 17 new companies. Candidates for Absher must be at least 20 years of age and have completed a minimum of two years in further education. The Ministry of Presidential Affairs pays for the recruits’ training. Graduates will be trained in different organisations, with the ministry bearing the cost of 30 per cent of their total salary. Participating companies also offer special discounts on their products to those on the scheme.

Another strong focus of UAE policy is to address areas of high joblessness outside of Abu Dhabi and Dubai. In a 2011 assessment of the UAE economy, the IMF encouraged the Government to consider launching active labour market policies in the less developed emirates and to locate some of its agencies and entities there to promote job-creation measures in these areas. This challenge is being taken up, with the Government keen that these pockets of unemployment are tackled head-on. In March 2013 the UAE Government allocated Dh243 million in grants for employment, education and housing in the north of the country, with the largest portion of this funding – Dh160 million – to be used in Ra’s al-Khaimah for the training of unemployed Emiratis.
Protecting Migrant Workers’ Rights

In concert with the labour market reforms under way, the UAE Government is also committed to improving the protection of migrant workers’ rights. In June 2013, the UAE agreed to adopt in full or part 161 measures out of the 180 recommended by the 2013 UN Universal Periodic Review, a mechanism of the Human Rights Council aimed at improving the human rights situation in each of the UN member states. The UAE’s Standing Committee will work to implement these measures, including the creation of a human rights institution. Members praised efforts made by the country since its first review in 2008, while calling for improvements to the welfare of migrant and domestic workers. In December 2011 Sheikh Khalifa announced that children of Emirati women married to foreigners could apply for citizenship once they reached the age of 18.

Many of the protections afforded to foreign workers are safeguarded under the UAE Constitution, which ‘guarantees respect for the safety of every individual, ensures equality and social justice, establishes the fundamental freedoms of all individuals, prohibits torture and arbitrary detention and respects civil liberties, including freedom of expression and freedom of religion.’ There are additional layers of support for non-Emirati workers. Under the UAE’s kafala system, a number of rights are given to workers, such as the right to accommodation, health insurance and the repatriation of the body in the event of death. The Ministry of Labour works to protect workers and has established a unit in every large labour camp to deal with complaints, including running a hotline for workers to report any problems with employers.

The Ministry also set up a human-trafficking department to investigate exploitation and has more than 400 inspectors. Meanwhile, the UAE’s human-trafficking legislation is being amended to enshrine victims’ rights, including the right to psychological help and shelter.

Social Welfare

The UAE remains strongly committed to ensuring that the fruits of economic success are shared widely, instituting an efficient social welfare network dedicated to assisting the most vulnerable members of society. Social security benefits are administered by the Ministry of Labour and the Ministry of Social Affairs, while practical help is offered by a network of ministry-supported social centres run by the General Women’s Union (see section on Women for further information). Government-supported social welfare and rehabilitation centres provide assistance to the disabled.

The Government dispenses financial assistance on a monthly basis to 20 categories of persons – provided the
person is a UAE citizen or the mother of a UAE citizen – including those with disabilities, widows and divorcees. The programme benefits 40,121 families. A total of 4882 children, 862 of whom are orphans, receive assistance, in addition to 3697 children with disabilities and 323 children of unknown parentage. In 2012 the amount disbursed to these families was Dh7.14 billion. Social welfare assistance is also provided to 14,075 older people, representing 37 per cent of the total over 60s population.

Alongside state support, voluntary organisations play a vital role in UAE society. According to official figures, the number of registered non-profit associations rose to 145 in 2012. These associations play an important role in the field of social development, education and health and in the provision of finance for projects for women and young people, so that this sector has become a key partner for social projects.
Housing

A modern, comfortable home is considered to be the right of every UAE citizen. There are three types of housing programme assistance: the first provides home loans and grants to citizens who own a piece of land; the second advances interest-free, long-term loans for citizens who can repay them; and the third provides free housing for low-income citizens.

The Sheikh Zayed Housing Programme, established in 1999, funds housing projects for citizens with low incomes by providing interest-free loans repayable over a 25-year period. Grants and non-reimbursable assistance are dispensed to the poorest segments of society. The Federal Government doubled the programme’s budget in 2010, taking it up to Dh1.8 billion per year to enable it to expand its activities. As of September 2011, the number of beneficiaries exceeded 48,000. In the first half of 2013, the Sheikh Zayed Housing Programme approved 417 Emirati applications for home grants and loans worth Dh208 million.

House-building efforts play an important role in ensuring that housing needs are met. Over 14,500 Emiratis received new houses from 2000 to 2012. In April 2013, Sheikh Khalifa approved development and housing projects worth Dh800 million, which includes building new homes and refurbishing existing ones. The President’s Initiatives Follow-up Committee has also approved the construction of more than 760 houses for Emiratis.

Housing assistance is also provided at the emirate level.
In Abu Dhabi, a total of 7500 integrated units have been built at a cost of Dh33 billion. In December 2012, the Abu Dhabi Housing Authority was created to coordinate all housing-related projects, including the loans programme. In Dubai, the Mohammed bin Rashid Housing Foundation provides support for Emiratis to access decent housing by providing housing loans or buying turnkey homes. A similar programme, the Sheikh Saud Housing Programme, was launched in 2008 to meet the housing needs of citizens in Ra’s al-Khaimah.
‘Don’t think because we are covered, we are not empowered,’ said Rafia Ghobash, one of the UAE’s most influential women, at the opening of her new Women’s Museum in Dubai (see section on Museums for more information). Indeed, women are recognised as critical partners in the UAE’s development and institutional changes at both the national and the emirate level and the role of women in social and economic life continues to expand. For 2012, the UAE was ranked fortieth out of 148 countries, and ahead of all other Arab nations, by the UN’s Gender Inequality Index, which reflects gender-based inequalities in three dimensions – reproductive health,
empowerment and economic activity.

With 17.5 per cent of parliamentary seats held by women and 73.1 per cent of adult women having reached a secondary or higher level of education, compared with just 61.3 per cent of their male counterparts, the index highlights the great strides women in the UAE have made. High-quality healthcare also means that the maternal mortality rate is just 12 in 100,000. In 2012 a survey conducted by research firm TNS MENA found that of 2500 women surveyed across all seven emirates, 91 per cent said they were happy with their overall quality of life.

The UAE’s commitment to gender equality is not new. It stretches back to the establishment of the Federation. The Constitution of the UAE guarantees equal rights for both men and women, ensuring that women have the same legal status, claim to titles, access to education, employment, health and welfare facilities. The UAE is also a signatory to the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

Opportunities available to women, particularly in the field of education, have broadened. The World Economic Forum 2012 Gender Gap Report ranked the UAE number one for female educational attainment, literacy rate, enrolment in primary education, enrolment in secondary education and enrolment in tertiary education. Seventy-seven per cent of UAE females go on to higher education from secondary

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Source: UNDP; HDI
A recent graduate of the aeroplane technician programme working at the Strata facility in Al Ain.

School, and more than 70 per cent of Emiratis in federal higher education institutions are women. In the academic year 2011-12, female students represented 75 per cent of the entire student population at the United Arab Emirates University. At the secondary school level, a 2012 report by the Statistics Centre-Abu Dhabi found that dropping out of school is much more common for boys than it is for girls.

Female graduates can be found working in all sectors from engineering, science and healthcare to IT, law and the oil industry. Women constitute 66 per cent of the public-sector workforce; of these, 30 per cent are in senior posts, according to 2010 data from the National Bureau of Statistics. In government, women are represented in the executive, legislative and judicial branches. Women hold nine of the 40 seats in the Federal National Council. They make up 20 per cent of the diplomatic corps, and four UAE cabinet ministers are women. Emirati women have also joined the police force, the military and the air force. The UAE’s Khawla Bint Al Azwar Military School is the Gulf region’s first military college for women, set up in 1991.

Women have also excelled in the business world, and their importance in the workplace is growing. Although senior leadership examples are still relatively few and far between, the number of role models is expanding. Salma Hareb is Chief Executive Officer of Jafza Economic Zones World, Dr Amina Al Rustamani is Chief Executive Officer of TECOM
Business Parks, Fatima Al Jaber is Chief Operating Officer of the Al Jaber Group conglomerate, Raja Easa Al Gurg is Managing Director of the Easa Saleh Al Gurg Group and President of the Dubai Business Women’s Council, and Noora Al Ka’abi is managing director of Abu Dhabi’s media free zone, twofour54.

Despite their achievements, women remain a relatively untapped resource in the UAE. Female participation in the labour market is 43.5 per cent, compared with 92.3 per cent for men, according to UN figures. However, the UAE Government has recognised that women will be a key factor in the state’s future prosperity and is pursuing a strategy to empower women. Increasing female participation in the economy could lead to great economic and social benefits for the country. If female employment rates were to match those of men, it would boost the UAE’s gross domestic product by some 12 per cent, according to a 2012 study by the consultancy Booz & Co.

Currently most Emirati women opt to work in the government sector. The Booz study showed that 42.6 per cent of those national females in the labour force work for the UAE Federal Government, 35.9 per cent for the governments of the individual emirates, while the private sector attracts 9.3 per cent of the Emirati female labour force. The remainder are entrepreneurs or undefined in the study. The preference for public-sector positions reflects perceptions of higher pay compared with private companies, and the governments’ shorter working days.

Despite a low representation in the private sector overall, Emirati women are 37.5 per cent of the country’s banking sector workforce. Women also outnumber men in professions such as teaching, medicine and nursing. The outlook for the future looks promising. Statistics for Abu Dhabi’s higher education sector in 2011-12 reveal that, although 80 per cent of Emirati women in higher education attend a government institution, their graduation rates are far higher in private colleges than Emirati men. Indeed, although only 40 per cent of Emiratis in private higher education are women, they make up 70 per cent of the graduates.

Employment protection for women exists in the UAE, with employers prohibited from firing an employee on the basis of pregnancy. But more could be done by private companies to better match the needs of women with the workplace. According to Booz & Co, family-friendly arrangements, such as flexible hours, part-time work and on-site day care, would help to attract women to the private sector.

The seriousness with which the Government treats female economic empowerment is reflected in its policy. In December 2012, the UAE Cabinet ruled that all UAE corporations and government agencies must include women on their boards of
directors. The policy is the first of its kind in the Arab world.

The decision was welcomed by Hawkamah, the Dubai-based Institute for Corporate Governance. Reviewing board memberships of companies listed on the Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market, Hawkamah found there were only 11 women directors serving on the boards of UAE publicly listed companies. Only one UAE listed company had two women directors serving on its board. As a result, Hawkamah’s sister institute, the Mudara Institute for Development, has launched a Women in Boards initiative, based on the belief that women can be a good source of talent for the boards of UAE companies.

In early 2012, the third Arab Women Leadership Forum, organised by the Dubai Women Establishment, was held in Dubai. It saw an elite group of women leaders from around the region deliberating on topics related to women serving in boardrooms. The conference identified the factors that impede the progress and participation of women.

HH Sheikha Manal bint Mohammed bin Rashid Al Maktoum, President of the Dubai Women Establishment, commented that the annual Forum ‘has gained tremendous traction as one of the only platforms for women that tackles the hard issues facing them in the workforce in addition to professional advancement issues. Women represent an integral part of our overall human capital and human resource and are playing an increasingly important role in the work-

place. In light of today’s global environment, it is more important than ever to focus on leadership development as – evidenced during previous sessions of this Forum – women are going to be increasingly vital to this effort.’

The conference declared that capacity-building was required for female leaders to be able to serve in boardrooms. Hawkamah has also conducted a number of workshops exploring the barriers to female representation on boards, as well as studying best practices.
Women’s Welfare

The UAE Federal Government has established a social welfare system operated by the Ministry of Social Affairs and makes specific allocations to the country’s women’s organisations to ensure that all those in need, particularly women in rural areas, have access to an economic safety net plus social care assistance. Social welfare is not limited to the provision of social needs, but also extends to provide for the psychological and educational needs of all beneficiaries.

In addition to providing welfare, the UAE has also set up a number of initiatives to prevent and deal with gender-based violence. The Government has established and supports shelters, social support centres and a telephone hotline for women who are victims of violence.

In 2012 the Ewa’a Shelter for Women and Children moved to new premises in Abu Dhabi donated by HH Sheikha Fatima bint Mubarak Al Kitbi, the widow of former UAE President Sheikh Zayed. The organisation also provides shelters in Sharjah and Ra’s al-Khaimah. In April 2012 a new shelter for Emirati women who are victims of abuse was opened in Sharjah. The shelter is named Qawarir after the word used in the Quran to urge men to treat their wives, sisters and mothers with love. The Dubai Foundation for Women and Children, established in 2007, was the first licenced non-profit shelter in
the UAE for women and children who are victims of domestic violence, child abuse and human trafficking.

The General Women’s Union (GWU) is a key institution dedicated to women’s welfare, established in 1975 by HH Sheikha Fatima. She still chairs the GWU and has received numerous awards for her role in promoting women in the fields of education and sport including the International Olympic Committee’s President’s Trophy in 2012.

The GWU initially focused on education and illiteracy, but today works on a wide range of programmes and participates in the process of preparing laws, accords and agreements that directly affect women in the UAE. The GWU is also the official representative of Emirati women outside the UAE. There are over 20 women’s social, cultural and religious organisations throughout the country under the umbrella of the GWU and the Family Development Foundation.

The GWU has launched a National Strategy for the Advancement of Women in the UAE, which sets the agenda for all government institutions within the UAE that are mandated with empowering women. It is also working with the UN Children’s Fund, UNICEF, to develop a National Childhood and Motherhood Strategy that will focus on education, health, child protection and participation.

In 2012 the GWU, in conjunction with the UN, held a series of workshops in Ra’s al-Khaimah, Umm al-Qaiwain, Ajman and Fujairah, focusing on economic and social empowerment. The courses aimed to help women to contribute to their local economies. The GWU has also designed a number of training programmes to enhance administrative, technical and linguistics skills among women.
Education has long been a priority for the UAE, but the sector has taken on a renewed significance in recent years as efforts to reduce the private sector’s reliance on imported labour have been awarded greater urgency. A series of reforms in the education sector has been implemented to better match the skills of graduates with the needs of the labour market.

Like other Gulf States, the UAE faces unique demographic and employment challenges. Two-thirds of Emiratis are under the age of 30 and youth unemployment is significantly higher than the overall unemployment rate. The government is actively addressing this challenge by expanding and reforming the education sector, with both education and Emiratisation being key government priorities.

Budgetary allocations to the sector, which offers free education to citizens at all levels, have been consistently high. The education sector was awarded the largest allocation of Dh 8.2 billion in the 2012 budget. Higher education was given a boost, with an increase of 28 per cent (Dh3 billion) going to national universities and colleges. In October 2012 the federal budget for 2013 was announced, with the education sector receiving Dh9.9 billion, of which the Ministry of Education...
received an allocation of Dh6 billion to help carry out the ministry’s plan to equip schools with modern and advanced methods of learning. The Ministry of Higher Education and Scientific Research is to receive Dh3.9 billion to achieve its strategy for higher education development, and to provide scholarships abroad for Emirati students.

The focus on education by government authorities and educational establishments has driven illiteracy rates to among the lowest in the Arab world. Illiteracy among Emiratis in Abu Dhabi was 75 per cent in 1971, but had dropped to just 6 per cent in 2011, according to the Statistics Centre-Abu Dhabi. Only 7.5 per cent of the entire population of the UAE – both expatriate and national – was recorded as illiterate. Consequently, the focus has turned to improving both the quality and relevance of education.

Primary and Secondary Education

In 2008 the Ministry of Education introduced the K-12 system to organise public education from kindergarten to high school. Schools are divided into four age groups, ranging from kindergarten (four to five years) and elementary (six to 11 years), to intermediate (12 to 14 years) and secondary (15 to 17 years). Education at primary and secondary levels is universal and compulsory up to the ninth grade.

Authority for primary and secondary education has been devolved in the two largest emirates. In Abu Dhabi, the Abu Dhabi Education Council (ADEC) oversees schools, while in Dubai, the Knowledge and Human Development Authority (KHDA) has the authority to inspect schools and the Dubai Education Council (DEC) seeks to meet global standards, focusing on international accreditation and comprehensive quality assurance programmes. Schools in Umm al-Qaiwain, Sharjah, Ra’s al-Khaimah, Ajman and Fujairah operate under the federal Ministry of Education.

In Abu Dhabi there are 299 government schools and 181 private schools, in Dubai there are 79 government schools and 148 private schools, while Sharjah has 140 schools, 86 of which are private. The UAE’s public sector curriculum is taught in Arabic. Expatriates are allowed to attend government schools, admission is based on merit and fees are levied.
The government is encouraging more Emiratis to join the teaching profession, with the Emiratisation of teachers in UAE government schools expected to reach 90 per cent by 2020.

In Abu Dhabi, government schools are operated by ADEC. The authority’s annual External Measurement of Student Achievement programme, which assesses pupils in government schools in Grades 3 to 12 in Arabic, English and mathematics, showed an overall improvement and higher academic achievement in 2012. A new curriculum was also tested by ADEC with the number of subjects reduced from 13 to 10, and a greater focus on technology-based teaching implemented. Teacher training was also prioritised in 2012. ADEC report that more than 2000 teachers in Abu Dhabi had been trained between March and July 2012 as part of the Tamkeen: Empowering Educators programme on the usage of Internet and Computer Technology (ICT), on ways to help engage students, strategies for positive behaviour management and learning styles, special education needs and assessment for learning and instructional strategies for the new school mode. ADEC’s Abu Dhabi Future Schools Programme, which is responsible for building educational infrastructure across the emirate, also made headway in 2012 with the construction of new kindergartens.

KHDA, meanwhile, is responsible for the growth, direction and quality of private education and learning in Dubai and ranks the emirate’s private schools on a scale of unsatisfactory to outstanding. In 2012, some 12 schools were ranked as outstanding, up from just four in 2008. There are 13 different types of curriculum on offer in Dubai’s private schools, according to KHDA. Many private international schools are accredited by international bodies. Most students attend UK curriculum schools (31 per cent), Indian curriculum schools (20 per cent) and other international curricula (49 per cent).
(30 per cent) or US curriculum schools (21 per cent). There are now 25 schools in Dubai offering the International Baccalaureate, up from just three in 2005. KHDA has implemented new rules for private schools looking to raise their fees. The system bases annual increases of fees on inspection results and inflation. Increases in fees can only be made if a school performs well at inspection.

Private education has expanded rapidly across the UAE. KHDA says that at least 58 per cent of Emirati pupils pay to attend private schools rather than attend free state schools in Dubai. There was a 22 per cent growth in the enrolment of pupils at private schools between 2008 and 2011, according to education adviser Parthenon Group. Booz & Co, a consultancy, said it expects a 54 per cent increase in private school enrolment in Dubai and Abu Dhabi by 2020, estimating that the market value of the UAE’s private education will triple in size to reach between US$2.8 billion and US$3.9 billion by 2020.

Higher Education

Higher education is also undergoing rapid change and growth, with the UAE evolving to become a regional centre for higher education. The UAE’s three federal universities, UAE University, the Higher Colleges of Technology and Zayed University, are expanding to accommodate growing student populations, while numerous partnerships with overseas universities have allowed top international universities to establish campuses...
in the UAE. These include the New York University, Paris-Sorbonne University and the Massachusetts Institute of Technology in Abu Dhabi; Heriot-Watt, Manchester University, Murdoch University, University of Wollongong and many others in Dubai, and EPFL in Fujairah. Sharjah has the American University of Sharjah, founded as an independent institution in 1997, based on US models and with international accreditation. Ra’s al Khaimah plays host to the University of Bolton and the American University RAK.

The numbers of higher education institutions in the UAE has soared to accommodate the growing numbers of students. Student numbers have swelled in recent years with 95 per cent of all females and 80 per cent of males who are enrolled in the final year of secondary school applying for admission to a higher education institution in the UAE or abroad. Federal universities and institutes granted admission to 14,570 Emirati high-school graduates for the 2012-2013 academic year, the largest number of citizens who have found places at federal universities during one academic year. Female students accounted for 60 per cent of the figure. A further 380 students received scholarships from the Ministry of Higher Education and Scientific Research to pursue their education abroad, while 3520 students joined programmes at the Abu Dhabi Vocational Education and Training Institute (Adveti) for the first time.

**Higher Education in Abu Dhabi**

In Abu Dhabi, there are currently 22 accredited higher education institutions, including branches of foreign universities. The emirate is working to match its higher education sector with the knowledge and innovation-based society it hopes to establish. In 2010, ADEC launched a 10-year strategic plan aimed at putting the quality of higher education on a par with international standards, while aligning academic programmes with Abu Dhabi’s 2030 vision. The strategic plan focuses on achieving four priorities, including elevating the quality of higher education in Abu Dhabi to international
standards, bringing higher education in line with the social, cultural and economic needs of Abu Dhabi, setting up a research eco-system to support an innovation-based economy, and providing affordable higher education opportunities for all qualified students.

The plan was developed by a taskforce comprising educational institutions and government bodies including the General Secretariat of the Executive Council, the Executive Affairs Authority, the Ministry of Higher Education and Scientific Research, UAE University, Advanced Technology Investment Company (ATIC), Harvard Business School, the University of Oxford and Imperial College, London.

Research carried out by the taskforce identified a number of challenges facing the higher education system and identified several areas of mismatch between the system and the objectives set by the Abu Dhabi Economic Vision 2030. The strategy addresses these challenges through improving the quality of higher education, setting up committees to review the progress of the plan’s implementation.

Higher Education in Dubai

By the end of 2012 there were 53 higher education institutions in Dubai, with a total of over 48,000 students. Three federal institutions, Zayed University, Dubai Women’s College and Dubai Men’s College, the latter two being part of the Higher Colleges of Technology network, make up 6 per cent of the total number of institutions in Dubai.

To provide high quality international degrees to its citizens and residents, Dubai has attracted 26 international higher education institutions from 10 countries that have set up branch campuses in the emirate. Dubai has also built infrastructure dedicated to higher education. Dubai Knowledge Village (DKV) opened in 2003 as the first purpose-built zone to house education institutions, followed by Dubai International Academic City (DIAC), established in 2005 to house education institutions offering degree programmes.

The most popular field of study amongst students in Dubai is business (42 per cent), followed by media and design (10 per cent) according to KHDA. Significant numbers of students are also studying engineering (9 per cent), humanities (8 per

In Abu Dhabi, there are currently 22 accredited higher education institutions, including branches of foreign universities.
cent), law (7 per cent) and information technology (5 per cent). However there are comparatively few students studying health and medicine (2 per cent), education (1 per cent) and natural and physical sciences (1 per cent).

The Dubai Government and KHDA hope to increase the enrolment of Emirati students studying in the emirate. Currently Emirati students make up 43 per cent of the total student population in Dubai, 55 per cent of whom are males and 45 per cent female. One method to increase enrolment has been to guarantee government jobs after graduation. In 2012, Emirati students in Dubai’s free zone universities and colleges overseen by the KHDA were given the same guarantee as enjoyed by universities accredited by the Ministry of Higher Education and Scientific Research.

Vocational Colleges

The Higher Colleges of Technology (HCT) is the largest federal educational institution with 17 colleges around the country. Founded in 1988, HCT offers work-relevant, English-taught programmes in Applied Communications, Business, Computer & Information Science, Engineering Technology, Health Sciences and Education at various levels. All programmes are designed in consultation with business and industry leaders to ensure the students’ skills are job-relevant and to a high standard. Student numbers have grown from
250 students in 1988 to 18,000 students today.

With applicants for the federal universities growing quickly, the HCT has raised its admission standards over the years. In 2007, the Abu Dhabi Vocational Education and Training Institute (Adveti) opened to take on students that are unable to gain entry to any of the HCT colleges. Adveti has seven campuses across the UAE. New students take a one-year intensive course in English before embarking on a diploma in a particular subject.

Numerous business schools have also set up satellite campuses in the UAE. One of the first business schools to set up in the UAE was Australia’s University of Wollongong Business School, which launched in Dubai in 1994. It was followed by many more, including London Business School, Cass Business School, INSEAD, Edinburgh Business School, Hult International Business School, and the University of Strathclyde Business School. Other schools including Wharton and Duke’s Fuqua School of Business have a presence in the UAE through research centres. In 2012, the Dubai branch of the London Business School reported its highest admission in its five years of existence, recording increased enrolment from countries such as Egypt.

The UAE has a number of well-respected specialised schools of higher education. The Masdar Institute of Science and Technology is a graduate school focused around renewable energy and advanced sustainability technology and created in collaboration with MIT. It celebrated its third graduating class of 90 students in 2013, including its first international graduates supported though IRENA scholarships provided by the Abu Dhabi Government. The Petroleum Institute, founded in 2000 by the Abu Dhabi National Oil Company (ADNOC), offers both undergraduate and graduate degrees in several engineering disciplines for the oil and gas sector. The Dubai School of Government, a research and teaching institution set up in 2005, offers a Masters in Public Administration and through its Leaders Programme provides governance training elsewhere in the Arab world, most recently in Libya.
Healthcare

The UAE’s health sector has evolved rapidly in the past decade. Healthcare demand has grown along with the population and billions of dirhams have been invested to improve healthcare, which is provided for free in government hospitals and clinics to all UAE citizens. In 2012, the sector received a budget allocation of almost Dh3 billion, up from Dh2.3 billion the year before. The progress the sector has made is illustrated by the country’s maternal mortality rate, which is now among the lowest in the world. Other indicators such as infant mortality rate are on a par with other developed countries.

As a result of both public and private investment, the UAE now boasts a highly-developed physical healthcare infrastructure made up of well-equipped hospitals, specialist clinics and primary care centres. The country is home to some 70 hospitals, 15 of which are federal institutions, and more than 150 primary health-care centres and clinics. There are also 11 school health centres, 10 centres for mothers and children and 110 special units for mothers and children in hospitals and primary health-care centres. There are also two health-care free zones in Dubai: Dubai Healthcare City and Dubai Biotechnology and Research Park.

Healthcare is regulated at both the federal and emirate level. The UAE Ministry of Health was established pursuant to Federal Law No. 1 of 1972 to, among other things, licence companies and individuals providing healthcare services, build and manage health facilities and regulate various areas of healthcare, including the practice of medicine, dentistry, nursing, pharmaceuticals and laboratories. Federal Law No. 13 of 2009 established the Emirates Health Authority (EHA),...
which has regulatory functions and initiatives to encourage cooperation between the federal and local health authorities and between such authorities and the private sector. EHA is based in Sharjah and works closely with HAAD in Abu Dhabi and DHA in Dubai.

In Abu Dhabi, HAAD was created to regulate both public and private healthcare providers and to track and steer progress towards realising the emirate's 2006 vision for Abu Dhabi’s health system. The vision has guided major reforms. SEHA, which means 'health' in Arabic, is the public healthcare provider. It owns and develops public healthcare facilities, including partnerships with several overseas operators to manage them.

Dubai Health Authority (DHA) was created in June 2007, its principal objectives include healthcare planning and promotion of healthcare investment, improving healthcare quality through information systems and standards, regulating healthcare services, developing a comprehensive healthcare insurance and funding policy, public health promotion, developing medical education and research, and owning and operating Dubai government healthcare facilities.

DHA is authorised to regulate all healthcare services in Dubai, including those in free zones. Healthcare facilities and professionals in Dubai must be licensed by DHA. The Ministry of Health oversees the healthcare system in Sharjah, Ra’s al-Khaimah, Ajman, Umm al-Qaiwain and Fujairah. There have been recent developments establishing new healthcare institutions or reforming existing ones, Sharjah has established the Sharjah Health Authority. The Ministry of Health continues to invest substantial efforts to improve the level of healthcare services in these emirates.
Policy

A number of significant developments took place in healthcare policy in 2012. Dubai and Abu Dhabi unified their medical licences, providing doctors with more flexibility by making it easier for healthcare professionals to move between the emirates. The Ministry of Health, which regulates healthcare in the other emirates, hopes to follow. In addition, a nationwide board was also established to evaluate and approve training programmes and examinations, with the aim of standardising the quality of health in the UAE.

In Dubai, every public and private healthcare centre was surveyed to identify gaps in services, under a scheme called the Dubai Clinical Services Capacity Plan, organised by the Dubai Health Authority. A 20-year plan was also launched to meet the needs of the UAE’s growing elderly population. In 2010 there were around 40,000 Emiratis over the age of 60. The Ministry of Health expects this figure to increase by 20 per cent by 2020, requiring more rehabilitation facilities, day-care centres and home services.

Moves were also made in 2012 to make healthcare more affordable. The tariffs that healthcare providers can charge in Abu Dhabi were capped. Under the new system, the cost of surgery will drop by up to 14.9 per cent, while laboratory costs will fall by 24.2 per cent.

Plans were also drawn up to increase the number of doctors in the UAE by more than 40 per cent over the next five years. Figures from HAAD released in 2012 showed that there are only 16 physicians per 10,000 people in Abu Dhabi, with
shortages in emergency, neonatal, cardiology and intensive care. HAAD plans to increase the ratio of doctors to 23 per 10,000 people over the next five years. It also hopes that Emiratis will make up at least a quarter of all doctors in Abu Dhabi, reducing the reliance on expatriate doctors.

The health authority estimates that by 2021 Abu Dhabi will require 3200 additional doctors and 5900 extra nurses. If turnover remains at the 2011 level, this will require an annual recruitment of some 1500 doctors and 1600 nurses, according to HAAD. The authority also says that high demand projections indicate that in 2021 demand for in-patient services may require up to 1600 additional beds beyond the current 3659 beds available.

Despite the great strides the sector has made, it still faces a number of pressing challenges, evidenced by the large numbers of people who choose to travel overseas to obtain healthcare. A 2012 survey by the Dubai Health Authority covering 2000 people, both Emiratis and expatriates, found that almost 10 per cent did not seek local advice before travelling abroad, citing a lack of equipment and skilled staff as their motives. Though Emiratis are broadly satisfied with healthcare in the UAE, almost two in five prefer to be treated abroad, according to a Gallup survey carried out in 2012.
New Facilities

Billions of dollars have been invested in new healthcare projects across the Emirates. Abu Dhabi in particular has attracted top overseas names to manage hospitals in the emirate, such as Cleveland Clinic and John Hopkins University, based in the United States. The Cleveland Clinic Abu Dhabi is a US$1.6bn multi-specialty 360-bed hospital currently under construction. In 2013, it is hiring 175 physicians and 2500 nurses, and the hospital is due to open in 2014. Cleveland Clinic has managed Sheikh Khalifa Medical City in Abu Dhabi since 2007.

In May 2012, a second Imperial College, London Diabetes Centre opened, following the successful establishment of the first Centre in Abu Dhabi in 2006. The centre is a state-of-the-art facility that provides world-class standards of care to diabetes patients in Al Ain. The new centre is an extension of the partnership agreement between Mubadala Healthcare, a unit of the Abu Dhabi Government’s strategic investment company Mubadala Development, and Imperial College, London.

As part of the Ministry of Health’s strategy to bring healthcare in the smaller emirates up to the same standards as in Abu Dhabi and Dubai, it has invested in building a range of new hospitals. In 2012, the Ra’s al-Khaimah Sheikh Khalifa Specialist Hospital was completed, as well as new hospitals in Sharjah, Fujairah and Ajman.

The DHA also opened a number of primary healthcare centres in Dubai in 2012. The first federal government clinic exclusively for men’s health opened in 2012, at Muhaishnah...
Health Centre in Dubai. Meanwhile the UAE’s first hospital dedicated to paediatric care, the Al Jalila Children’s Specialty Hospital in Dubai, is due to open by 2014.


Health Insurance

HAAD launched an Abu Dhabi government mandatory health insurance scheme, which today covers 98 per cent of the Abu Dhabi population, in 2007, with the aim of ensuring that all Abu Dhabi residents have access to high-quality healthcare. Employers and sponsors in Abu Dhabi are obliged by law to provide health insurance to employees and their families. Eventually, in accordance with federal law, all Emiratis and expatriates will be covered by compulsory health insurance under a unified scheme.

The introduction of mandatory health insurance was a major driver of healthcare reform in Abu Dhabi. As part of the implementation of the Health Insurance Law, the thiqa programme grants all UAE citizens in the emirate healthcare coverage through a comprehensive network of healthcare providers. The National Health Insurance Company – Daman was assigned to manage the programme.

In Dubai, a long-awaited health insurance law should come into force once it has received final approval from the Dubai Executive Council. There are at least one million people with health insurance in Dubai, though figures from Dubai’s Household Health Survey in 2010 showed that three-quarters of Asian and Arab expatriates were not covered by health insurance.

In December 2012, the DHA said it would begin regulating services provided through health insurers in Dubai in the first quarter of 2013 to tackle insurance fraud, abuse, and cases of over-treatment in the emirate. Some 40 insurance companies in Dubai and private health-care providers will be required to register with DHA as the regulatory framework becomes functional.
Public Health and Preventative Medicine

The UAE is confronting major public health challenges brought about by poor diet, lack of exercise and tobacco use. The country has high rates of lifestyle-related chronic diseases such as obesity, diabetes and cardiovascular diseases. The Diabetes 2012 Atlas Update places the UAE eleventh globally for the disease and fifth regionally, with almost 19 per cent of Emirati nationals already diabetic.

Cardiovascular diseases accounted for over a quarter of deaths in Abu Dhabi in 2011, according to HAAD. Adult citizens were screened for cardiovascular risk factors in 2008 as a condition for enrolment in thiqaa insurance. HAAD’s early analysis of results of the screening showed obesity rates of 33 per of males and 38 per for females, and high proportions of people at risk of diabetes and hypertension among UAE citizens over 15.

UAE health authorities have recognised that a concerted effort to highlight risk factors and identify healthy habits is needed to reduce the incidence of chronic diseases. HAAD works with a range of stakeholders to encourage preventative measures, including with municipalities on tobacco control, schools on healthy eating and exercise, police on road safety and employers on workplace health promotion.

In 2009, The Fat Truth Campaign was launched in the UAE, a three-month awareness-raising initiative developed and implemented by UNICEF and multiple government and private-sector partners. The campaign aimed to sensitise children, adolescents and parents to the risks of childhood obesity and the benefits of a healthy diet and regular physical exercise. A range of campaigns have highlighted the issue since.

Some 17,000 people joined Walk 2012 at Yas Marina Circuit, calling attention to the crucial role of regular exercise for a healthy lifestyle. The walk was organised in the capital by the Imperial College, London Diabetes Centre (ICLDC) with the support of the National Health Insurance Company – Daman. Health experts believe that increasing awareness about the disease, specifically the risk factors and complications of Type 2 diabetes, remains critical to reducing its incidence over time.

Education and awareness campaigns have also increased cancer-screening rates for all nationalities. Cancer caused 14 per cent of all deaths in Abu Dhabi in 2011. Because late detection of breast cancer leads to significant increases in
mortality, female Emiratis aged 40-69 are being screened for breast cancer as part of their thiqa insurance renewal. In 2012, under the patronage of HH Sheikha Fatima bint Mubarak, HAAD launched the Cancer Wave Health Promotion Project. The campaign aims to provide awareness on cancer, early detection and tips for prevention. In October 2012, the Cancer Registry started to collect data. All HAAD-licensed healthcare facilities are now required to report new cancer cases through an online system, which will also monitor screenings.

The Health Ministry is also fighting tobacco usage in UAE. The ministry has established anti-smoking support clinics, while primary health centers and preventive medicine centers have worked to raise awareness of the dangers of smoking.

Road traffic safety messages have had success in lowering the number of traffic accidents and fatalities in the UAE in recent years. Salama (the Arabic word for “safety”) is a public awareness initiative launched in 2008, under the patronage of HH Lt. Gen. Sheikh Saif bin Zayed Al Nahyan, UAE Deputy Prime Minister and Minister of Interior, in order to address the issue of road safety throughout the nation. Salama is an initiative supported by Emirates Foundation for Philanthropy and Shell.

Abu Dhabi is also continuing to raise awareness to try and prevent injuries and deaths caused by dangerous driving. The emirate has one of the highest rates of injuries resulting from road traffic accidents, according to HAAD. They account for 11 per cent of all deaths and are the leading cause of death amongst young males. Government agencies have implemented speeding fines, free provision of child seats and traffic safety education programmes. In Dubai there is continued focus on promoting road safety through car inspection and safe driving, promoting road safety among all motorists. Activities include field visits to driving schools and transport companies.
Medical Tourism

The Dubai Medical Tourism Group Initiative was established in 2012 following an announcement from HH Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Dubai Executive Council, with the aim of establishing Dubai as a global health tourism hub. Through a partnership with the Dubai Health Authority and the Department of Tourism and Commerce Marketing, and under the umbrella of the Dubai Medical Tourism Group, Dubai Health Care City is increasingly promoting itself to a global audience with the aim of attracting medical tourists to the free zone.

The group is addressing the needs of identified markets and tackling issues such as visas and logistics, while working towards branding Dubai as a top destination for medical tourism. It also aims to reduce the number of citizens that leave the country to obtain treatment.

The number of medical tourists seeking treatment in the free zone has grown significantly. Dubai Healthcare City found that of 502,000 patients in 2012, about 15 per cent were medical tourists, compared with 10 per cent of its 412,000 patients in 2010, and an estimated 5 per cent of its 231,000 patients in 2009.

Other private-sector hospitals and medical centres in Abu Dhabi and Dubai have also reported an increase in the number of patients coming from abroad to seek medical treatment. The Dubai Health Authority estimated that the number of inbound medical tourists in Dubai grew by 10 to 15 per cent over the course of the year. The UAE’s medical tourism market was worth an estimated US$1.6bn in 2012, according to research from Euromonitor International.

The majority of medical tourists in Dubai are from the GCC and the wider region, South Asia, Russia and Central Asia. Reports suggest that most patients come from neighbouring countries seeking surgical procedures that are not available in their home countries.

The Dubai Health Authority (DHA) said it is working on a set of guidelines that would govern medical tourism. Qadhi Saeed Al Murooshid, Director-General of the Dubai Health Authority, said: “Dubai is keen to foster the medical tourism sector and implement several new initiatives to boost medical tourism in cooperation with other government departments, the DHCA and the private healthcare sector.”

The authority is working to develop the sector alongside government departments, airlines and tourism
companies. Al Murooshid said that developing a world-class integrated health system and promoting Dubai as a globally recognised destination for healthcare is in line with the vision of the Dubai Health Strategy 2011-2013.

Laila Al Jassmi, CEO of Health Policy and Strategy Sector, pointed out that Dubai has more than 4750 doctors and physicians speaking over 40 languages: ‘Dubai is well poised to address the healthcare needs of this market as we satisfy the key criteria for healthcare that they’re looking for – a large number of highly qualified medical professionals, strong private-sector health infrastructure, ease of access and the added advantage of multi-lingual skills given Dubai’s diversity.’
The UAE is at the heart of the Middle East’s diverse and rapidly growing media industry. The region’s most prominent television broadcasters, advertising agencies and print publications are all based in the country, many in thriving media zones such as Abu Dhabi’s twofour54 and Dubai Media City.

A more positive business environment has seen many UAE-headquartered media companies make great strides since 2012. Abu Dhabi Media, for example, launched a new radio station while the Dubai-based MBC opened a new TV station geared towards Egypt. While many local media companies thrived, several big-name global brands chose to set up shop in the Emirates in 2012, attracted by the UAE’s world-class infrastructure, business-friendly environment and growing advertising market. Sky News Arabia began broadcasting from Abu Dhabi in May 2012, and the social media giant Facebook opened an office in Dubai in the same month. All this came against the backdrop of an industry recovering from the impact of the global financial crisis and political turmoil in the region, both of which brought big declines in regional advertising spending, a key source of revenue for the media industry.
Media Organisations

The National Media Council (NMC) was established in 2006 following a re-structuring of government ministries. The main thrust of the NMC mandate is media regulation. In addition, the Council oversees the Emirates News Agency (WAM), the official state news service of the UAE, which began operations in 1976. WAM transmits news on national, regional and Arab affairs and has been recognised as a credible source for international media. It maintains a network of reporters outside the UAE, and operates a website (www.wam.ae) with news services in both Arabic and English. The NMC also supports UAE Interact (www.uaeinteract.com), an online portal with a searchable database of multimedia resources on the UAE. The site presents news and information in Arabic, English, French, German and Korean.

The NMC is also responsible for organising and manning the UAE’s pavilions at the biennial world EXPO events. The most recent EXPO was held in Yeosu, South Korea in 2012 with the UAE pavilion winning several prizes. A conservation-oriented film, ‘The Turtle’, launched in Yeosu, has subsequently received substantial international recognition, winning several awards. The next EXPO event will be held in Milan, Italy (see pages 141 – 147).

One of the key NMC events during 2012 was the launch of a television metering system to measure audience viewing figures across the UAE. The system, now known as ‘tview’, will be used by media industry to provide transparent and reliable ratings on viewing figures. The project was jointly led by the National Media Council and the Telecommunications Regulatory Authority.

It was a year of change for Abu Dhabi Media (ADM), one of the largest media companies in the region. The company, set up in June 2007, owns and operates five TV stations, six radio stations, and the newspapers Al Ittihad and The National, among other media assets. ADM celebrated the launch of its latest radio station in conjunction with India’s largest FM brand. Radio Mirchi, geared towards the UAE’s large South Asian community, hit the airwaves across the UAE in February 2012. Bollywood star Rani Mukherjee visited Abu Dhabi for the launch of the station. Just ten months later, Radio Mirchi took home the title of ‘Best Radio Station’ at the 2012 Masala! Awards, held in Dubai.

Dubai Media Incorporated (DMI) operates the television stations Dubai TV, Sama Dubai, Dubai One, Dubai Sports, Dubai Racing, and Noor Dubai TV. It also operates two radio stations and the newspapers Al Bayan and Emarat Al Youm. Highlights for 2012 included a three-year deal the Dubai media firm struck with Metro-Goldwyn-Mayer (MGM), which gives DMI exclusive TV rights to broadcast films such as the James Bond movie Skyfall and The Hobbit.
The Sharjah Media Corporation (SMC), which was established in 2009, operates Sharjah TV, Sharjah Sport TV and Sharjah Radio, which started broadcasting in 1972. Part of the aim of SMC is to nurture local media talents, and plan the media strategy of the emirate of Sharjah. One landmark moment of 2012 was SMC’s workshop on ‘Government Authorities and Media’, which was held as part of its commitment to nurture local media on the foundations of professionalism, excellence and creativity.

The Dubai Press Club was set up in 1999 as a centre for media professionals to debate political, economic and social issues. Created under the patronage of Sheikh Mohammed bin Rashid, the club has sought to establish itself as a centre of journalistic excellence and a meeting place for local, regional and international media. The Club organises the well-respected Arab Media Forum as well as the Arab Journalism Awards.

Media Events

The annual Abu Dhabi Media Summit, launched in 2010, positions itself as ‘the world’s most important gathering of the leaders and companies driving the transition to a fully digital future’ and places special focus on the Middle East, the Indian Subcontinent, East Asia and China. In the third edition in October 2012, Bill Gates, Microsoft chairman and billionaire philanthropist, gave an inspirational opening speech, discussing the media’s role in eradicating poverty and disease. It marked a high-profile beginning to the summit, which
brought together media executives such as Bob Bakish, chief executive of Viacom International Media Networks, and Nart Bouran, head of Sky News Arabia. Around 400 people from across the global media industry participated in the invitation-only event at the Yas Viceroy Hotel in Abu Dhabi.

The Arab Media Forum, organised by the Dubai Press Club since 2001, brings together over 9000 regional and international journalists and other media professionals to discuss the key issues of the day as they affect media. The twelfth edition in 2013 was entitled ‘Arab Media: Transitional Phase... Transitional Media’ and included a session on the emerging phenomenon of Arabic satirical TV programmes. In 2012 the focus was on the relationship between the media and the events surrounding the political uprisings in parts of the Arab world and the role of religious discourse in the Arab media. The two-day event attracts tens of thousands of online followers and participants from 45 nationalities.

Media Zones

Abu Dhabi’s media zone twofour54, named after the geographical coordinates of the city, was launched in 2008, as part of Abu Dhabi’s strategy to become a creative hub for the media, as well as the arts and culture. Companies registered there include CNN, the Cartoon Network and Bloomberg, while other international media institutions such as the BBC and the Financial Times also have their local offices in the zone. Milestones for the centre in 2012 include its support of PopArabia, a new music-publishing and music-rights consultancy, and its support of a project to boost the amount of Arabic content available on Wikipedia.

Dubai’s Tecom Media Cluster, which comprises Dubai Media City, Dubai Studio City and the International Media Production Zone (IMPZ), is home to some of the region’s largest media companies, such as broadcaster MBC, the publishers Motivate and ITP, and the regional headquarters of advertising firms Omnicom Media...
Group and Starcom MediaVest Group. The cluster attracted 257 new companies and freelance workers in 2012, including Euronews, Ticketmaster and Getty Images, offset by the 170 media companies and freelancers who left the zones. Occupancy levels in 2012 stood at 100 per cent for Dubai Studio City, 93 per cent for Media City and 70 per cent at IMPZ. Dubai Internet City, another zone in the wider information and communications technology sector, also reported more business registrations last year.

Media zones have also been set up in the other emirates. Fujairah Creative City, a media free zone that was established in 2007 under the auspices of the Fujairah Culture and Media Authority, boasts partners such as the Fujairah Media Group and the Fujairah Media Academy. Ra’s Al-Khaimah set up a media free zone, RAK Media City, in 2006.

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**Print Media**

Newspapers and magazines are thriving in the UAE, especially in comparison to the problems the industry is facing in other parts of the world. Print media institutions in the country have made considerable progress in market size and quality in recent years. There are seven Arabic newspapers and eight English language newspapers as well a Tagalog newspaper produced and published in the UAE. The magazine and specialist periodical sector continues to grow with a vast number of subscription, controlled circulation and free circulation titles available. In the media free zones in Dubai, there are over 120 publishing houses producing some 400 publications, whilst media free zones in Abu Dhabi account for 135 domestic and foreign companies producing and distributing print and audiovisual media content. Organisations such as the Dubai Press Club, Sharjah Media Centre and the UAE Journalists’ Association, which has over 700 members, local media outlets, and hundreds of accredited foreign media correspondents in the UAE contribute to make the country one of the key centres of the print and publishing industries in the Arab world.

Two of the UAE’s most prominent English-language newspapers were revamped during 2012. The Dubai-based *Gulf News* became the first newspaper in the Arab world to adopt
the ‘Berliner’ format – which describes a slimmer, more compact broadsheet size. The new format was accompanied by a host of new sections on topics like health, education and personal finance. *Gulf News’* rival *The National*, which is based in Abu Dhabi, also announced a revamp in 2012. It launched two monthly glossy publications to replace the weekly *M Magazine*, as well as improved sport and arts sections.

Newspapers and magazines continue to attract the lion’s share of the UAE’s advertising spending, ahead of all other media, attracting US$343 million in 2012. Other media, notably internet but also television and radio, are expected to grow revenues over the next three years. But magazines and newspapers are forecast to see a fall in advertising spending in line with global trends, according to the Arab Media Outlook.

Elsewhere in the print-media industry, it emerged that the Dubai-based *The Entertainer*, which sells books of discount vouchers, had sold half the company to the regional investment firm Abraaj Capital. The transaction was described as a ‘multimillion-dollar deal’.

**Broadcast Media**

Television is big business in the Arab world. According to the Arab Media Outlook, almost half of UAE residents spend between one and three hours watching TV every day. MBC2 is the most-watched channel in the country, followed by MBC Action, MBC1, Dubai TV, Abu Dhabi Al Oula, MBC4, Al Jazeera, Al Arabiya, Fox Movies and Zee TV.

The UAE is home to the main headquarters of scores of TV channels, with at least 72 free-to-air stations operating from the country in 2011. One notable addition came in May 2012, with the launch of the Arabic-language Sky News Arabia, a 24-hour news station that started beaming live to more than 50 million homes across the Middle East and North Africa.

More than 400 staff were recruited to work at Sky News Arabia at its Abu Dhabi hub and in 12 bureaus across the globe. Sky News Arabia is part of a joint venture between Abu Dhabi Media Investment Corporation (Admic), a private investment company owned by HH Sheikh Mansour bin Zayed Al Nahyan and British Sky Broadcasting (BSkyB).

Another success story in the UAE’s television industry came from the Abu Dhabi TV Network, part of Abu Dhabi Media, which in November 2012 reported a 122 per cent increase in subscription sales since it started broadcasting English Premier League football games in the 2010/2011 season.

Imported TV formats adapted for the Middle East, such as *Arab Idol* and a regional version of the game show *Jeopardy*, ranked among the five most-watched shows in the UAE. But the region is also producing its own original TV formats. One home-grown TV show was *The Entrepreneur*, a reality show launched in 2012 by the Dubai-based telecommuni-
The show saw ten small and medium-sized businesses compete for a Dh1 million cash prize. *The Entrepreneur*, which was aired on Dubai One, included a team of judges, including Nisreen Shocair, the president of Virgin Megastore in the Middle East and North Africa, who decided the fate of the applicants.

Advertising

The UAE advertising market was hit hard by the global recession, as were most other markets across the Middle East and North Africa. This was compounded by political turmoil in the region, which prompted a heavy drop in Arab advertising sales, especially in markets such as Egypt.

But 2012 brought hope for the Middle East advertising industry. The Arab Media Outlook forecast that the region’s advertising market would rebound, in stark contrast to 2011 when spending fell by more than 10 per cent. Total advertising spending in the Arab world was expected to rise to around US$5bn in 2012 and is forecast to grow annually by 6.7 per cent to reach almost US$6bn by 2016, according to the report.

In the UAE, total advertising spending was estimated at US$664 million in 2012, a slight increase on the US$661 million seen the previous year, according to the Arab Media Outlook. The industry is expected to grow by an average of 4.4 per cent annually between 2011 and 2015. Much of the wider region’s advertising spending is also controlled from Dubai, which is home to some of the world’s largest media agencies, including names such as Omnicom Media Group and MEC.

The Dubai-based pan-Arab broadcaster MBC, which is behind some of the most-watched TV channels across the Arab world, attracts the lion’s share of the region’s television advertising sales. In 2012, the network launched a new TV channel called MBC Masr, which is geared towards the Egyptian market.

Digital and Social Media

The UAE cemented its status as a hub for global internet firms in 2012, having seen two of the biggest names in social media – Facebook and LinkedIn – set up shop in Dubai. The moves came amid rising use of social media in the Middle East and North Africa.

When Facebook opened an office in Dubai in May 2012, it revealed that the region now accounts for 5 per cent of its total user base. The world’s largest social network opened its office
LinkedIn opened its regional office at Dubai Internet City in 2012. At Dubai Internet City, initially with a team of three people but with plans to expand. To celebrate the launch, Facebook hosted dozens of the UAE’s top advertising executives at an event at Dubai’s lavish Burj Khalifa, in part of its continuing attempts to boost sales in the region.

LinkedIn opened its regional office in October, also based at Dubai Internet City, in a bid to boost sales of the site’s corporate recruiting services. LinkedIn said at the time that it has one million users based in the UAE – representing a fifth of its entire membership base across the Middle East and North Africa.

Facebook and LinkedIn were not the only global media brands to boost their presence in the UAE and wider Middle East during 2012. It was announced in June that Thomson Reuters, the global information provider, had acquired the Middle East business website Zawya for an estimated US$40 million. The site was originally launched in London, although it moved to Dubai in 2002. Another big acquisition in the online world emerged in February 2012, when it was announced that Dubai’s home-grown digital agency Flip Media had been acquired by the Paris-listed Publicis Group, which also owns advertising agencies such as Leo Burnett and Saatchi & Saatchi.
Culture

History and culture are key to the UAE’s national identity, and many of the cultural events held in the Emirates reflect both the country’s important traditions, and those of the wider Arab world. At the same time, the cosmopolitan modern cities of Abu Dhabi and Dubai hosted high-profile events in recent years attracting international visitors and interest from the global media, illustrating the UAE’s success in bridging East and West.

Key events in 2012 included the country’s main film festivals, namely the Abu Dhabi Film Festival and the Dubai International Film Festival. These attracted celebrities such as Cate Blanchett and Richard Gere, who paraded along the red carpet for the glamorous gala ceremonies of the two events. Other stars to visit the UAE during 2012 included the ‘Queen of Pop’ Madonna, who performed two concerts in Abu Dhabi in early June. The festivals also celebrated Arab cinema and the UAE’s burgeoning film industry on its own.

The country also reaffirmed its commitment to the cultural industries in future years. The Abu Dhabi Executive Council signalled that its ambitious cultural projects on Saadiyat Island would go ahead, giving the green light for the construction of museums including a branch of the Louvre, the famous art museum in Paris, and a branch of the Guggenheim, as well as the locally-focussed Sheikh Zayed Museum. Construction of the Louvre, designed by star architect Jean Nouvel, started in early 2013.
Cultural Organisations and Regulators

The Ministry of Information and Culture, established when the UAE itself was formed in 1971, was revamped in 2004, losing its responsibility for information matters and becoming the Ministry of Culture, Youth and Community Development. Several other authorities have also been launched to help promote cultural activities in the Emirates.

A major reorganisation of the Abu Dhabi government’s two main tourism and culture agencies took place in 2012. The Abu Dhabi Tourism and Culture Authority (TCA) was formed in February to replace the Abu Dhabi Tourism Authority (ADTA) and the Abu Dhabi Authority for Culture and Heritage (ADACH). The merger, which also involves the Cultural Department of the Tourism Development and Investment Company, TDIC, wholly-owned by the former Tourism Authority, ordered by Sheikh Khalifa, maintained the staff and assets of all three former institutions.

The TCA’s mission, grounded in Abu Dhabi’s 2030 Economic Vision, is to promote the heritage, culture and traditions of the Emirate of Abu Dhabi worldwide. The TCA is the organiser of some of the major cultural events on Abu Dhabi’s calendar, including Abu Dhabi Art and Abu Dhabi International Book Fair. It also promotes Abu Dhabi overseas, and in 2012 built a majlis-style tent at Times Square in New York City, taking some of the UAE’s famed hospitality to the 500,000 people who pass through the busy area each day.

Another of its priorities is to ensure the preservation of Abu Dhabi’s cultural heritage, especially its historic and archaeological sites. It is also responsible for overseeing the development of the new, landmark museums in Abu Dhabi’s Saadiyat Island Cultural District, including the planned Louvre Abu Dhabi, Zayed National Museum and Guggenheim Abu Dhabi.

The Dubai Culture & Arts Authority was established in 2008 by HH Sheikh Mohammed bin Rashid. Its focus is to spearhead and support the development and growth of the cultural industry in Dubai and position it as the nerve centre that shapes art and culture across the region. Since its inception, Dubai Culture has launched several pioneering initiatives that have enriched the region’s cultural scene. It supports the Gulf Film Festival and the SIKKA Art Fair, among other initiatives. SIKKA, which is held every March, is a showcase of Emirati art.
Dubai’s Bid to Host the World Expo 2020

In February 2012, Dubai formally launched its bid to host the World Expo 2020, which, if successful, could attract 25 million visitors to the UAE. Full details of the proposal – which falls under Dubai’s chosen theme, ‘Connecting Minds, Creating the Future’ – were set out in a 600-page bid document submitted in December 2012. The official bid dossier was submitted to the Bureau International des Expositions (BIE), the Paris-based intergovernmental body in charge of the bidding process, selection and eventual organisation of World Expos.

The chosen sub-themes for Dubai’s Expo 2020 bid include: sustainability and the future sources of energy and water; mobility and new systems of logistics and transportation; and new paths to economic development.

The proposed site for the World Expo 2020 Dubai was chosen as a 438-hectare site on the south-western edge of Dubai, known as Dubai Trade Centre – Jebel Ali, and adjacent to Dubai World Central airport.

If successful, Dubai would have the chance to host a lucrative event spanning six months. The city was initially up against four other contenders to host the Expo 2020, namely Sao Paulo in Brazil, Ayutthaya in Thailand, Ekaterinburg in Russia and Izmir in Turkey. The winner is due to be announced in November 2013. Dubai’s bid to host the event followed the success of the UAE Pavilion at the 2010 World Expo in Shanghai, which won two architecture awards and attracted two million visitors.
Film

The UAE enjoyed a blockbuster year in cinema, both at home and abroad. Abu Dhabi even claimed its first Oscar in 2012. *The Help*, which was co-produced by Image Nation, the film subsidiary of the government-owned Abu Dhabi Media, picked up a prize at the 84th Annual Academy Awards in Los Angeles.

Image Nation also rolled out the red carpet for several of its home-grown projects. The film company’s first Emirati-directed movie, *Sea Shadow*, was selected to screen at the prestigious Annual Palm Springs International Film Festival in the US. Image Nation Abu Dhabi, along with twofour54, was also behind the Arab Film Studio short film competition, which saw five young Emirati filmmakers compete for a Dh50,000 development deal to produce a short film.

The film, *The Turtle*, commissioned by the National Media Council to be shown at the UAE Pavilion at Expo 2012 in Yeosu, South Korea, won two international awards: the Golden Dolphin Award at Cannes Corporate Media & TV Film Festival 2012 and The Best HD Movie of 2012 at ASBU BroadcastPro Middle East Awards. At Cannes, the award was collected by the star of the multi-lingual film, Ahmed Al-Dahouri, a young schoolboy from Ra’s al-Khaimah, who has no formal training as an actor but whose performance in *The Turtle*, which tackles environmental issues through a dramatic story, has been described as ‘inspirational’, ‘deeply emotional’ and ‘mature’.
Film Festivals

The Abu Dhabi Film Festival, rebranded from the Middle East International Film Festival in 2010, put Arab Cinema in the spotlight at its sixth edition in 2012, playing host to some of the region’s most celebrated stars. For the first time in the festival’s history, a lifetime achievement award was presented to an Arab celebrity, with the Egyptian star Sawsan Badr honoured for her achievements in the industry. Three significant Arabic directors presented their films, all world premieres, at the festival.

Emirati filmmakers also took centre stage, reflecting the blossoming movie industry in the UAE. For the first time, Emiratis joined international filmmakers in judging films at the Abu Dhabi Film Festival. A record number of submissions were also received from Emirati filmmakers in the competition itself.

International stars were not lacking, with US screen legend Richard Gere and Hollywood star Nate Parker both appearing on the red carpet for the glamorous opening night gala at the Emirates Palace hotel. Gere and Parker were the stars of Arbitrage, the opening film of the festival. Awards were given out in several competitions and categories, including the Black Pearl, the International Federation of Film Critics (FIPRESCI) and NETPAC (Network for the Promotion of Asian Cinema) awards. The Emirates Film Competition and International Short Film Competition were also part of the event.

The Abu Dhabi Film Festival was presented under the management of the Abu Dhabi media zone, twoFour54, for the first time in 2012, as part of the plan to strategically align the festival alongside the emirate’s other media initiatives.

The curtain was raised on the ninth Dubai International Film Festival (DIFF) in December 2012, with 158 films on show during the eight-day event celebration of the silver screen. Held under the patronage of HH Sheikh

Academy Award Winner Cate Blanchett on the red carpet at the Dubai International Film Festival.
Mohammed bin Rashid, the festival screened films from 60 countries in 43 different languages. The star-studded event opened with a screening of *Life of Pi*, a 3D adaptation of the novel by Yann Martel and helmed by visionary director Ang Lee. DIFF also included the Muhr Awards, which were established in 2006 to honour filmmakers from the Arab world and expanded in 2007 to include an AsiaAfrica competition. The awards saw an impressive 83 films compete for over US$600,000 in prize money.

The Gulf Film Festival, held every April, focuses on films from the GCC. Launched in 2008, the festival is under the patronage of HH Sheikh Majid bin Mohammed bin Rashid Al Maktoum, chairman of the Dubai Culture & Arts Authority, which supports the event, and is organised by Dubai Studio City. The festival includes screenings in both Dubai and Abu Dhabi, and, aside from the headline movies, also incorporates short film competitions and films for children.

The sixth Gulf Film Festival included screenings of 169 feature films from 43 nations, including 78 world premieres. In 2012, the opening film of the festival was the Kuwaiti feature *Tora Bora*, which tells the story of a young man’s decision to join extremist forces in Afghanistan, and his parents’ agonised search for him. In 2013, the honour went to *Wajda*, a Saudi film by female director Haifa Al Mansour, which reflects the role of women in the Kingdom through the eyes of a 10-year-old Saudi girl who struggles to realise her dream of riding a bicycle.

TROPFEST Arabia is an offshoot of the world’s largest short film festival and is held in Abu Dhabi in October. Supported by twofour54, the event has a mandate of developing the Arab film industry by providing an opportunity for the region’s filmmakers to show their short films to the public. The competition is open to anyone, regardless of background or experience. The second edition of TROPFEST Arabia in 2012 was won by Mohamed Hussen Anwar, a twenty-four year old filmmaker from Egypt, whose five-and-a-half minute film *Undamageable* explores the strength of ideas in a changing society. He took home the prize of US$12,500 and a trip to Los Angeles to meet film industry professionals.
Film incentives

Scenes from big-name movies including *The Kingdom*, *Syriana* and *Mission: Impossible - Ghost Protocol* have been shot in the UAE over the past few years. The decision by international studios to come to the Emirates to make such films is indicative of the nation’s maturing movie industry, but some commentators have argued that a structured, government-sponsored scheme of financial incentives would help attract more filmmakers to the UAE. Such calls from the industry were answered in 2012, when both Dubai and Abu Dhabi announced incentive schemes to help lure filmmakers to the Emirates. Under Abu Dhabi’s scheme, for example, studios are eligible for a rebate of up to 30 per cent on costs such as temporary accommodation, flights booked on Etihad Airways and the contracting of UAE-registered film crews. Film incentives are common in many other markets, such as in the US and Europe, where they often take the form of tax breaks.
Books and Literature

Ever since the United Nations identified a ‘knowledge deficit’ in the Arab world in its controversial 2003 Arab Human Development Report, the institutions of the UAE have been meeting this challenge head-on. Several translation projects responded directly to the UN’s criticism, including Kalima, a project of the Abu Dhabi TCA which funds the translation, printing and distribution of 100 foreign books a year into Arabic. A series of awards and events, now firmly established, have also turned the UAE into a leader in the GCC’s publishing industry.

The Sheikh Zayed Book Award was founded in 2007 in memory of the late President and founder of the UAE. Awarded annually in April, the Dh7 million in prize money is presented every year in nine categories to outstanding Arab writers, intellectuals, publishers as well as young talents whose writings and translations of humanities have scholarly and objectively enriched Arab cultural, literary and social life. The award is administered by the Abu Dhabi Tourism and Culture Authority.

In 2012 winners included Al Fakkah fi Al Islam (Humour in Islam) by Leila Labidi from Tunisia in the Young Author category, and The Boy Who Saw the Colour of Air by Abdo Wazen from Lebanon, in the Children’s Literature category. In 2013, there were a record 1262 nominations across the Award’s nine categories. Lebanese philosopher Elizabeth Kassab won the award for Contribution to the Development of Nations for her book Contemporary Arab Thought, while an award for Cultural Personality of the Year went to the Grand Imam of Al Azhar, Sheikh Ahmad Muhammad Al Tayeb, for his role in adopting a moderate path and encouraging a culture of tolerance, dialogue and protection of the civil society. The Literature and Children’s Literature prizes were withheld in 2013 as they did not meet the standards and criteria of the Award.

The International Prize for Arabic Fiction (IPAF) is an annual literary prize run with the support of the Booker Prize Foundation in London and funded by the Abu Dhabi TCA. Launched in Abu Dhabi in April 2007, it is modelled on the successful Man Booker Prize and aims to address the limited international availability of high-quality Arab fiction. Shortlisted finalists each receive US$10,000 and the winner an additional US$50,000. The winner in 2012 was The Druze...
of Belgrade by Lebanese writer Rabee Jaber. In 2013 it was won by young Kuwaiti writer Saud Alsanousi for The Bamboo Stalk, which follows the son of a Kuwaiti father and a Filipino mother, as he returns to Kuwait as an adult and faces both social and racial prejudice.

The annual Abu Dhabi International Book Fair, held around April, is one of the largest and most thriving such events in the Middle East. Held at the Abu Dhabi National Exhibition Centre (ADNEC), over 900 publishing companies from 54 countries showcased more than half a million titles in 33 languages in the event in 2012. Tens of thousands of visitors thronged the exhibition organised by the Abu Dhabi TCA. In 2013, the Fair featured talks by international authors Henning Mankell and Vikram Seth, along with debates over digital publishing and the future of printed children's books.

The Emirates Airline Festival of Literature was launched in 2008 as the Middle East's largest celebration of the written and spoken world. With simultaneous translation between Arabic and English, the festival brings world-famous authors to discuss ideas with participants. Held annually in March in Dubai, the event is held under the patronage of Vice President and Prime Minister HH Sheikh Mohammed bin Rashid Al Maktoum and in partnership with Emirates Airline and the Dubai Culture & Arts Authority. The fifth Emirates Airline Festival of Literature in March 2013 saw appearances from authors Jeffrey Archer and Ben Okri, Lebanese cookbook writer Anissa Helou, historian Simon Sebag Montefiore, poet Roger McGough and veteran broadcasters Dan Rather, Nik Gowing and Sandy Gall, among many others.

The thirty-first Sharjah International Book Fair was held in November 2012 with a record participation of 62 countries and a total of 924 publishing houses. HH Dr. Sheikh Sultan bin Mohammad Al Qasimi, Member of the Supreme Council and Ruler of Sharjah, inaugurated the fair, which was held at the Sharjah Expo Centre. Pakistan was the focus at the 2012 fair, with 30 Pakistani publishers participating at the fair for the first time. Famous Pakistani poets and writers Amjad Islam Amjad, Anwar Masood, Ata ul haq Qasimi, and Wasi Shah all participated in the event.
Music and Concerts

The UAE played host to dozens of musicians during 2012 – and with concerts ranging from the Bolshoi Ballet to Eminem, there was something to cater for all musical tastes. Classical music was high on the agenda at the Abu Dhabi Festival (see below), which saw performances by the St Petersburg Philharmonic and a screening of the Metropolitan Opera’s new production of Richard Wagner’s Ring Cycle. In Dubai, the internationally acclaimed Schubert Ensemble of London performed at Ductac, an arts centre in the Mall of the Emirates, in a concert presented by the Dubai Concert Committee.

The Abu Dhabi Festival, a month-long celebration of classical music, with performances by top international musicians as well as community programmes and educational initiatives in all seven emirates, celebrated its tenth anniversary in May 2013. Founded in 2004 under the patronage of HH Sheikh Abdullah bin Zayed Al Nahyan, then Minister of Information and Culture, it is presented annually by the Abu Dhabi Music & Arts Foundation (ADMAF), a not-for-profit organisation that has been advancing arts, education, culture and creativity in Abu Dhabi since 1996. The 27-day event includes more than 160 cultural and artistic events held across the UAE.

The United Arab Emirates National Symphony Orchestra was founded in 2012, holding its inaugural concert at the National Theatre in Abu Dhabi. The conductor, Andy Berryman, is former director of the Abu Dhabi Police Band and used to play in the UK’s Halle Orchestra. His aim now is to recruit Emirati musicians. The Emirates Youth Symphony Orchestra was established in 1993 by Riad Kudsi. The orchestra is dedicated to teaching classical music to children and teenagers from primary school to high school consisting of more than 50 players of violin, viola, cello, double base wind instruments and percussion.
Madonna Live: The ‘Queen of Pop’ descended on Abu Dhabi in June 2012, when fans braved the summer heat to hear hits such as Papa, Don’t Preach, Vogue and Express Yourself. Madonna, the world’s top-selling female recording artist, made two appearances at the du Arena on Yas Island as part of her World Tour. The first night attracted 22,000 fans, with the concert attracting a positive review the next day in The National, although the newspaper did also point out that Madonna left her fans waiting in the heat for more than 90 minutes before coming on stage late.

Yasalam After-Race Concerts: Three musical megastars hit the stage in Abu Dhabi in November at the famed after-race concerts held during the Formula 1 weekend. The triple-bill, held at the du Arena over three consecutive days, began with Australian singer Kyle Minogue, who sang old and new hits for the assembled crowd. The following night the rock band Nickelback made enough noise to compete with the roar of the F1 cars during the day, while on the third evening Eminem wowed both the crowds and the Gulf News the following day. ‘The US rapper closed out the Grand Prix with a show that...
rap fans could love, and even those without an appreciation could enjoy,’ the newspaper said in its review. There were also a number of free concerts and musical events held on the Abu Dhabi Corniche during the F1 racing event.

Jennifer Lopez: Tickets to see Jennifer Lopez sold out months before her performance at the Dubai Media City Amphitheatre in November. The US singer, often known as J-Lo, wowed crowds with hits including *I'm Real* and *Dance Again*, showing no less energy than usual, despite being on the last leg of an epic global tour.

Multi-platinum Lebanese singer and Goodwill Ambassador for UNICEF, Nancy Ajram performed in Dubai in November 2011. Also in April 2011 at Yas Island the Egyptian performer Amr Diab, famous for being the best-selling Arab recording performer in the past 20 years, appeared with the Colombian singer Shakira.

Other notable concerts held in the UAE in 2012 included the American rock group the Eagles, who performed hits such as *Hotel California* at a concert in April at Dubai's Sevens Stadium. In December, the platinum-selling singer Katy Perry and Grammy Award-winning superstar Usher also performed at the World Parachuting Championships Closing Ceremony in Dubai. In 2013, Justin Bieber brought his *Believe* world tour to Dubai for two nights.

**Theatre**

The Dubai Festival for Youth Theatre, an initiative by the Dubai Culture & Arts Authority to promote the country’s youth talent in theatre, is held annually in October at the Dubai Community Theatre and Arts Centre (DUCTAC) in the Mall of the Emirates. Founded in 2006, the latest edition in October 2012 offered a compelling line-up of plays performed in classic Arabic.

There was also a focus on youth theatre in Abu Dhabi, with the Abu Dhabi Theatre putting on a specially commissioned performance of *A Midsummer Night's Dream*, designed for young people. The performance, part of the Abu Dhabi Festival, was put together by the UK-based Globe Education.
Visual Arts

The Sharjah Biennial 11 was held in March 2013 under the theme *Re:emerge, Towards a New Cultural Cartography*. Curated by Yuko Hasegawa, the Biennial brought together more than 100 artists, architects, film-makers, musicians and performers to reassess the Western-centric view of knowledge and reconsider the relationship between the Arab world and Asia, North Africa and Latin America. The first Sharjah Biennial was held in 1993.

Since the launch of Art Dubai in 2006, the global art world has descended annually on the UAE to discover and buy the best work of artists from the Middle East, North Africa and South Asian regions. Held at the Madinat Jumeirah, under the continued patronage of HH Sheikh Mohammed bin Rashid, the event includes leading artists, curators and collectors, as well as hundreds of museums. Art Dubai 2013 was the most successful to date, featuring paintings, sculptures, installations and video by more than 500 artists, half from the region. The event also displayed works by entrants to the Abraaj Group Art Prize.

Dubai also hosts the 10-day SIKKA Art Fair, launched in 2011 to coincide with Art Dubai. The fair promotes Emirati and local artists and is held in dozens of locations in Dubai’s historic Al Fahidi area. A number of art galleries, featuring both Middle Eastern and international art, have set up in recent years, clustering in Al Serkal Avenue in the industrial Al Quoz area.

Abu Dhabi Art was launched in 2009 and is organised by the Abu Dhabi Tourism & Culture Authority and sponsored by Bulgari. In 2012, architecture giants Frank Gehry, Jean Nouvel and Norman Foster gathered on stage for an awe-inspiring discussion about the new museums under construction on Saadiyat Island. The event featured the works of more than...
400 artists from 50 of the world’s leading modern, contemporary art and design galleries.

The Abu Dhabi Art Hub was launched in November 2012. Located in the Musaffah industrial zone, the Hub provides affordable facilities for artists, including residence for international guest artists, gallery space and workshops. The Hub was the brainchild of Emirati property entrepreneur Ahmed Al Yafei.

At the 2013 Venice Biennale, the UAE is featuring for the first time a solo show by an Emirati artist, Mohammed Kazem, a former curator of the Sharjah Biennial. Walking on Water is a video installation with sound that recreates the visceral experience of a rough sea. The UAE Pavilion was curated by Reem Fadda, the associate curator of the Guggenheim Abu Dhabi.
Museums

In January 2012, Abu Dhabi’s Executive Council announced the approval of budgets and opening dates for several museum projects on Saadiyat Island, the UAE capital’s US$27 billion project incorporating art, culture and resorts. Louvre Abu Dhabi, the Arab world’s first universal museum, is scheduled to open in 2015. In April 2013, with construction of the landmark translucent webbed dome beginning, it opened an exhibition, *The Birth of a Museum*, with some 130 art works that will be part of the permanent collection. Sheikh Sultan bin Tahnoun Al Nahyan, chairman of the Abu Dhabi Tourism and Culture Authority, said, ‘The aim of this exhibition is to evoke the Louvre Abu Dhabi’s ambiance and aesthetics, and to begin to tell the story of the birth of this museum. The whole exhibition experience is another chance for visitors from the United Arab Emirates and abroad to see the remarkable art works in the Louvre Abu Dhabi’s permanent collection as we prepare for the museum’s opening. Even before opening its doors, Louvre Abu Dhabi is setting a precedent as a place of cross-cultural dialogue and exchange.’

The Zayed National Museum is scheduled to open its doors in 2016 and the Abu Dhabi branch of the Guggenheim museum in 2017. The Executive Council also approved two projects for the redesigning and building of a new national...
museum and the 5000 year-old Hili site in the city of Al Ain.

Besides these new developments, the UAE already has many museums, including the Dubai Museum, housed in a fort dating back to 1800, which served as both the government’s headquarters and the ruler’s residence. All seven emirates of the UAE have museums and investment is on-going in this vital part of the country’s cultural ambitions.

The well-established Sharjah Museums Department, which oversees seventeen museums and cultural institutions, remains very active. In 2013, the Archaeology Museum is celebrating its twentieth anniversary with a new exhibition ‘Our Monuments Narrate our History’ including recently discovered objects from important excavation sites in Mleiha and Jebel Faya on show for the first time. In 2012, the Sharjah Heritage Museum was extended and reopened.

Dubai opened the Middle East’s first women’s museum at the end of 2012 close to the Gold Souk. Bait al Banaat (House of Women) is a fascinating collection of original documents and artefacts, lovingly collected from Dubai families by Rafia Ghobash, former university president and well-known promoter of women in science.
Environment and Wildlife

Protected Areas
Environmental Monitoring
Ecological Research
New Species
The UAE has rightly earned the status of being one of the regional leaders in the Arabian Gulf in terms of the conservation of its environment and wildlife and associated areas of scientific research. Over the last couple of years, it has continued to promote the protection of its natural resources through legislation, education and engagement with international conservation bodies as well as through scientific research, carried out by both public and private organisations.

There is, of course, much more to do, but progress continues to be made.

The protection of the terrestrial and marine environment is guaranteed by federal legislation passed many years ago and implemented by the Ministry of Environment and Water. This is often supplemented at a local level by separate decrees, such as those applied by the Environment Agency-Abu Dhabi (EAD).

The west coast of the UAE is dotted with salt domes, salt flats, mangroves and coral reefs.
Protected Areas

The process of proclaiming and protecting nationally and regionally important sites is now being supported through recognition of key areas by global conservation bodies. Perhaps most significant, and long overdue, was the recognition of the Mangrove and Alhafeya Protected Area, a highly biodiverse site at Sharjah’s East Coast enclave of Khor Kalba, as the country’s third Ramsar Site. The Ramsar Convention, which the UAE signed in 2007, is an inter-governmental treaty that provides a framework for national action and international cooperation to conserve wetlands and use them and their resources wisely. The Khor Kalba site, which has been a Protected Area since 1994, encompasses 1494 hectares of sub-tidal and intertidal zones, saltmarsh, saline flats and alluvial plains. One of the most characteristic local plant species is the mangrove *Avicenna marina*, which grows as the tallest, most mature and luxuriant woodland in the area and acts as a breeding, nursery and feeding ground for many fish and invertebrate animals. A flagship species at this site...
is the collared kingfisher *Todiramphus chloris*, represented by the virtually endemic subspecies *kalbaensis*. A thorough population census, carried out in 2011, found 35-40 pairs. This compares to 44-55 pairs located during the last complete census in 1995. Whilst this decline is worrying, it is hoped that active management by the Environment and Protected Areas Authority for Sharjah (EPAA), initiated in 2012, will reverse this trend. The EPAA’s imaginative and wide-ranging plans for encouraging controlled public access to less sensitive parts of the site, coupled with a strong environmental education programme, is expected to provide a blueprint for how other areas of great environmental importance may be declared and managed elsewhere in the country.

Another site that has very recently received Ramsar recognition is the important Al Wathba Wetland Reserve, 40km east of Abu Dhabi, which is managed by EAD. Artificially formed by the damming of the outflow of treated sewage water from the nearby Mafraq Wastewater Treatment Plant, it also traps winter rainfall and covers an area of 500 hectares. It is home to thousands of migrant waders and other waterbirds from autumn to spring, and was also the site, in 1998, of the first recorded successful breeding of greater flamingos *Phoenicopterus ruber* in Arabia since 1922. This charismatic species successfully bred again in 2012. The only other regular breeding station in the region, recently established, is on the coast at Mussafah, a few kilometres away, with the local
flamingo population regularly flying between the two sites.

One of the most outstanding montane sites in the country is Wadi Wurrayah National Park in Fujairah. This 12,700 hectare site is centred on freshwater springs and pools, formed by the area’s unique hydrogeological system, highly unusual in an arid region. This site gained Ramsar recognition in 2010. Important wildlife present include the threatened Arabian tahr *Hemitragus jayakari*, 13 reptile and amphibian species (of which five are endemic to the UAE and northern Oman) and some 300 species of plants. The Government of Fujairah has recently appointed the Emirates Wildlife Society-World Wide Fund for Nature, EWS-WWF, to spearhead the development of Wadi Wurrayah National Park and implement a management plan of international standard and quality.

Another important area maintained as a natural reserve is the Dubai Desert Conservation Reserve (DDCR), an area of pristine desert landscape covering some 225km² in the south-east of the Emirate of Dubai. This is an outstanding wilderness of rolling dunescape and evocative, scattered ghaf *Prosopis cineraria* forests. Re-introduced populations of indigenous mammals, including Arabian oryx *Oryx leucoryx* and Arabian gazelle *Gazella gazella*, are now well-established and the lappet-faced vulture *Torgos tracheliotos*, a species last recorded breeding in the UAE in 1982, is now a regular visitor, occasionally in large flocks. Much research into a variety of subjects is now under way at the DDCR (see below), part of which is carried out in collaboration with international conservation volunteer organisations.

Greater flamingos *Phoenicopterus ruber* bred successfully in the UAE during 2012.
Environmental Monitoring and Strategy

Abu Dhabi’s environmental agency, EAD, has been at the forefront of efforts to promote sustainable development, manage waste and preserve biodiversity, all critically important issues in any rapidly developing country. This is being achieved as part of the Abu Dhabi Environment Vision 2030, a long-term plan aimed at providing a safe and healthy environment for residents and citizens. One major strand of this Vision concerns the sustainable management of water resources, including the monitoring and maintenance of water levels and quality in subterranean aquifers, on which much of the well-being of the country’s agricultural industry depends. Advances to this end in 2012 included the completion of 22 small solar desalination plants and a media campaign to raise stakeholder awareness of the need to conserve groundwater supplies.

EAD has also been active in promoting environmental education in both government and private schools, both with regards to the conservation of wildlife and to promote a more sustainable lifestyle at home, through reducing consumption of water, for example. It has also worked with major companies, like the Abu Dhabi Company for Onshore Oil Operations (ADCO), to develop their environmental awareness and sustainability strategies.

Abu Dhabi has taken many steps towards the fulfilment of other strategic priorities. These have included environmental permit provision and inspections carried out on a large scale, environmental impact assessments and surveys to identify mitigation procedures for critical national infrastructure projects, a beach water quality monitoring programme, development of a high level strategy for waste management, completion and online publication of a Greenhouse Gas Emissions Inventory, expansion of the Air Quality Monitoring Network covering the whole of Abu Dhabi Emirate, various fisheries management initiatives and engagement with the local population in various environmental activities.

The engagement strategy includes the use of non-governmental organisations and volunteers to collect data for part of
the Terrestrial Baseline Survey, plus training and instruction to over 600 teachers and 22,000 students during almost 800 field trips. EAD funding of the publication of both Field Guide to Birds of the United Arab Emirates and Birds of the United Arab Emirates – A guide to common and important species, both published in late 2011, means that the UAE is the first country in the region to be the subject of an internationally acclaimed field guide. Both books have further promoted the appreciation and conservation of the country’s avifauna and, by extension, the natural environment as a whole.

EAD has also further enhanced its standing internationally in a variety of ways, ranging from participation in the International Union for Conservation of Nature World Conservation Congress in Korea to the translocation of a number of UAE-bred Arabian oryx to Jordan where they have been reintroduced to the wild.

The colloquially named sea cow, or dugong, Dugong dugon is another priority species for conservation in the UAE as the country hosts the world’s second largest population of this fascinating marine mammal. Some 5000 occur in the warm, sheltered waters of the Arabian Gulf, where they graze on the abundant seagrasses. International efforts to conserve dugongs are co-ordinated by the international Dugong MoU Secretariat, which is hosted by EAD on behalf of the Abu Dhabi Government.

December 2012 saw the first meeting of signatories to the Memorandum of Understanding on the Conservation of Migratory Birds of Prey in Africa and Eurasia, convened in Abu Dhabi and hosted by EAD. The MoU grew out of a joint initiative between EAD, on behalf of the UAE, and Britain’s Department of Food and Rural Affairs.

At a more local level, controls on the operation of quarries in the mountains of Fujairah have been stepped up, to limit atmospheric pollution of nearby areas. The quarries supply rock and crushed aggregate for the UAE’s construction industry, with operators often displaying little concern for the environment. On the instructions of Fujairah’s Crown Prince, several have been closed over the past two years, or have been hit with heavy penalties, for taking insufficient care to prevent dust affecting nearby villages, as well as adjacent pristine areas of the mountains.

The UAE is home to the world’s second largest population of dugong.
Ecological Research

Due to the activities of EAD and others, including the four branches of the Emirates Natural History Group, the UAE is a regional leader in ecological research. Current research interests and projects across the country span a wide variety of topics and priorities. One of the most interesting and cutting-edge areas of research currently being carried out by EAD involves placing satellite-tracking devices on a variety of bird species of importance to conservation. To date, twelve such species have been monitored, including the nationally endangered sooty falcon *Falco concolor*, which was tracked from the UAE to Madagascar to study its wintering habitat there, and the greater flamingo, which has been tracked across the Arabian Gulf to Iran and the Caspian Sea, vividly illustrating the importance of maintaining a network of protected areas for this species across the region, and allowing the recognition of previously unknown but important sites for the species in other countries.

A good example of research undertaken privately comes from the Dubai Desert Conservation Reserve, where recent work completed has included studies into the comparative effects of grazing by camels, Arabian oryx and Arabian...
gazelle on the ecology and seed germination of desert plants. As it considers habitat restoration, such work will be of wide interest to conservation managers and agencies across the region.

Dedicated individuals working independently of government organisations have always been a feature of ecological research in the UAE. A study on the Socotra cormorants Phalacrocorax nigrocularis of Siniya Island, Umm al-Qaiwain, is currently being carried out by researchers at the United Arab Emirates University, investigating diet and feeding movements among other aspects. This species is classified as vulnerable on the IUCN Red List and the UAE holds approximately 35 per cent of the world population, currently estimated as 110,000 pairs.

Fisheries management has been an important aspect of resource management in the UAE for many years. The Gulf Elasmo Project, currently being undertaken by researchers at the United Arab Emirates University, focuses attention on the much neglected management of shark fisheries in the UAE. It aims to lay the foundations for the development and implementation of national management plans for the protection and conservation of sharks, including regulations on the exploitation of stocks.

EAD continues to work with major stakeholders in the fishing industry to ensure the industry operates in a sustainable manner. Examples of measures implemented include gear regulations to prevent undersized, juvenile fish from being taken, a cap on the number of commercial licences issued and a limit on the number of traps used per boat. Permissible fishing seasons are also constantly under review. The Government recognises that the UAE fisheries sector occupies a very important place in both the socio-economic development of the country and traditionally in the lives of the people.

The Government recognises that the UAE fisheries sector occupies a very important place in both the socio-economic development of the country and traditionally in the lives of the people. To this end, HH Sheikh Hamdan bin Zayed al Nahyan, Ruler’s Representative in the Western Region of Abu Dhabi, recently signed a decree allowing the fishing of a particular species of migratory fish using gillnets. However, the permitted season is strictly controlled, and, as for the entire industry, the catch taken is closely monitored.

Grassroots conservation research worldwide has also benefited directly from the UAE’s generosity. For example, the Mohamed Bin Zayed Species Conservation Fund has, to date, donated almost US$9 million to species conservation across the globe, including US$1.5 million in 2012 alone. This has resulted in dramatic discoveries and important work being undertaken from Peru to New Zealand and from Mozambique to Cambodia.
New Species and Discoveries

Both keen amateur naturalists and professional biologists and ecologists have made exciting discoveries over the past few years, including a number of records of species never seen before in the country, or, in some cases, anywhere in Arabia. Birds are an especially well studied group in the UAE; indeed the country is a regional leader in ornithology. Nevertheless, no less than seven species of bird were newly recorded in the UAE in 2012, ranging from the Mesopotamian crow *Corvus cornix cappellanus* from the Iraqi marshes to the white-rumped sandpiper *Calidris fuscicollis*, a shorebird that breeds in the Canadian Arctic. More significant from a conservation point of view, several species were recorded nesting for the first time. These included Eurasian stone-curlew *Burhinus oedicnemus* and purple heron *Ardea purpurea*. The UAE hosts regionally important populations of several species of seabirds that mainly breed, often in very large numbers, on remote islands far out in the Arabian Gulf. It is most encouraging that some of these seabirds are proving adaptable to recent development and reclamation projects with, for example, four species of tern *Sterna* becoming established on the reclaimed islands that comprise The Palm Jebel Ali. None of these species had previously nested in Dubai. Finally, crab-plovers *Dromas ardeola*, a flagship species in the UAE and breeding on only two islands in the Emirate of Abu Dhabi, re-colonised an old nesting area on one of those islands.

Left, White-rumped sandpiper.  
Below, Eurasian stone-curlew.  
Right, Purple heron.
Almost all groups of invertebrates are much less well known than birds, although a very considerable body of knowledge, much of it compiled under the auspices of the Emirates Natural History Group, working with associated dedicated individuals, has been accumulated over many years. The UAE Insect Project is an on-going effort to catalogue the country’s arthropod fauna, utilising the expertise of many different international specialists. Over 1500 records new to the UAE (and, indeed, hundreds new to science!) have been published in four volumes. Two further volumes are now being prepared and, doubtlessly there will be many more significant records to come as this collaborative effort nears completion. One recent discovery will suffice as an example. In a cave on Jebel Hafit, a sightless small white insect of the genus *Lepidospora* has recently been discovered. It had probably been isolated from the outside world for well over 100,000 years before the cave was opened up. Not surprisingly, it is another species new to science, only one other specimen belonging to the same genus having been found elsewhere in Arabia.

The rapid development of the UAE in the past four decades, as well as the expansion of its population, now around 8.5 million, compared to only around 250,000 when the federation was established in 1971, has presented major threats to the country’s fragile environment. Conservation has, however, always been an important Government priority, thanks to the personal interest of the country’s founding President, the late Sheikh Zayed. Through a continuing programme of conservation and research, coupled with legislation and increasing efforts at educating the population, the two objectives of a sustainable use of, and proper protection of, natural resources continue to remain a focus for the years ahead.
7 Exhibitions and Events

Abu Dhabi
Dubai
Sharjah, Ra’s al-Khaimah and Fujairah
The events industry – meetings, incentives, conferences and exhibitions or MICE for short – is a major driver of economic growth in the UAE. Across the Emirates, purpose-built exhibition halls and conference rooms play host to hundreds of events, ranging from internationally recognised exhibitions such as Cityscape and Gitex Technology Week to more intimate business gatherings.

Aside from the state-of-the-art facilities, the high level of security and the diverse leisure activities on offer, the UAE is also ideally positioned at the crossroads of Europe, Asia and Africa, putting it within easy reach of millions of businesses and therefore an ideal destination for MICE events. Research firm Euromonitor International said the UAE reported 2.6 million business arrivals in 2012, a number expected to rise to 3.6 million by 2016. Exhibitions and events – an important factor in attracting business visitors – bring with them an injection of billions of dirhams into the UAE economy, as well as the benefits of countless business deals struck in the country and wider region.

In the capital, the Abu Dhabi National Exhibitions Centre (ADNEC) reported a boom in visitor numbers during the year, in line with the Abu Dhabi Vision 2030, which includes a focus on business tourism. The ADNEC Group comprises a portfolio of conference centres in the UAE and abroad. These include the Abu Dhabi National
Exhibitions Centre, the Gulf’s largest exhibition facility, the Al Ain Convention Centre, Capital Gate, all in Abu Dhabi Emirate, and, in Britain, ExCeL London.

At its Abu Dhabi base, ADNEC reported impressive growth in visitor numbers during 2012. The number of visitors to the Abu Dhabi National Exhibition Centre and the Al Ain Convention Centre grew to 1.4 million, compared to around 1 million in 2011. The number of events hosted hit 360, up from 232 the previous year.

For the second consecutive year, ADNEC was also named the world’s leading meetings and conference centre for 2012 at the World Travel Awards. Some of the prominent events it hosts include the World Future Energy Summit and the Abu Dhabi International Book Fair. The Abu Dhabi Tourism and Culture Authority estimates that the boom in business events in the UAE capital will bring a direct economic impact of Dh5.1 billion a year by 2020, as the sector becomes increasingly important.

Dubai’s key conferencing complex, the Dubai World Trade Centre (DWTC) has played a critical role in attracting international trade to the Middle East region since its inauguration in 1979. In 2011, a study estimated that the DWTC generated over 2 per cent of the emirate’s GDP, bringing in Dh6.5bn. In 2012, the centre had a record year, reporting more than 1.9 million visitors, a 12.5 per cent increase on 2011.
The DWTC is home to the landmark 39-storey Trade Centre Tower, and manages the Dubai International Convention and Exhibition Centre and Airport Expo Dubai. The centre hosted 106 large-scale events during 2012, each attracting thousands of visitors to shows across sectors such as healthcare, education, technology, construction, food, trade, security and logistics. Key events at the DWTC include Arab Health, Gulfood and Gitex Technology Week.

Important events are also held in other emirates’ conference centres. The Expo Centre Sharjah played host to the Sharjah International Book Fair, the GCC-Russia Business Forum and Steelfab. Established in 1977 as the country’s first significant exhibition space, Expo Centre Sharjah moved to a new site in September 2002, amid increasing demand for space by its trade partners. As the major venue on the east coast of the UAE, the Fujairah Exhibition Centre, inaugurated in 1996, plays an important role in attracting business and events to the emirate. In 2012 it hosted the Fujairah Career Fair, at which companies such as the telecommunications firm du participated.

The Ra’s al-Khaimah Exhibition Centre opened in April 1996. The 37,400 square metre complex plays a vital role in stimulating economic activity and tourism, and hosts events such as the RAK Book Fair and the Ra’s al-Khaimah Ramadan Festival.
Abu Dhabi


Visitors inspect the Najmat project at CityScape Abu Dhabi 2013.

Cityscape, ADNEC

Cityscape, held annually in April and now in its seventh year, has established itself as Abu Dhabi’s most significant real estate investment and development event. In both 2012 and 2013, Cityscape welcomed record numbers of visitors, with 20,504 participants from 78 countries, including 193 exhibitors showcasing their services and projects in 2012. The Abu Dhabi event is part of a series of Cityscape events across the Middle East.

The four-day event is a meeting point for governmental...
authorities, key investors and developers, consultants, architects, designers and other real estate professionals to drive growth in Abu Dhabi’s property market. Leading developers in the local industry such as Aabar Properties, Aldar, Mubadala, TDIC, and Reem all participate, with updates given on the progress and completion of hundreds of key residential, commercial, hospitality and retail projects.

In 2012, a much-anticipated update on the Abu Dhabi Vision 2030 and new market regulations was given by the Abu Dhabi Urban Planning Council and the Department of Municipal Affairs. In 2013, the Urban Planning Council showcased its Emirati Housing Initiative, designed to build 7500 new homes for Emirati families around the emirate’s three regions.

**World Future Energy Summit, ADNEC**

The four-day World Future Energy Summit, hosted by Abu Dhabi’s Masdar, has become a major global meeting point for the renewable energy industry. The sixth edition, which was held in January 2013, brought together 25,831 delegates from 150 countries to discuss the theme ‘Powering the Future of Energy Innovation and Investment’. Delegates heard addresses from French President François Hollande, Siemens CEO Peter Loescher and many other eminent policymakers and business leaders. In 2012, the topic was ‘Powering Sustainable Innovation’ and featured Chinese Prime Minister Wen Jiabao and UN General Secretary Ban Ki-Moon.
With attendees including leading players from the world of alternative energy, the Summit has helped Abu Dhabi to demonstrate its commitment to promote and advance innovation, research and regulation of future energy, energy efficiency and clean technologies in response to the growing need for sustainable energy.

**International Defence Exhibition & Conference (IDEX), ADNEC**

Launched in 1993 and taking place biennially, IDEX is the largest joint defence exhibition in the MENA region and the only one to demonstrate the latest technology across land, sea and air sectors. February 2013 saw the most successful IDEX in its two-decade history, with 1112 exhibiting companies from 59 countries and over 80,000 visitors. Highlights included the First Time Exhibitor Zone, the Outside Zone, an Unmanned Systems Area to showcase the latest and future unmanned technology, a Helicopter Demonstration Area, live demonstrations of equipment and craft, including choreographed displays, and the Gulf Defence Conference, which is the highest level conference ever held accompanying an international trade show. The event brought together six defence ministers, 12 chiefs of staff and 15 other military leaders, who joined with analysts and decision makers to discuss the defence world.

In addition, IDEX 2013 featured the second Naval Defence Exhibition, which doubled in size this year with over 80 exhibitors. NAVDEX provided a dedicated focus on maritime security and included daily live waterborne demonstrations, visiting warships, boats berthed on the marina pontoons and an exhibition hall on the dock-edge.
Abu Dhabi International Petroleum Exhibition and Conference, ADNEC

The fifteenth edition of the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) continued to showcase the region’s importance in the oil and gas industry with 51,156 people in attendance, marking out 2012 as the most successful year since the event was established in 1984. During the four-day conference, US$3.9bn worth of business was conducted at ADIPEC, according to the conference organiser. Formerly held every two years, the event will now be held annually in November.

Supported by the Abu Dhabi National Oil Company (ADNOC) and the UAE’s Ministry of Energy, ADIPEC is the world’s second largest oil and gas exhibition and the largest in the Middle East. In 2012 the event hosted 1625 exhibitors from 58 countries, and featured the Middle East Petroleum Club, the ADIPEC Museum and the ADIPEC Awards. Conferences and briefings covered technical topics on geosciences, projects, field development, drilling and maintenance.
Gulf Incentive Business Travel and Meetings Exhibition, ADNEC

Each year representatives from the meetings, incentives, business travel and events industries gather in Abu Dhabi in March for three days of exploring business opportunities and professional education at the Gulf Incentive, Business Travel and Meetings Exhibition (GIBTM). Following significant growth in both exhibitors and buyers in 2012, GIBTM 2013 saw a tripling of the number of corporates attending and quadrupling of the number of association buyers. In a first for the Middle East, the exhibition also featured a hybrid presentation format that was broadcast from the event and streamed online across the world, reaching an online global audience of 16,000 users across ten countries.

GIBTM is the leading event for the meetings, incentives and business travel industry in the GCC.
Power + Water Middle East, ADNEC

Power + Water Middle East, held annually in September, is the premier regional event for professionals in these industries to address issues in this area of key concern for the UAE. The country is expected to be one of the most active markets in the power, water and energy sectors over the next few years, yielding the event’s slogan: ‘Supply Demand, Generating Business’. In 2012, the event acted as a platform for participants in Abu Dhabi to tackle industry concerns as well as create and drive investment opportunities. Now in its fifth year, the three-day event attracted visitors from 47 countries and 108 exhibiting companies from 18 countries.

Tawdheef Recruitment Show, ADNEC

This annual recruitment exhibition is targeted at qualified Emiratis and mid- to senior-level professionals working across a variety of industries in the UAE. In 2012, the three-day event attracted more than 26,000 visitors, 48 per cent of whom were UAE citizens. Similarly, Tawhdheef 2013 gave thousands of visitors the opportunity to meet with more than 100 companies from a range of sectors.

Tawdheef provides an ideal forum for businesses with a base in the country to learn more about Emiratisation, particularly through the Tawdheef Emiratisation Summit, which is an employers’ forum to drive this localisation strategy forward and tap into Emirati talent.

Visitors to Tawdheef also have access to industry networking and educational programmes on talent management, career development and human resources planning and implementation.
World Ports and Trade Summit, ADNEC

The challenges of climate change and growing energy requirements were top of the agenda at the second World Ports & Trade Summit 2012, with 92 exhibitors and more than 4000 delegates participating in the three-day event. Industry growth was celebrated alongside discussions on the need to tackle accelerated growth requirements, amid mounting concerns relating to its sustainability.

Representatives from ports authorities, shipping lines, cargo operators, logistics companies, technology solutions providers, investors and financiers use the event as an opportunity for knowledge-sharing with high-level policy-makers and government representatives.

Rapidly establishing itself as the key global event for the ports and logistics sector, the third edition of the World Ports & Trade Summit, which took place in March 2013, focused on increasing foreign non-oil trade volumes and took an in-depth look at the role port infrastructure plays in region-wide economic growth. In 2012, the Summit saw the presentation of the first WPTS World Ports Award to Eddy Bruyninckx, CEO of the Port of Antwerp. In 2013, awards went to Kuwait & Gulf Link Ports International in the Efficiency category, to the Port of Antwerp in the ‘Environmental’ category and to PSA International for ‘Safety & Security’. 
Abu Dhabi International Hunting & Equestrian Exhibition, ADNEC, Abu Dhabi

The Abu Dhabi International Hunting & Equestrian Exhibition (ADIHEX), held under the patronage of HH Sheikh Hamdan bin Zayed Al Nahyan, Ruler’s Representative in the Western Region, is the only consumer and trade event dedicated to weaponry, equestrian sports and the preservation of culture and heritage in the Middle East. In September 2012, Abu Dhabi hosted the tenth edition of the event, which was the largest in its history. More than 630 exhibitors from 40 countries showcased their products and services across 38,000 square metres of exhibition space.

Al Ain Education & Career Fair, Al Ain Convention Centre, Al Ain

The Al Ain Education & Career Fair marked its fifth edition in April 2013, remaining an important event in the drive for Emiratisation, which promotes the employment of UAE citizens. Around three-quarters of the visitors were UAE nationals, primarily final year students and new graduates, who met with companies to discuss potential careers.
Dubai

Cityscape Global, DICEC

Dubai outperformed global property markets in 2012, regaining its position as a property hot spot. In line with this recognition, the eleventh edition of Cityscape Global in October 2012 also proved its resilience and played host to 25,000 participants from 93 countries. In comparison to 2011, the event was 50 per cent larger with more than 40 per cent of the exhibition consisting of international real estate firms. It featured 172 exhibitors from 31 countries and total participation grew more than 25 per cent.

Delegates had access to a packed schedule of events including the Cityscape Global 2012 Exhibition, Global Real Estate Summit, World Architecture Congress, Retail City Congress, investor roundtables and the Cityscape Awards for Emerging Markets.
GITEX Technology Week, DICEC

A stalwart of the UAE exhibition calendar, GITEX Technology Week (GITEX) is billed as the region’s leading IT event and the ICT business gateway to the Middle East, North Africa and South Asia regions. The thirty-second edition of the event in October 2012 brought together over 130,000 visitors, with 3500 suppliers from 54 countries, and as many as 1000 launches, including a visit from hip-hop star 50 Cent to unveil his SMS Audio headphones.

GITEX is credited with identifying global trends and incorporating them into the event. In 2012, the theme ‘Where Technology Meets Business’ provided a platform for industry briefings on key verticals as well as conferences such as the Cyber Security Seminars and a Digital Strategies Forum.

The event acts as an international trading hub for the global technology sector and in 2012 the newly launched International Zone grouped all the country pavilions into one area, allowing easy access to global networking. Other networking highlights included the ‘Africa in Focus’ exhibitors’ group and a dedicated zone for small and medium-sized enterprises.

Running two weeks earlier than GITEX Technology Week was the 2012 GITEX Shopper event, which attracted 206,000 attendees – a 22 per cent increase on 2011 – and saw sales of electronic goods and gadgets totalling Dh237 million over eight days, an increase of 23 per cent from 2011.

April 2013 saw the arrival of the all-new Spring Edition of GITEX Shopper, held as a stand-alone event over four days. With exclusive offers on more than 30,000 different products as well as launches of the latest technology products, exhibitors reported record sales of an estimated Dh93 million and the event attracted 123,720 visitors. DWTC says it was the largest launch event in its 34-year history.
Arab Health, DICEC

Under the theme ‘Addressing the Future’, Arab Health achieved a new record at its thirty-eighth edition in January 2013, with over 112,100 healthcare professionals in attendance, an increase of 35 per cent over 2012. More than 3500 exhibitors from 64 countries participated in the event, including major delegations from China and India. A total of 19 conferences were held during the event, including three new ones in 2013 on Diabetes, Complementary Medicine and Big Data. The Arab Health Achievement & Innovation Awards went to five institutions and five individuals, including Young Surgeon of the Year Award, which went to Dr Mariam AlSelami of King Faisal Specialist Hospital, and Outstanding Contribution to Medical Education in the Region, which went to Dr Mansour Al-Zarouni of Sharjah Medical District.

Arabian Travel Market, DICEC

Regarded as the region’s leading trade exhibition for the travel industry, Arabian Travel Market (ATM) continued to grow in 2013, as it celebrated its twentieth edition in May. The four-day event welcomed over 3000 exhibitors – destinations, hotel groups, tour operators, airlines and leisure companies from across the world. Celebrating its anniversary, ATM announced that it had begun with just 300 exhibitors, with its growth mirroring that of the country’s travel market.
CABSAT, DICEC

Representatives from the digital media, broadcasting and satellite industries gathered in Dubai for the nineteenth edition of the CABSAT expo in March 2013. Attendance at the three-day event was up 15 per cent over 2012, with over 13,000 visitors and 850 firms participating.

New technologies, trends and innovative products were on display and up for discussion in the seminars and workshops run by industry experts. The event attracted global companies and leading local players alike, with 190 new exhibitors from 10 new countries in 2013. Global industry leaders participating in the show include Arabsat, Canon, Nilesat, Oracle, SES, Siemens, Sony, and Yahsat, among others. Specialist conference sessions included topics ranging from the growth of the satellite industry and new techniques in covering live sport, to how the service-oriented architecture can transform automated workflows and asset management.

Dubai International Boat Show, Dubai International Marine Club – Mina Seyahi

Dubai continues to celebrate its prestigious marine heritage and current position as a driving force in the aquatic industry at the annual Dubai International Boat Show, held at one of
the region's most elegant yacht clubs, the Dubai International Marine Club at Mina Seyahi. The twentieth anniversary of the multi award-winning event was celebrated in 2012. In March 2013, organisers welcomed around 26,000 visitors to the five-day event, where they had the opportunity to meet with 840 exhibitors from 50 countries, including seven new countries. The exhibition, organised in four key areas – equipment suppliers, luxury good suppliers, yacht manufacturers and boat and retail distributors – attracted over 236 new international brands.

The Big 5 International Building and Construction Show, DICEC
The Big 5 exhibition in Dubai demonstrated renewed confidence in the building and construction market, with 2371 exhibitors from 60 countries convening at the Dubai International Convention and Exhibition Centre to showcase their latest products and technologies from across the building and construction industry.

The Dubai International Boat Show held at Dubai International Marine Club.
Sharjah, Ra’s al-Khaimah & Fujairah

Steelfab 2013 benefitted from the upturn in the region’s rail, construction and oil & gas sectors.

Steelfab, Sharjah Expo Center

Steelfab 2013 saw an increase in foreign participation as exhibitors look for growth from the upturn in the rail, construction and oil & gas sectors in the region. Italy, Germany and Taiwan all had pavilions at the event, with strong presence from key segments such as sheet metal products, welding and cutting equipment, machine tools and pipe and tube machinery.

Made In Sharjah Exhibition, Sharjah Expo Center

The Made in Sharjah event in December 2012 introduced, in its third year, a conference section and an award ceremony for the champions of the emirate’s industrial sector products, alongside the established exhibition. An initiative of the Sharjah Chamber of Commerce and Industry, the Made in Sharjah Exhibition is geared towards supporting local industries and products as well as further developing the industrial sector.
Ra’s al-Khaimah Motor Show, 
RAK Expo Centre

The first ever Ra’s al-Khaimah International Motor Show opened its doors in November 2012 and achieved a brilliant first impression with the largest collection of luxury and custom cars and motorcycles ever seen in the UAE. With more than 200 cars and 40 motorcycles, including exotic cars from private collections and the world’s only Audi R8 GTR-Z PPI, this show established itself as a place where the global automotive industry meets with motoring enthusiasts and trade professionals from across the region. Thousands of visitors attended the much anticipated four-day event, according to the organiser.

Fujairah Career Fair, 
Fujairah Exhibition Centre

The eighth edition of the Fujairah Career Fair featured 103 organisations, including the Fujairah Media Academy, part of Fujairah Media Group, Etisalat, du and National Bank of Fujairah, offering thousands of job opportunities available to UAE citizens. Those attending the event, including a large number of women, met with public and private sector employers keen to recruit young Emiratis. Large numbers of government and semi-government departments including the air force, air defence, the Presidential Guard, naval forces and the Dubai and Fujairah police also participated in the event.

HH Sheikh Mohammed bin Hamad Al Sharqi, Fujairah Crown Prince, opened the Fujairah Career Fair 2013.
Sports

- Football
- Olympics
- Golf
- Rugby
- Cricket
- Watersports
- Equestrian Sports
- Tennis
- Motorsports
- Ice Hockey
- Sky-Diving
The UAE is a hub for world-class sport, regularly playing host to some of the best sportsmen and women on the planet. Tiger Woods, Roger Federer and Sebastian Vettel, among others, were all on show in recent years. The country’s sporting infrastructure is also worthy of envy with Yas Marina Circuit, Dubai Sports City and a multitude of top-class golf clubs, as well as several cricket stadiums, creating the perfect environment for spectators and participants.

Sport is of huge importance to the UAE. The high-profile sports sponsorships undertaken by UAE companies such as Emirates, which supports Arsenal Football Club, FIFA and the U.S. Open tennis tournament among others, and Etihad, which sponsors, amongst others, Manchester City Football Club, itself UAE-owned, bring the UAE and its businesses to the attention of sports fans beyond the country’s borders. Big-name tournaments hosted in the country also have the aim of enticing visitors to the UAE and boosting its tourism sector.

UAE sport is not just for spectators. Bodies such as the Abu Dhabi Sports Council promote and encourage the development of local and national amateur sport clubs – and participation is being encouraged for young and old to tackle the challenge of obesity and diabetes. Indeed, the Middle East’s biggest mass participation sports event is the Dubai Marathon. Launched in 2000, it sees 20,000 runners take on various distances in the shadow of the world’s tallest building, the Burj Khalifa. The 2012 edition set a course record at 2:04:20, with winner Ethiopian Ayele Abshero making the fastest-ever marathon debut.
Football

Football is very popular in the UAE. The ‘Beautiful Game’ is beloved by young Emiratis, with cafes packed for every big European club match. In the past, those fans had little to cheer at home. Until 2012, success for the national side had been fleeting, with qualification for the World Cup in 1990 and Gulf Cup victory in 2007 rare moments of glory.

In 2012, however, there were hints of a brighter future for ‘The Whites’. Although the full national side was unable to qualify for the 2014 World Cup in Brazil, the under-23 outfit became the first UAE team to qualify for the Olympics. Coach Mahdi Ali’s side got to the London Games by memorably beating Uzbekistan in Tashkent 3-2 having been 2-0 down. The victory was reward for seven years of planning and hard work for Ali and the young group of players he nurtured.

At the Olympics, the UAE were grouped with favourites Great Britain, Uruguay and Senegal. Having led in two of the matches and been level with the hosts, the team failed to make it to the quarter-finals. However, a number of young players impressed and Ali was made coach of the full national side to give football in the country a big boost.

The optimism created at the Olympics was not misplaced as the UAE romped to victory in the Gulf Cup in January 2013. The youthful vigour and confidence displayed in London was successfully transferred to Bahrain as Mahdi Ali’s men...
took on the best in the region. ‘The Whites’ beat Kuwait in the semi-finals, thanks to a late goal by Ahmed Khalil. They then memorably saw off Iraq 2-1 in the final, with Omar Abdulrahman and Ismail Al Hammadi the goal-scoring heroes. Abdulrahman was named player of the tournament leading to growing speculation that he would become the first Emirati to play in one of Europe’s top leagues.

On the domestic scene, the 2012-13 Etisalat Pro League was won by Al Ain in the team’s eleventh league title. Al Ain finished nine points ahead of second-placed Al Ahli, who won the 2012-13 President’s Cup, beating Al-Shabab 4-3 in an entertaining final at the Mohamed bin Zayed Stadium in the capital.

Facilities and climate make the UAE a sought-after destination for high-profile European clubs looking to engage in warm-weather training during their season’s winter break. In 2012, Italy’s Juventus were based in Dubai, while AC Milan beat Paris Saint-Germain 1-0 in the Dubai Football Challenge at Al Ahli’s Al-Rashid Stadium.
Olympics

The UAE first participated in the Summer Games in 1984 and, in 2012, sent 30 athletes to London, its largest team ever. While they didn’t win any medals this time, they showed a passion and determination that bodes well for the future of sport in the country.

Khadija Mohammad became the first Gulf woman weightlifter to appear at the Games. She was also the first Emirati woman to qualify for the Olympics. HH Sheikha Maitha Al Maktoum and HH Sheikha Latifa Al Maktoum participated in Beijing, but they both received wild-card invitations from the International Olympic Committee. Khadija also became the first weightlifter to wear a hijab at the Games. Although she didn’t win a medal, coming in twelfth in the 75kg division, she hopes to have inspired more Emirati women to take up the sport.

In football, the under-23s became the first UAE team to qualify for the Olympics. Grouped with Great Britain, Uruguay and Senegal, they had little chance of making the quarter-finals, but 21-year-old mid-fielder, Omar Abdulrahman of Al Ain, played so well that he attracted interest across Europe, with talk of several big-name clubs interested in signing him.

Shooter Sheikh Juma Al Maktoum finished thirteenth...
in the men’s double trap. Aged only 27, he has a chance to challenge for a medal at the 2016 Olympics in Rio de Janeiro. Also in shooting, Sheikh Saeed Al Maktoum, who carried the UAE flag at the opening ceremony, came a respectable thirteenth out of 36 in the men’s skeet.

While the UAE may not have won any medals in London, it did have a big hand in one of the British gold medals. Sheikh Ahmed Al Maktoum, who won the country’s first and only gold medal in Athens in 2004, coached Peter Wilson to first place in the double trap event. On receiving his medal, the winner dedicated it to his influential UAE coach.

Preparation is now under way for the Rio de Janeiro Olympics in 2016. Dubai is also contemplating a bid to host the 2024 Olympics and polls show enormous public support.
Golf

With over a dozen top-class courses, the UAE has a reputation as one of the best golfing destinations in the world and hosts many of the planet’s best golfers. Famous names such as Tiger Woods and Rory McIlroy often play in tournaments held across the UAE.

However, golf in the country isn’t all about those marquee names. Through Golf in Dubai’s creation of the MENA Tour in 2011, it was hoped Emirati golfers would be able to better hone their game and enter the ranks of professional players. In just its second edition, the 2012 Tour saw some success in this aim as Ahmed Al Musharrekh became the first Emirati to turn professional.

The MENA Tour saw an expanded schedule in 2012 with six of seven events taking place in the UAE and large prize funds on offer. Golfers from around the region took on some well-known names from Europe in a competition that provides a unique platform for development. Al Musharrekh, a Sharjah-
born 21-year-old, teed it up as a pro for the first time in the Tour opener, the Dubai Creek Golf & Yacht Open. The Order of Merit, however, was won by Welshman Stephen Dodd.

Among the more established events, Scotland’s Stephen Gallacher won the twenty-fourth Dubai Desert Classic, the most famous of the Middle East’s golf tournaments. Woods and McIlroy got the year off to a memorable start at the Abu Dhabi HSBC Golf Championship in January, although the famous Falcon trophy went to Britain’s Robert Rock.

Those two events form part of the European Tour’s Race to Dubai, a season-long competition that culminates in the top 60 golfers on the Tour taking part in the DP World Tour Championship at Jumeirah Golf Estates in Dubai. It was the fourth staging of the event which, with a prize fund of Dh29.4 million (US$8 million), is one of the most prestigious in world golf. Then world number one McIlroy won the event and crossed the Race to Dubai finish line first.

The stars were once again out in force on the UAE’s fairways in 2013, with McIlroy using his appearance at the Abu Dhabi HSBC Golf Championships to host the announcement that he would start using Nike equipment. With much razzmatazz, the news of the deal was beamed around the world. The championships went to Jamie Donaldson. In Dubai the Desert Classic was won by Scotland’s Stephen Gallacher.
Rugby

2012 was a big year for UAE rugby. The Arabian Gulf Rugby Football Union was disbanded at the end of 2010 in an attempt to create country-based unions, with the hope that more Arabs would take up the sport. In 2012, the UAE Rugby Football Union (UAERFU) was awarded full membership status by the International Rugby Board (IRB), having been an associate nation for less than a year – recognition of UAERFU’s efforts to grow the popularity of rugby in the region by helping other Middle Eastern countries and trying to increase the number of players in the UAE.

Mohammed Abbas is a great example of the success the UAERFU has enjoyed. The former semi-professional footballer made his debut for the UAE at the Shanghai Sevens and scored with his first touch in international rugby. He impressed many who saw him play with his searing speed. Sevens coach Wayne Marsters is convinced Abbas can inspire other Emiratis to play rugby and continue his remarkable development on the pitch.

In the HSBC Asian Sevens Series, the UAE came tenth out of 16. The series was a learning curve for the side and there is
hope the UAE can do better in 2013.

In the UAE, rugby sevens is synonymous with the Emirates Airline Dubai Rugby Sevens. Part of the nine-leg IRB Sevens World Series, the 2012 event was in its forty-second year and was packed with over 40,000 fans who witnessed Samoa beat favourites New Zealand 26-15.

In the XV-man form of the game, former Australia international Duncan Hall coached the UAE team for seventeen months, with the long-term aim of qualifying for the World Cup in 2019. In the HSBC Asian Five Nations, where the UAE took on Hong Kong, South Korea, Kazakhstan and Japan, the team managed to stay in the top division in 2012, but was relegated in 2013. In the Emirates Cup of Nations, the side finished fourth out of four as Belgium romped to victory at The Sevens ground in Dubai. Ian Bremner, the chief executive of the UAE Rugby Federation, said that, although Hall’s departure was a blow, he believes the development work he has carried out in the Emirati community and schools has left them with a solid base to build from.

As rugby gains popularity in the UAE, new amateur clubs are forming. The Abu Dhabi Harlequins gained a rival in the city with the Abu Dhabi Saracens, founded in 2011 in conjunction with the well-known London club to ensure young UAE players receive world-class coaching. In Dubai, the two most successful amateur clubs are the Jebel Ali Dragons and the Dubai Hurricanes. Dubai Exiles is the oldest and biggest club with a huge junior section ensuring rugby’s continued popularity in the UAE.
Cricket

The UAE is not a Test-playing nation, but it plays a key role in world cricket. The country is home to the International Cricket Council (ICC), headquartered in Dubai Sports City. With three world-class stadiums – Dubai Sports City Cricket Stadium, Abu Dhabi’s Sheikh Zayed Cricket Stadium and Sharjah Cricket Association Stadium – the UAE has the best facilities of all the Associate members of the ICC. As a result, the UAE plays host to all Pakistan’s home games during the year, with international matches not allowed in the side’s own country due to the security situation. Sharjah has also become home to the Afghanistan team.

In January and February, Pakistan completed a shock Test series whitewash against the number one-rated side, England, in Abu Dhabi and Dubai. The visitors then got their revenge with victory in both the One Day International (ODI) and Twenty20 series. Pakistan later faced Australia in three ODIs and three Twenty20s with the Australians winning the former and the ‘hosts’ the latter.

The UAE side took part in the ICC Intercontinental Cup, a competition for Associate nations not playing Test cricket. Kevin Pieterson of England runs between the wickets during the second Test match between Pakistan and England at Sheikh Zayed Stadium in Abu Dhabi.
cricket. With the competition lasting from 2011 to 2013, the team played two matches in 2012. They lost to Scotland and drew with the Netherlands and heading into the final year lay seventh out of eight, a position they still hold after drawing with Ireland in Sharjah in March this year. Looking to improve, former Pakistan Test fast bowler Aaqib Javed was made new UAE coach.

The UAE’s importance to the sport is appropriate since a vast number of the country’s expatriate population hail from the cricket-loving nations in the sub-continent. Bodies such as the Abu Dhabi Cricket Council, Dubai Cricket Council and the Ajman and Sharjah Cricket Councils, under the auspices of the Emirates Cricket Council, foster and encourage the development of the sport.

The ICC’s Global Cricket Academy (GCA), which opened in 2010, provides courses and facilities for locals from toddlers upwards, but also hosts teams for out-of-season training. In 2012, the Netherlands team trained at GCA. Dubai regularly hosts English county sides such as Sussex and Lancashire who come to the UAE to prepare for their upcoming season at home.

Pakistan plays its international home games at the Dubai International Cricket Stadium.
Watersports

With its famous coastline, the UAE is a perfect location for all watersports. From traditional dhow racing to ultra-fast powerboat racing, the Arabian Gulf provides an arena for a great variety of races. The sport plays a big part in the lives of both nationals and expatriates with numerous activities and competitions taking place all year round.

There's no tougher race in yachting than the Volvo Ocean Race, which has been taking place since 1973 and sees several crews tackle a gruelling route around the globe. It docked in Abu Dhabi at the start of 2012, with the six teams making it to the UAE capital at the end of the second leg from Cape Town, South Africa. One of those crews was Abu Dhabi Ocean Racing, skippered by Ian Walker. Abu Dhabi's Corniche was packed and those present were treated to a thrilling spectacle as the home team put on a great display to win the in-port race.

One of Walker’s crew was Adil Khalid. The Emirati, who helped Abu Dhabi Ocean Racing to a fifth-placed finish, made history by becoming the first Gulf national to complete the race. The 23-year-old, who competed for the UAE at the 2008 Olympics, beat more than 120 hopefuls to earn his spot on board the Abu Dhabi team boat, Azzam. His experience has him dreaming of another assault on the Olympics, having missed out on the London Games.
Abu Dhabi will have both a team and a stopover in the 2014-15 edition of the race. Abu Dhabi Ocean Racing is hoping to attract more Emirati sailors to its team, having worked with Abu Dhabi Sailing & Yacht Club to push youth sailing development forward.

In the UIM Class 1 World Powerboat Championship in 2012 the UAE posted a one-two finish with Dubai’s Victory team pipping Team Abu Dhabi to the title, with the last two legs of the six-race season taking place in the UAE. At the midway point of the 2013 season, Victory was again leading.

While Abu Dhabi was trailing in the 2013 championship, these are exciting times for the team from the capital. At the Turkish Grand Prix in June 2013, they unveiled the new partnership of the experienced Rashed Al-Tayer and newcomer Faleh Al-Mansoori. In Turkey the Emirati pair posted some fine qualifying times that bode well for the rest of the season and beyond.

In June 2013, Abu Dhabi International Marine Sports Club reached an agreement of ‘technical cooperation’ with American racing legend, and owner of the highly successful Marine Technology Inc, Randy Scism, as they look to step up their bid to win the Class 1 World title. Scism will oversee the development, design and build of a new Class 1 raceboat with a view to rolling it out for the 2014 season. The project will also focus on developing the marine boat building industry in Abu Dhabi.

HH Sheikh Mohamed bin Zayed Al-Nahyan, the Crown Prince of Abu Dhabi, revealed the deal was part of a plan to make the emirate the capital of marine sports racing.

Sailing is a hugely popular sport in the UAE with many boats taking part in races on the Arabian Gulf every weekend. The oldest and best-known club is the Dubai Offshore Sailing Club. Established in 1974, the non-profit making club has been run with the intention of promoting sailing among all nationalities in the UAE and has the biggest and most competitive racing fleets found in the Gulf.
Equestrian Sports

Thanks to the world-famous Godolphin stable, based in Dubai, and the historical importance of the Arabian horse, the UAE is synonymous with equine pursuits. As owner of Godolphin, HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, has been a driver in the success of various forms of horse racing in the country.

A keen horseman himself, he has led from the front in making the UAE a world-class centre for horse racing. He achieved success winning the gold at the FEI World Endurance Championship in the United Kingdom. Riding Madji du Pont, Sheikh Mohammed crossed the line at Euston Park after 180km and seven hours in the saddle.

Sheikh Rashid Dalmoook Al Maktoum took silver in the event and Ali Khalfan Al Jahouri bronze to complete a one-two-three victory for the UAE team, a result that netted the UAE team gold. That victory was the third in a row following gold in the 2008 World Endurance Championship in Malaysia and in the 2010 World Endurance Championship in Kentucky, USA.

Over shorter distances, the UAE was equally successful. The Dubai World Cup Carnival (DWCC), taking place at the world-class venue Meydan, annually attracts the highest level of race horses from Great Britain, Japan, USA, Singapore, France, Australia, Brazil and Hong Kong. It culminates in the Dubai World Cup, recognised as the world’s richest day in racing with over US$27 million being given away as total prize money for a showcase of nine races.

The biggest of these races is the Dubai World Cup. In the seventeenth running of the race, Godolphin’s Monterosso beat stable mate Capponi to cap a brilliant night for the Dubai operation as it became the first owner to register a first and second finish in the race.

That set up a memorable year for Godolphin which included an unprecedented 214 winners and record prize money of almost US$26 million in a year that featured a host of notable victories and ended with an eighth owners’ title in Britain.
Tennis

The Dubai Tennis Championships regularly attracts the world’s top players and has been voted the best ATP World Tour 500 tournament by those on court for nine of the past 10 years. In 2013, world number one Novak Djokovic won his fourth Dubai title, beating Tomas Berdych, with the Czech Republic’s Petra Kvitova winning the women’s tournament.

In late 2012, the Mubadala World Tennis Championship took place for the fifth time at Abu Dhabi’s International Tennis Complex, part of Zayed Sports City. The six-man exhibition event regularly attracts the best-known players in the world, with Novak Djokovic beating Nicolás Almagro in three sets to win his second straight title in the UAE capital.

Tennis Emirates, the body that runs the sport in the UAE, is still searching for a UAE star. With their backing, national team coach, Jorge Martin Munoz of Spain, initiated a plan to tap into talent at grassroots level. He approached two UAE schools, the Al Ittihad Private School and the Dubai International School, with the aim of identifying children with the potential to go far on the tennis court. While the plan may bear fruit in future, in the meantime tennis fans will continue to cheer on the sport’s best protagonists rather than a local hero.
Motorsports

It’s almost impossible to talk about motorsport in the UAE without mentioning Mohammed bin Sulayem, Vice President of the global Federation International de l’Automobile (FIA) and President of the Automobile and Touring Club for the UAE.

The Middle East’s most successful rally driver set up the UAE Desert Challenge in 1991. Since then it has become one of the most important races on the rallying calendar. In 2009 the event was renamed the Abu Dhabi Desert Challenge and the prestigious race now opens up the season for both the FIA Cross Country Rally World Cup and its motorcycling equivalent, the FIM Cross Country Rallies World Championship.

The five-day motor sport spectacular, staged across the emirate of Abu Dhabi, was won in 2012 by Spain’s Marc Coma in the bike section and Jean-Louis Schlesser of France in the car section. Schlesser was unable to repeat the trick 12 months later as he was beaten to the chequered flag by Spain’s Nani Roma. Coma, however, once again proved unstoppable on two wheels.

Bin Sulayem’s role isn’t limited to just rallying. He is a sporting ambassador for the Arab world and a man who plays a vital role across all motorsports in his role as Vice President of the FIA. He was the first Arab to be a race steward at a Formula One Grand Prix and had a hand in ensuring the successful debut of the Abu Dhabi Grand Prix in 2009.

The 2012 Grand Prix, held for the fourth time at the Yas Marina Circuit on Yas Island in November, was won by Finland’s Kimi Raikkonen, who registered his first victory for three years.
Ice Hockey

The UAE Ice Hockey Association (IHA) was granted full membership of the International Ice Hockey Federation (IIHF) in 2013, becoming the first Arab country to become a full member. An IIHF delegation visited the IHA headquarters in Zayed Sports City, Abu Dhabi, to review the available facilities and get a clear picture of the mechanisms for supporting local championships.

The UAE Ice Hockey Team made it through the qualifying tournament for the 2013 IIHF Ice Hockey World Championship Division III held in Abu Dhabi in October 2012. The team placed first in the four-team qualifiers, but could not repeat their success in the finals in South Africa.

In 2012, the UAE Ice Hockey Team retained their Gulf Cup Crown, beating Kuwait 3-1 in the Zayed Sports City ice rink. They also won the fifth Asia League Ice Hockey Championship for the second time, beating Thailand in the final match in India. The team won the Championship for the first time in Abu Dhabi in 2009 and ranked second in 2010 and 2011.

Secretary General of the Ice Hockey Federation and the UAE team’s main playmaker, Juma Al Dhaheri, started his sporting career as a promising schoolboy player at Al Ain football club. He began playing hockey for fun with expatriate Canadians and Americans, and has been instrumental in gaining both enthusiasm and official support for the game among Emiratis.
Sky Diving

Dubai hosted the FAI World Parachuting Championships Mondial 2012 at the end of the year. The 12-day event, with seven parachuting and skydiving competitions, was held under the patronage of HH Sheikh Hamdan Bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, Chairman of Dubai Executive Council and Chairman of Dubai Sports Council.

Skydivers descend in formation over the Palm Jumeirah.
Arabs with Altitude

A team of four UAE residents climbed Mount Everest in 2013, the sixtieth anniversary of the first ascent, raising money for educational projects in Nepal. Raha Moharrak, a graduate of the American University of Sharjah, became the first Saudi woman to scale Mount Everest. Qatari national Sheikh Mohammed bin Abdullah Al Thani, who lives in Sharjah, climbed as brand ambassador for the Doha-based charity Reach Out to Asia and was the first Qatari to reach the summit. Raed Zidan, a Kuwait-born Palestinian and Iranian Masoud Mohammed, both of whom live in Dubai, also reached the top, with Zidan the first Palestinian to do so. On their website, Arabs with Altitude, Moharrak writes: ‘I really don’t care about being the first so long as it inspires someone else to be second.’ Separately, another Dubai resident, Maria Conceicao, reached the summit to raise money for her charity which helps children in Bangladeshi slums. She was supported by Etihad Airways and Nike.