

# BUSINESS VOICE

ISSUE 39 . APRIL 2020



## BUILDING TOMORROW, TODAY

How Ghadan 21 is reinforcing Abu Dhabi's stature  
as a leading place to work, learn and live

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**Industry:** Abu Dhabi's focus on developing a robust industrial sector is paying off [P26](#)

**Companies:** UAE blue-chip companies post impressive profits [P36](#)



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I'm delighted to report that the Sheikh Khalifa Excellence Award continues to go from strength-to-strength. The recent eighteenth session of the award witnessed a spectacular jump in the number of participants by 30%.

Launched in 1999 by the Abu Dhabi Chamber of Commerce and Industry, the award encourages businesses to foster a culture of quality and excellence. It aims to elevate organisational performance and increase the competitive capabilities of private sector companies operating in the UAE and the GCC, and over the years the SKEA programme has become a complete development approach that helps all participants to adopt the principles of comprehensive quality and excellence across their businesses.

It was my honour to be involved in the latest cycle once again, which culminated in a fantastic awards ceremony at Emirates Palace, in Abu Dhabi, recently, held under the patronage of His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces, where the award-winning companies and institutions were honoured.

The ceremony was attended by His Highness Sheikh Hamed bin Zayed Al Nahyan, a member of

the Executive Council of the Emirate of Abu Dhabi, His Excellency Saeed Abdul Jalil Al Fahim, Chairman of the Higher Committee for the Award, His Excellency Mohammed Thani Murshid Al Rumaithi, Chairman of the Board of Directors of Abu Dhabi Chamber, and a number of country Ambassadors, senior officials, and company representatives.

Several Abu Dhabi companies and institutions were among the deserved winners, including Etihad Rail, Concorde Technical Establishments, Dalma Mall, Micoda Process Systems International and the Agthia Group, who all received silver awards. In fact, you can read about Agthia Group's latest environmentally-friendly breakthrough in this issue.

Abu Dhabi Islamic Bank, Al Ain Zoo and Aquarium and Al Rahba Hospital were winners in the gold category, and Al Ain Hospital won the diamond category award for its outstanding patient care and services.

My congratulations to all the winners who are shining examples of business excellence.

**Mohamed Helal Al Mheiri**

Director General, Abu Dhabi Chamber



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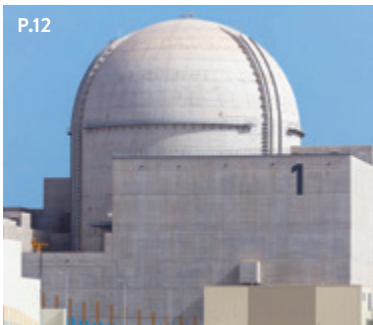
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# BUILDING TOMORROW, TODAY

*The AED50 billion Ghadan 21 investment project is reinforcing Abu Dhabi's stature as one of the region's leading places to work, learn and live.*

Generally, an economic stimulus refers to the use of monetary or fiscal policy changes to kickstart growth during a recession. However, that is not the thinking behind Ghadan 21, the AED50 billion investment project that was announced by His Highness Sheikh Mohammed bin Zayed Al Nayan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces, on 5th June 2018.

Ghadan 21, which translates into 'Tomorrow 21', had nothing to do with countering a recession in the oil rich Emirate of Abu Dhabi. Rather, it is a package of major economic reforms squarely aimed at transforming the way business is done in Abu Dhabi, and another large step in diversifying the capital Emirate and the United Arab Emirates' economy from hydrocarbons. As such, Ghadan 21 features more than 50 initiatives aimed at transforming four key areas – business







and investment, society, knowledge and innovation, and lifestyle.

One of the key characteristics of government decisions in the UAE, whether it be on the federal or Emirate's level, is their rapid implementation and Ghadan 21 has set a new standard in this regard. Abu Dhabi Government officials had a mere 90 days to formulate a plan for the economy that would stimulate investment, create jobs, accelerate innovation and improve the overall quality of life for Abu Dhabi's citizens. In September 2018, when Ghadan 21 was officially revealed, the Crown Prince announced dozens of initiatives and many more have since been added to achieve these aims.

"We are investing in initiatives that make doing business easier and more attractive, encourage ideas and support innovation for a tech-enabled future, as well as ensure the well-being of Abu Dhabi's people. We will continue to launch initiatives in line with His Highness Sheikh Mohamed bin Zayed's vision and to accelerate Abu Dhabi's journey to become one of the best and most inclusive places in the world to do business, invest, work, study and live," said His Highness Sheikh Khalid bin Mohamed bin Zayed Al Nahyan, a member of the Abu Dhabi Executive Council who oversees the programme.

↓ ↘ The recently opened WeWork space in Abu Dhabi

On a national level, but with major implications for Ghadan 21, was the streamlining of bureaucracy with the UAE slashing or abolishing fees for more than 1500 government services. Sweeping changes to immigration rules were also made in September 2018. Key professionals and their families, including doctors and engineers, are now eligible for long-stay visas of up to 10 years, compared to the previous limit of two or three years. Expatriates with significant investments were given the opportunity to apply for permanent residency through 'golden cards'.

In the capital Emirate, the Tajar Abu Dhabi licensing system was opened to all residents and GGC nationals. It means companies no longer need a physical office to trade in the Emirate, resulting in significant capital savings. By February this year, more than 7400 private sector SMEs had already taken advantage of the instant business licences provided by Tajar Abu Dhabi.

However, the success of a major policy such as Ghadan 21 can only be judged on the merit of its results, which necessitates a look at specific initiatives and their outcomes.

According to Emirates news agency WAM, the increase in Abu Dhabi's business confidence index by 3.4 points year-on-year (Q4 2018 – Q4 2019) demonstrates Ghadan 21's positive impact on the Emirate's economy. Industrial growth, a



key pillar of Abu Dhabi Vision 2030's diversification strategy, has also leapt forward in large part due to the Electricity Tariff Incentive Programme (ETIP) launched in July 2019 under Ghadan 21. This reduction of electricity costs, together with Abu Dhabi's business-friendly reforms, saw industrial facilities grow by more than 57% in 2019 to 66, from 42 in 2018, hitting a combined investment value of AED6.29 billion, according to the Abu Dhabi Department of Economic Development (ADDED).

A total of 1552 industrial licences – comprising 811 with 'Production' status, 535 'Under Process' and 206 'Industry Pioneers' – were released by the end of the year, according to the Industrial Development Bureau (IDB).

This momentum is set to be maintained said His Excellency Mohammed Ali Al Shorafa Al Hammadi, Chairman of ADDED and the Abu Dhabi Investment Office, thanks to the issuance of a law last year to regulate partnerships between public and private sectors. Abu Dhabi's government plans to issue tenders worth AED10 billion under the public-private partnership (PPP) model to boost infrastructure investment in the Emirate. Increasing the use of PPPs and encouraging private sector involvement is a major tenet of Ghadan 21.

At the time, H.E. Al Hammadi said the announcement "marks a milestone in our



**"THROUGH THE PUBLIC-PRIVATE PARTNERSHIPS INITIATIVE, THE GOVERNMENT IS PROVIDING THE PRIVATE SECTOR WITH MORE CERTAINTY AND TRANSPARENCY AROUND THE DEVELOPMENT AND PROCUREMENT OF MAJOR INFRASTRUCTURE PROJECTS IN ABU DHABI"**

**H.E. MOHAMMED ALI AL SHORAF AL HAMMADI,**  
CHAIRMAN OF ADDED AND ADIO







commitment to partner with the private sector to drive Abu Dhabi's economic transformation".

He added: "Through the public-private partnerships initiative, the government is providing the private sector with more certainty and transparency around the development and procurement of major infrastructure projects in Abu Dhabi."

↑ Hub71, launched in March 2019

Another key contributor to Abu Dhabi's economic growth has been Abu Dhabi Investment Office's (ADIO) Ventures Fund, which was established in 2019. It is an initiative of Ghadan 21 designed to support the Emirate's start-up and venture capital ecosystem and increase its presence in the knowledge-based economic sector. The AED535 million fund works to increase



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RESEARCH AND  
DEVELOPMENT  
PROPOSALS



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**ABU DHABI  
AWARDS**

FOR RESEARCH  
EXCELLENCE (AARE)



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**ABU DHABI YOUNG  
INVESTIGATOR  
AWARDS**

Source: Government of Abu Dhabi



access to capital for start-ups and to date has deployed capital through matching programmes for new fund managers and early-stage start-ups.

A big beneficiary has been Hub71, which was launched in March 2019. This tech platform brings together key enablers from around the world to give tech start-ups the best chance to succeed. Hub71 has incubated 39 start-ups since its launch. The Ventures Fund offers a Start-up Matching Fund for early-stage start-ups of up to AED10 million for seed rounds and AED50 million for Series A rounds. In February this year its scope was expanded to increase support for the growth of innovation-focused companies through participation in Series B and beyond financing rounds, investment in established regional and global funds and collaboration with global accelerators.

Dr. Tariq Bin Hendi, Director General of ADIO, said: “The Ventures Fund is actively supporting Abu Dhabi’s innovation ecosystem and attracting highly skilled talent to Abu Dhabi. Abu Dhabi is safe ground for innovation, a place where entrepreneurs and businesses can confidently take commercial and creative risks. Making Abu Dhabi one of the best places in the world to invest and innovate is at the core of Ghadan 21’s mission and at the centre of ADIO’s mandate.”

ADIO is also supporting innovation in the field of agriculture technology (AgTech). The AED1 billion Agtech Programme for innovators working within specific areas – such as algae-based biofuels, indoor farming, precision agriculture and agrobotics – will help such candidates to expand their operations to Abu Dhabi.

Research and development is a key component supporting the transition to knowledge-based economies. In this regard the Department of Education and Knowledge has launched a partnership with non-profit organisation XPRIZE, committing AED300 million to crowdsourcing innovation in areas such as water and food scarcity via a series of XPRIZE Abu Dhabi global competitions.

Meanwhile, the Abu Dhabi Award for Research Excellence (AARE) is funding research focused on advancing scientific and technological development, as well as building meaningful partnerships between Abu Dhabi scientists and leading academic and industrial collaborators, both nationally and worldwide. In January, the Department of Education and Knowledge awarded more than AED40 million in competitive funding to 54 successful research



**“MAKING ABU DHABI ONE OF THE BEST PLACES IN THE WORLD TO INVEST AND INNOVATE IS AT THE CORE OF GHADAN 21’S MISSION AND AT THE CENTRE OF ADIO’S MANDATE”**

**TARIQ BIN HENDI, DIRECTOR GENERAL, ADIO**

and development proposals, including six Abu Dhabi Young Investigator Awards.

There are many aspects of Ghadan 21 that are aimed beyond pure economic aspects such as large-scale community initiatives to provide housing for Emiratis, investment in education, public art projects and expanding and beautifying the Emirate’s public spaces. For example, AED11.6 billion worth of houses and land for Emiratis were distributed in Abu Dhabi, and the Emirate will spend AED8 billion on transforming its public places and parks into community spaces for all residents.

One thing is clear, after only 18 months Ghadan 21 has already had a huge impact on accelerating and shaping Abu Dhabi’s future. As more initiatives are rolled out, partnered by business-friendly policies and incentive schemes, this impact will only gather momentum. 🌟



**ABU DHABI’S  
BUSINESS  
CONFIDENCE  
INDEX ROSE**

**3.4**

**POINTS YEAR-  
ON-YEAR (Q4  
2018 – Q4 2019)**

*Abu Dhabi is leading the way both at home and abroad in utilizing, developing and spreading renewable and clean energy solutions.*

**T**he global energy and utility sector is undergoing an unprecedented transformation, with the shift towards renewable energy at the heart of ambitious energy diversification programmes. This is especially true of the Middle East, where the production of electricity has been predominantly fuelled by oil and gas since the 1970s. Now, though, utilities are seeking to diversify fuel sources for power generation, with renewables at the core of their plans.

# GREEN ENER





The Energy & Utilities report estimates that \$100 billion worth of clean energy projects are currently in the Middle Eastern project pipeline, with total investment in clean energy to exceed \$300 billion by 2050 if the region's utilities are to meet their ambitious targets.

In this regard, Abu Dhabi and the UAE are leading the way.

His Excellency Dr. Thani bin Ahmed Al Zeyoudi – the UAE's Climate and Environment Minister – announced at last September's

United Nation's Climate Action Summit in New York that the UAE had set a target of 50% clean energy by 2050. This calls for generating 44% of the country's electricity from clean energy, 38% from natural gas, 12% from clean coal and 6% from nuclear power. Achieving this goal would reduce the power generation carbon footprint by 70% and save the UAE \$190.6 billion (AED700 billion) by 2050.

A milestone in the Energy Strategy 2050 was reached in February when the UAE government

# GY MACHINE





licensed the first of four 1.4 gigawatt nuclear reactors after 12 years of construction on the Abu Dhabi coast at Barakah. This made the UAE the latest member of the exclusive global club of nuclear power producers. When the remaining three reactors at the \$25 billion plant are completed, Barakah will reach its total nameplate capacity of 5.6 gigawatts.

“Barakah is more than an energy plant, it brings prosperity and value to the UAE with new industrial and human capacity, it significantly improves the carbon footprint and energy security of the nation, and accelerates the decarbonisation of the power sector to contribute to alleviating global climate change,” said Mohamed Al Hammadi, CEO of Emirates Nuclear Energy Corporation (ENEC), after the loading of 241 fuel assemblies into the Unit 1 reactor was completed in early March.

Nuclear power confers several benefits to Abu Dhabi beyond always-on carbon-free electricity. These range from freeing domestic oil and gas for export, leveraging waste heat for desalination and creating high-value employment.

In March, the Abu Dhabi Department of Energy (DOE) also expanded its cooperation with the International Renewable Energy Agency (IRENA) to advance its energy transformation.

“The Abu Dhabi Department of Energy has an ambitious strategy that aims to improve the energy sector, enhance the efficiency of energy use and achieve the Emirate’s sustainable development. Based on that, we are establishing international agreements that support Abu Dhabi’s plans, the development of renewable and clean energy resources and the Emirate’s shift towards the green economy. The department’s goal is to achieve the government’s goals to improve all sectors, attain economic, social and environmental sustainability and create a promising future for forthcoming generations,” said His Excellency Engineer Mohammed Bin Jarsh Al Falasi, Undersecretary of the Abu Dhabi Department of Energy.

“This agreement will open new horizons for foreign investments, launch projects that will enhance Abu Dhabi’s leadership in the global energy sector and serve the economic vision of Abu Dhabi 2030,” H.E. Al Falasi added.

On the renewable energy front growth has been rapid in Abu Dhabi. According to Statistics Centre Abu Dhabi (SCAD), the capital Emirate’s solar electricity production increased from 17,986 megawatt-hours in 2011 to 249,695 megawatt-hours in 2018.



**“THE DEPARTMENT’S GOAL IS TO ACHIEVE THE GOVERNMENT’S GOALS TO IMPROVE ALL SECTORS, ATTAIN ECONOMIC, SOCIAL AND ENVIRONMENTAL SUSTAINABILITY AND CREATE A PROMISING FUTURE FOR FORTHCOMING GENERATIONS”**

**H.E. ENG. MOHAMMED BIN JARSH AL FALASI**  
UNDERSECRETARY, ABU DHABI DEPARTMENT OF ENERGY

This figure also received a huge boost in June 2019 when Noor Abu Dhabi, the world’s largest single-site solar project with a capacity of 1177MW, started commercial operation. The AED3.2 billion solar plant, located at Sweihan in Abu Dhabi, has enough capacity to cover the demand of 90,000 people and reduces the Emirate’s carbon dioxide emissions by 1 million metric tonnes per year.



Beyond size, Noor Abu Dhabi broke another record at the time of bid submission by attracting the world's most competitive tariff of 2.94 US cents per kilowatt-hour.

"Our short and medium term priority is to maximise the penetration of renewable energy throughout Abu Dhabi by integrating the best technologies within the industry," said Othman Al Ali, CEO of Emirates Water and Electricity Company (EWEC). "Technological innovations are now helping to further drive down the cost of solar power generation. This is very important for our long term solar goals."

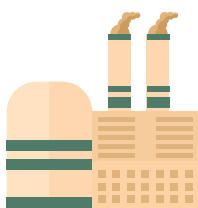
↑ Masdar has a 25% interest in floating wind project Hywind Scotland

In July 2019, EWEC announced that it had floated a construction and development tender for a 2GW solar plant on a 20km<sup>2</sup> stretch in Abu Dhabi's Al Dhafra.

Successful bidders will hold a 40% interest in the solar plant with the remaining stake owned by local companies, in line with the Abu Dhabi Government's 1998 independent water and power producer policy.

"By 2024 in Abu Dhabi, we could potentially have 5GW of solar on the system, that is our expectation," said Bruce Smith, Director of Forecast and Planning for EWEC. He expects that over 50% of Abu Dhabi's energy will be produced from a combination of renewable and nuclear power by 2030.

Besides utilizing renewable energy on an increasing scale, Abu Dhabi is also a growing player in the international renewable energy sector that is expected to reach a cumulative total of \$10 trillion between now and 2040,



**UAE HAS SET A TARGET OF 50%  
CLEAN ENERGY BY 2050, REDUCING  
ITS POWER GENERATION CARBON  
FOOTPRINT BY 70%**



according to the International Energy Agency's World Energy Outlook 2019.

Masdar, which is owned by Mubadala Investment Company, is posting double-digit growth due to the global demand for clean energy. Currently the company has 5GW of installed capacity of renewable power, representing \$14 billion in gross investments.

"When Masdar was launched in 2006, renewables was a nascent industry and sustainability was nowhere near the top of the agenda. This has changed. Thankfully, the world is now taking climate change mitigation more seriously, and renewables is now part of the mainstream with an undeniable place in the energy mix offering cost competitive solutions when compared with conventional sources," said Masdar CEO Mohamed Jameel Al Ramahi.

Masdar's portfolio spans more than 25 countries, from Saudi Arabia, where it is developing the country's first wind project, to Australia, where it acquired a 40% stake in a waste-to-energy project for A\$511 million. In the UK, Masdar has a 35% stake in Dudgeon wind farm, a 20% stake in the offshore London Array wind farm and a 25% interest in floating wind project Hywind Scotland.

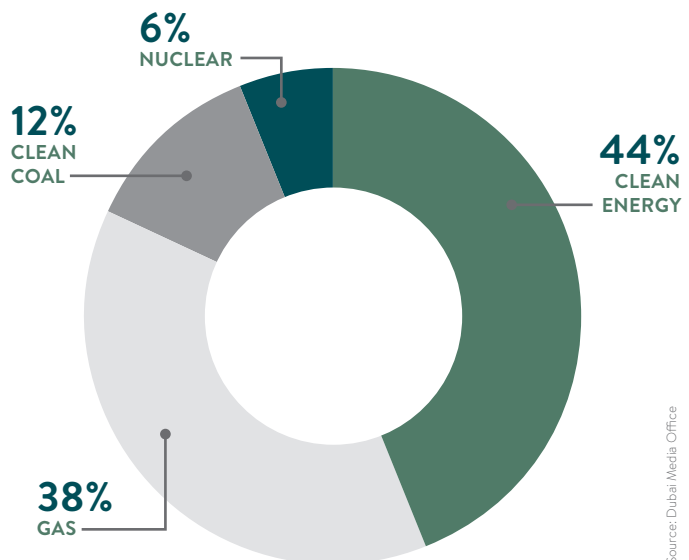
During Abu Dhabi Sustainability Week in January, Masdar announced joint ventures with EDF Group, dedicated to energy efficiency and distributed solar power generation projects;

† H.E. Dr. Thani bin Ahmed Al Zeyoudi, the UAE's Climate and Environment Minister

Egypt's Infinity Energy, to develop renewable energy projects in Egypt and Africa; and Spain's Cepsa, with a focus on developing wind power and solar photovoltaic projects with an initial target of 500 to 600 megawatts (MW) in Spain and Portugal.

In February, Masdar signed a power purchase agreement with Indonesian state electricity

## UAE 2050 ENERGY GOALS



Source: Dubai Media Office





company Perusahaan Listrik Negara (PLN) to develop the country's first floating PV plant. The \$129 million, 145MW floating solar power plant at Cirata Dam, in west Java, is set to be the largest solar plant in Southeast Asia.

"Masdar will continue to support the development of renewable energy solutions in the Southeast Asia market, where we see tremendous potential, given the region's rapid economic growth," said H.E. Dr. Sultan bin Ahmad Al Jaber, UAE Minister of State, CEO of Abu Dhabi National Oil Company and Chairman of Masdar. The project is Masdar's first venture into the Southeast Asian market.

According to H.E. Dr. Al Jaber, the UAE grew its renewable energy portfolio by more than 400% in the last 10 years, and is on track to double that again in the coming decade.



↑ Barakah nuclear power plant on Abu Dhabi's coastline

← Noor Abu Dhabi solar plant



**"MANY THOUGHT [THE INVESTMENT IN RENEWABLE ENERGY] WAS A STRANGE DECISION IN 2006, BUT IT WAS A VERY CONSISTENT STRATEGY OF THE UAE GOVERNMENT. THE UAE HAS OVER 80% OF THE SOLAR CAPACITY OF THE ENTIRE GCC, AND WE HAVE INVESTED IN RENEWABLE ENERGY IN 25 COUNTRIES. WE HAVE DONE IT PROFITABLY AND RESPONSIBLY"**

**H.E. KHALDOON KHALIFA AL MUBARAK,**  
GROUP CEO AND MANAGING DIRECTOR,  
MUBADALA INVESTMENT COMPANY

It might seem counter intuitive that a country with the world's sixth largest oil and gas reserves is so focused on renewable energy and sustainable development. But as H.E. Khaldoon Khalifa Al Mubarak, Group CEO and Managing Director of Abu Dhabi's Mubadala Investment Company, said recently: "Many thought [the investment in renewable energy] was a strange decision in 2006, but it was a very consistent strategy of the UAE Government.

"The UAE has over 80% of the solar capacity of the entire GCC, and we have invested in renewable energy in 25 countries," H.E. Al Mubarak said, adding: "We have done it profitably and responsibly." 🌟

# MESSAGE IN A BOTTLE

*Abu Dhabi-based food and beverage company Agthia has announced the launch of Al Ain Plant Bottle – the region's first plant-based water bottle – as it seeks to develop more sustainable packaging technologies.*

“**P**roviding consumers with more sustainable and environmentally-friendly products with the lowest possible CO2 footprint is incredibly important as we battle growing concerns over the improper disposal of waste and pollution,” says Tariq Ahmed Al Wahedi, Chief Executive of Agthia Group. He is discussing the group's new plant-based water bottle, which is to be released under its Al Ain brand by the middle of this year.

The bottle, which features packaging made entirely from plant-based sources, is biodegradable and compostable within 80 days and is being developed at Agthia's new packaging technology centre in Al Ain.

The process involves converting plants to a special polymer material obtained from the fermentation of sugars contained in plants and does not use a single drop of petroleum or its by-products. What's more, the process consumes 60% less energy.

“The food and beverage industry is witnessing a shift in customer demand as they look for more sustainable and environmentally-friendly choices,” says Al Wahedi. “Consumers are well informed and are increasingly choosing products and services to decrease their environmental footprint and join the green movement.

“We aim to provide customers with more sustainable solutions through our innovative products and services. We are committed









to sustainability and innovation, and through our research and development division we are dedicated to identifying gaps in the market and developing innovations in the food and beverage industry.”

The group’s state-of-the-art packaging centre in Al Ain aims to develop more sustainable packaging technologies and to make a positive impact on the food and beverage industry. The centre also reinforces Agthia’s commitment to sustainability and innovation.

The new plant-based bottle will be launched for the group’s B2B clients by the middle of this year, although it is hoped that the product will eventually reach a far wider market. “As with any other new initiative, this will take effort and time,” admits Al Wahedi. “Once this phase is complete, we will take the required next steps on this pioneering initiative.

“Our long-term ambition is to roll out Al Ain plant bottles to our consumers and other markets,” he adds. “This will happen once we see acceptance and growing demand, and after making sure we close the full cycle – from segregation and collection to composting or recycling. Thus, we have also signed an agreement with Veolia, a global leader in optimised resource management, to collect Al Ain plant bottles and have them composted or recycled, end-to-end.

“In addition, we have also signed an agreement with Veolia for a pilot project to collect PET [polyethylene terephthalate] bottles from select customers and consumers. This is all part



↑ Agthia has joined the recently formed Gulf Bottled Water Association

↓ The group’s state-of-the-art packaging centre in Al Ain aims to develop more sustainable packaging technologies

of our longer-term strategy which not only sees the creation of a sustainable product, but to create an ecosystem that will take into consideration the full circular economy through our partnerships.”

The Veolia agreement commenced in March and is the first step towards establishing an efficient PET recycling ecosystem in Abu Dhabi. The two entities will work together with customers, partners and channels to enhance the collection of PET bottles, with the wider aim to implement the programme on a national scale.



“Companies have a responsibility to play an educational role when it comes to consumers and the environment,” says Al Wahedi. “With that said, plastic is not the problem, it is the misuse and improper disposal of plastics that has fuelled environmental concerns. It is up to all of us to create an ecosystem and also to educate consumers on the proper disposal methods available to them.”

To that end, Agthia has joined the recently formed Gulf Bottled Water Association (GBWA), which aims to bring together a regional working group of all bottled water industry members, PET suppliers, waste management companies and experts in water and packaging. The GBWA’s goal is to address sector challenges and to make the industry more competitive.

“The creation of GBWA fosters the creation of a unified voice to communicate with various government sectors to address sustainability and environmental issues that affect the bottled water industry,” says Al Wahedi. “It is essential for industry leaders to work together with the government to educate consumers on the many alternatives and methods to dispose of waste. Through our work with Veolia on the collection programme, we will help create an ecosystem in the region to properly collect, recycle and reuse PET and PLA waste. This initiative is the first of its kind in the UAE and works on structuring the PET ecosystem to achieve circular economy.

“Furthermore, GBWA will build joint awareness campaigns for consumers, as well as organise conferences, workshops, research and report building, and position papers for industry leaders.”

Challenges remain, of course, including pricing and partnerships. Al Wahedi admits that the plant-based bottle will initially be priced higher than other bottles currently available in the market, and any future pricing model will depend on consumer demand and supply. The availability of the raw materials needed to create the bottle will also impact pricing.

“As with any product, price will be set according to the demand, and today, consumer demand for sustainable products play a significant role in how businesses react to stay ahead of trends and meet customer preferences,” says Al Wahedi. “Furthermore, finding the right long-term partners can influence the pace of developing more sustainable products. At Agthia, we work hard to associate ourselves with the best in class through our strategic partnerships, which give us an advantage over many others.”



**“WE ARE COMMITTED TO SUSTAINABILITY AND INNOVATION, AND THROUGH OUR RESEARCH AND DEVELOPMENT DIVISION WE ARE DEDICATED TO IDENTIFYING GAPS IN THE MARKET AND DEVELOPING INNOVATIONS IN THE FOOD AND BEVERAGE INDUSTRY”**

**TARIQ AHMED AL WAHEDI,**  
CHIEF EXECUTIVE, AGTHIA GROUP



**IN 80 DAYS**  
THE PLANT  
BOTTLE IS  
COMPOSTABLE

Both the plant-based bottle initiative and the Veolia agreement underscore Agthia’s commitment to driving sustainability efforts in the UAE, with His Excellency Dr. Thani bin Ahmed Al Zeyoudi, UAE Minister of Climate Change and Environment, praising the bottle as a “prime example of how innovation can go a long way in driving environmental sustainability”.

“Agthia remains committed to sustainability and innovation,” says Al Wahedi. “We will carry these priorities forward into the future with new products and services for our consumers regionally and globally. Furthermore, we will continue to align with the nation’s ambitions for a more sustainable future and will develop solutions which address our region’s environmental needs. In addition, we will continue to launch new programmes, which will lead the way for more initiatives that focus on fostering a circular economy.” 🌱







# PLAIN SAILING

*A new berthing rights deal with MSC Cruises reinforces Abu Dhabi's position as a premier destination on the international cruise map.*

“With investment in infrastructure, and enhanced operations and services to serve the cruise liners arriving in Abu Dhabi, we have cemented our position as the leading destination in the Gulf region,” said Noura Rashid Al Dhaheri, Director – Cruise Business at Abu Dhabi Ports, following the signing of a new long-term agreement with global cruise line MSC Cruises.

The deal, which was signed by Al Dhaheri and Gianni Onorato, the Chief Executive of MSC Cruises, in Geneva, gives the world's largest privately-owned cruise line berthing rights at Abu Dhabi Cruise Terminal and Sir Bani Yas Cruise Beach.

It also reinforces Abu Dhabi's position as a premier destination on the international cruise map and will bring 1.3 million visitors to the capital over the tenure of the agreement.

“Our continued partnership with MSC Cruises is testament to our already strong relationship, and reflects the quality of services we provide to the world's leading cruise operators at Abu Dhabi Cruise Terminal and Sir Bani Yas Cruise Beach,” said Al Dhaheri. “Our success in substantially boosting passenger volumes year-on-year demonstrates our commitment to develop a world-class cruise destination.”

Onorato added that the new agreement with Abu Dhabi Ports for preferential berthing rights was “another demonstration of the long-term commitment from MSC Cruises to the Arabian Gulf”. He stated that it would “further consolidate our position as the largest passenger cruise operator in the region”.

“Abu Dhabi is a very important embarkation port and popular destination for ashore visits during winter cruises and we are currently serving the city and Sir Bani Yas Cruise Beach with both MSC Bellissima, the most modern and one of the most environmentally-advanced cruise ships to sail in the Arabian Gulf, and MSC Lirica,” added Onorato.

Abu Dhabi Cruise Terminal, which operates from Zayed Port, has reported significant growth over the last 12 months, posting a 47% rise in passenger numbers and a 45% rise in vessel calls. The terminal’s bumper year was due in part to MSC Cruises’ commitment earlier this season to include 17 new calls at Zayed Port.

Last December, the terminal also marked one of its busiest days of the 2019/20 winter season when it welcomed more than 8000 visitors as part of a triple call to Abu Dhabi, which included the maiden call of MSC Cruise’s luxury liner MSC Bellissima.

“Abu Dhabi Cruise Terminal is emerging as the ultimate point of disembarkation for international cruise liners,” said Al Dhaheri. “We are determined to further develop our offerings and strengthen our unique selling proposition by developing flexible and smart solutions to ensure all our guests enjoy the finest in-port experiences.”

In total, more than 518,000 cruise visitors arrived in the Emirate in 2019, according to the

**“THIS HISTORIC DEAL WILL PLAY A SIGNIFICANT ROLE IN POSITIONING ABU DHABI AS A TOP DESTINATION FOR CRUISES IN THE REGION. MSC CRUISES WAS ONE OF THE KEY PLAYERS IN HELPING US ATTRACT OVER 500,000 CRUISE VISITORS TO THE CAPITAL LAST YEAR, AND WE HAVE NO DOUBT IN THE SUCCESSES IT WILL BRING OVER THE COMING YEARS”**

**ALI HASSAN AL SHAIBA**, ACTING EXECUTIVE DIRECTOR,  
TOURISM AND MARKETING, DCT ABU DHABI

Department of Culture and Tourism – Abu Dhabi (DCT Abu Dhabi). The department is hoping to attract 556,000 cruise visitors in 2020.

“This historic deal will play a significant role in positioning Abu Dhabi as a top destination for cruises in the region,” said Ali Hassan Al Shaiba, Acting Executive Director of Tourism and Marketing at DCT Abu Dhabi. “MSC Cruises was one of the key players in helping us attract over 500,000 cruise visitors to the capital last year, and we have no doubt in the successes it will bring over the coming years. On our end, we remain committed to providing MSC Cruises and all travellers with exceptional services and extraordinary experiences during their visit to the UAE capital.”

↓ MSC Lirica







The cruise figures are a boost for Abu Dhabi's tourism industry as a whole, which witnessed increased visitor numbers in 2019. According to DCT Abu Dhabi, the number of international visitors to the UAE capital is estimated to have reached 11.35 million last year. This number includes 2.83 million overnight and 8.53 million same-day visitors and represents an increase of 10.5% on 2018.

Official hotel figures for 2019 also reveal that Abu Dhabi's 168 hotels and hotel apartments posted the highest number of guests to date (5.1 million), with robust growth across key revenue metrics such as total revenues, average room rate and revenue per available room.

In total, hotel guest numbers increased by 2.1% on the previous year, whilst hotel occupancy was up 1.6% to a rate of 73%. The average length of stay also increased by 1.8% in 2019 to 2.6 nights.

Hotels in the capital performed well across every metric, while hotels on Saadiyat Island saw hotel guest numbers increase by 73.6%, with 165,436 total visitors for the year. Revenues also jumped by an impressive 50.3%, while occupancy rose by 14.7%.



**556,000**  
CRUISE VISITORS EXPECTED  
IN ABU DHABI THIS YEAR

↖ MSC Bellissima

↑ XGianni Onorato, Chief Executive of MSC Cruises, and Noura Rashid Al Dhaheri, Director - Cruise Business at Abu Dhabi Ports, signing the long-term deal

"These 2019 results reflect the hard work and dedication that DCT Abu Dhabi, its tourism stakeholders and its partners have put into offering a 'must-see, must-visit' leisure and business destination to not only the international visitor but to domestic guests also," said Saood Al Hosani, Acting Undersecretary at DCT Abu Dhabi.

According to the Statistics Centre - Abu Dhabi, hotels across the Emirate saw their revenues increase to an estimated AED5.83 billion in 2019 - up from an estimated AED5.46 billion in 2018 and representing year-on-year growth of 6.8%. This growth was driven partly by an array of high-profile international business events and edutainment activities. These included Abu Dhabi International Book Fair, IDEX 2019, the AFC Asian Cup, and NAVDEX, the Naval Defence & Maritime Security Exhibition.

With major attractions such as Louvre Abu Dhabi, Sheikh Zayed Grand Mosque and Ferrari World going from strength to strength, the outlook for 2020 looks positive.

"Since we welcomed the maiden call of a cruise liner to Zayed Port in 2008, all our efforts have been geared towards cementing Abu Dhabi as a regional hub on the international cruise map," added Al Dhaheri. "At Abu Dhabi Ports, we are committed to realising the full potential of our cruise infrastructure in order to accommodate greater capacities and provide visitors with the ultimate cruise experience." 🌟





*Abu Dhabi's focus on developing a robust industrial sector is paying off - and paving the way for the development of a promising non-oil sector.*

# INDUSTRIAL STRENGTH



Robots are basic tools of mechanical construction, a frame, form or shape designed to achieve a particular task. For example, a robot designed to travel across heavy dirt or mud might use caterpillar tracks. The mechanical aspect is mostly the owner's solution to completing the assigned task and dealing with the physics of the environment around it. Purely robotic function.

Robots have electrical components which sense and control the mechanical function. In a robot with catapillar tracks, the electrical system is used to move the tracks, the power comes in the form of electricity, which is used to move the tracks. The electrical system is a form of a mechanical system. I can get a general idea of how it works.

power usually from a motor with a battery or electric control to start the mechanical process, which is used to move the tracks. The electrical system is a form of a mechanical system. I can get a general idea of how it works.

All robots contain some level of computer processing. A program is how a robot thinks, it is a set of instructions that tell the robot what to do. A program is how a robot thinks, it is a set of instructions that tell the robot what to do. A program is how a robot thinks, it is a set of instructions that tell the robot what to do.

control, artificial intelligence and logic. A robot with a control system is a computer that is used to control the robot. A robot with a control system is a computer that is used to control the robot. A robot with a control system is a computer that is used to control the robot.

control system, and can determine whether the robot is working properly. A robot with a control system is a computer that is used to control the robot. A robot with a control system is a computer that is used to control the robot.







**A** mixture of government stimulus, private sector initiatives and foreign investor participation is encouraging investors to set up industrial plants across the Emirate of Abu Dhabi.

At the end of last year, the UAE cabinet approved a strategy to develop advanced industries, in line with the fourth industrial revolution and its applications, to upgrade the country's manufacturing base.

The strategy seeks to encourage the business sector to adopt a strategy to develop futuristic industries and advanced technologies, promote the competitiveness of local industry on a global level, and to move into clean and sustainable industry, as well as attract talent and create jobs for UAE citizens, according to state news agency WAM.

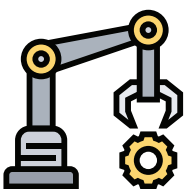
↑ The UAE cabinet approved a strategy to develop advanced industries to upgrade the country's manufacturing base

The strategy is built on six pillars that seeks balanced development across the country, planning flexibility, integration between the various Emirates on industrial and logistic services, commitment to improve quality of life, supporting innovation to increase efficiency and reduce costs, and developing advanced skills industries.

According to the government, the non-oil industrial sector accounted for 8.9% of the country's GDP in 2018, with manufacturing exports making up 20% of all UAE exports.

Last year, Abu Dhabi saw 24 new industrial facilities setting up shop, taking the overall number of plants to 66. That's 57% growth compared to the previous year, according to the latest edition of the annual Industrial Activity Report issued by the Industrial Development Bureau (IDB) of the Abu Dhabi Department of Economic Development (ADDED). The combined investment value of the facilities stood at AED6.29 billion.

The ADDED regulates the Emirate's business sector and advances the economic interests of Abu Dhabi by co-operating with regional and international partners. The department's Industrial Development Bureau (IDB) unit was launched to boost the Emirate's manufacturing



**ABU DHABI SAW 24 NEW INDUSTRIAL FACILITIES SETTING UP SHOP IN 2019, MAKING THE OVERALL NUMBER OF PLANTS TO 66**





sector, develop innovative policies and issue and renew licences.

The IDB has played its role by launching the Electric Tariff Incentive Programme. The programme “aims to promote competitiveness and investment in Abu Dhabi as a first option for industrial companies having high-level of automation, productivity and economic impact through boosting the productivity level of industrial facilities, enhancing their economic impact and improving energy efficiency,” according to IDB.

Another ADDED incentive to industrial companies is the Abu Dhabi Local Content Programme (ADLC) that aims to streamline government procurement procedures and ensure local businesses secure some of the contracts by major Abu Dhabi companies.

“The programme will encourage companies and factories participating in government tenders to increase their economic contribution in Abu Dhabi through three main components: Emiratization, investment and locally procured goods and services,” the IDB said.

His Excellency Rashed Abdul Karim Al Balooshi, Undersecretary, ADDED, said in a statement that the department intended a new

**“UNDER THE ‘INDUSTRIAL PIONEERS’ CATEGORY, THE 2019 INDUSTRIAL ACTIVITY REPORT RECORDED AN 11.2% GROWTH COMPARED TO 2018, WHICH REFLECTS THE INDUSTRIAL INVESTORS’ INTEREST TO SEEK INVESTMENT OPPORTUNITIES IN ABU DHABI”**

**H.E. RASHED ABDUL KARIM AL BALOOSHI,**  
UNDERSECRETARY, ADDED

initiative focused on reinforcing public-private partnerships and raising the private sector’s contribution to Abu Dhabi’s economy.

Another incentive is the 5% exemption for customs for industrial production materials to encourage industrial activity. The exemption applies to machines, equipment, spare parts and building materials necessary for the development of industrial facilities.

In addition, Abu Dhabi Executive Council also exempted fees on all new economic licences from all local fees for two years as part of a stimulus package to boost industrial activity in the Emirate.

The various incentives have led to a surge in activity, according to ADDED. The department

## IDB'S INDUSTRIAL ACTIVITY REPORT 2019

**3.** Growth of newly issued industrial licences in Abu Dhabi in the last 3 years

2019 - 139 licenses  
2016 - 22 licenses

**530% growth**

**2.** 1,552 licences released during 2019

- 811 - Production status with **57.14%** growth
- 206 - Industry Pioneers status with **11.20%** growth
- 535 - Under Process status

**4.** The industrial licences issued under 'Production' and 'Under Process' status to facilities in

- 74.6% - Abu Dhabi
- 22.2% - Al Ain City
- 3.2% - Al Dhafra region

**5.** Abu Dhabi's industrial licences were issued to

- 20.7% - Construction and glass industries
- 17.7% - Metal Industries
- 10.6% - Rubber, plastic and fiberglass industries

**1.** Total no. of industrial facilities operating in Abu Dhabi

2019 - 66 facilities  
2018 - 42 facilities

**57% growth**

**6.** Total of 139 new 'Industry Pioneers' licences issued with investment value - **AED8.43 billion**

- Chemical industries - AED7.2 Billion
- Metal industries - AED249. million

Total of 66 new 'Production' Licences issued with investment value - **AED6.29 billion**

- Metal industries - AED2.899 billion
- Wood and paper industries - AED1.4 billion





→ Health and safety awareness initiatives also ramped up in 2019

issued 1552 licences last year to companies gearing up to establish themselves in the Emirate. Of these, 20.7% were in the construction and glass industries, 17.7% were in metal industries and 10.6% were in rubber, plastics and fiberglass industries, data shows.

“Under the ‘Industrial Pioneers’ category, the 2019 Industrial Activity Report recorded an 11.2% growth compared to 2018, which reflects the industrial investors’ interest to seek investment opportunities in Abu Dhabi. The number of industrial facilities with ‘Production’ status also increased in 2019 by 57.14% compared to the figures issued in 2018,” said H.E. Al Balooshi.

In addition, facilities with ‘under process’ status made up just over a third (or 34.47%) of licences issued in the Emirate. Abu Dhabi City was the most popular city for licences with 374 licences issued in the city, while 140 licences were issued in Al Ain city, and 21 in Al Dhafra region.

Banks are also playing a key role in financing industrial activities.

“Credit facilities obtained by the business and industry sectors accounted for 46% of the total amount provided to all sectors in the UAE, valued at AED1.722 trillion at the end of November 2019,” according to a UAE Central Bank report.

The new industries are expected to accelerate economic activity in the manufacturing sector.

ADDED estimates that the manufacturing sector will grow 2.9% annually during the period 2019 – 2023, amid strong business sentiment and higher consumption.

## SAFETY FIRST

The Emirate’s industrial facilities also maintained high standards of health and safety during 2019. A separate IDB report shows that 457 factories complied with Abu Dhabi’s occupational safety and health standards, an 11% increase over the previous year.

The department also issued only 28 warnings last year, as most companies were in compliance. Awareness initiatives also ramped up with 375 emergency drills in 2019, a 14% increase over the year before.

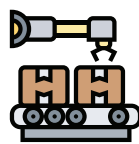
Another IDB initiative included connecting 400 industrial facilities to the ‘Hassantuk’ system and developing the ‘Estidama’ programme that caters to industrial facilities.



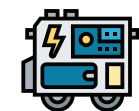
## ELECTRIC TARIFF INCENTIVE PROGRAMME AIMS



ENHANCE THE  
ECONOMIC  
IMPACT OF THE  
INDUSTRIAL  
SECTOR



BOOST  
FACTORIES'  
PRODUCTIVITY



IMPROVE THE  
EFFICIENCY OF  
ENERGY USE

“Estidama’ aims to improve the industry’s carbon footprint as well as promote power conservation and waste recycling, while ‘Hassantuk’ was launched by the Ministry of Interior to ensure speedy response to all emergency incidents and fire accidents that threaten the safety of individuals,” the department said. “Both initiatives are in line with the country’s vision to become one of the safest countries in the world.”

Close to 60% of the Emirate’s industrial establishments are now connected to ‘Hassantuk’, according to the department.

The Emirate is keen to expand its manufacturing base and develop metals, pharmaceuticals, food and beverages, building materials, aerospace and industrial equipment to complement its robust petrochemicals and aluminium sector.

Abu Dhabi can also leverage its heavy investment in innovation and new technologies.

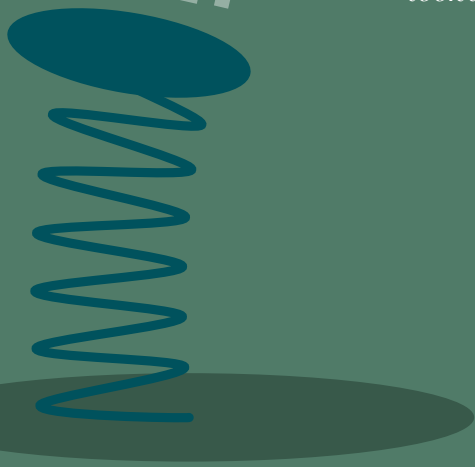
Abu Dhabi’s role as an incubator for new technologies will ensure that new and smart energy-saving technologies are adopted early on and key cost advantages are realised,” according to an IHS Markit report for Abu Dhabi Chamber of Commerce & Industry.

“Moreover, the fact that many industry facilities are relatively new and therefore already include smarter technologies that may be easily implemented should also play in Abu Dhabi’s favour with respect to international competition,” the report noted. 🌟



# SPRINGBOARDING TO SUCCESS

*How Abu Dhabi is stepping up its support for start-ups and for small-to-medium enterprises looking to leap to the next level.*







**M**ajor government entities such as the Abu Dhabi Investment Office, Hub 71, twofour54 and Abu Dhabi Global Marketplace are collaborating and creating a Silicon Valley-like hub culture that inspires innovation and new business ideas.

Abu Dhabi Investment Office, or ADIO, recently announced it intends to support later stage companies by participating in Series B financing. In venture capital terms, Series A funding focuses on an early-stage company that requires around \$1 million to \$6 million to grow the business from its nascent level, while a Series B round is the next growth phase for the company with funding requirements usually in the \$7 million to \$10 million range.

ADIO launched a AED535 Ventures Fund last year, as part of Abu Dhabi Government's Ghadan 21 accelerator programme, to facilitate funding for early-stage start-ups but there was a need to expand that mandate.

ADIO explained: "To support later-stage companies that are in expansion mode and ready to scale, ADIO has expanded the parameters of the fund to include investment in later-stage companies. ADIO will also assess opportunities to act as the lead investor. In addition to funding, ADIO will create bespoke incentive packages, underpinned by its Investor Care services, to support the continued growth of these companies in Abu Dhabi."

ADIO also unveiled its roster of new portfolio companies in its Venture Fund that include blockchain and healthcare companies, among others. It has invested a total of AED60 million in Securency, TruKker, Sarwa, YACOB and Okadoc.

Securency emerged from ADGM's RegLab programme and provides blockchain technology that supports global digital securities transactions.

TruKker allows automated bookings and real-time tracking of trucks, while Sarwa is a fintech company that implements investment strategies and offers personalised investment experiences.

The fund has also invested in two healthcare start-ups – Okadoc, an online doctor appointment booking platform that connects healthcare providers with patients, and YACOB, which helps combat childhood obesity through an operating system for youth nutrition.

ADIO's role includes connecting with innovation-led investors and companies to help them maximise the use of Abu Dhabi's infrastructure, from its research-led universities to its specialised free zones.

Hub71, which is emerging as a regional tech hub, also recently announced 17 winners for its Hub71 Incentive Package.

It now supports 35 innovative start-ups, with up to 100% free housing, office space and health insurance for two years for seed companies and 50% subsidies for emergent companies, for three years, worth around AED3.5 million.



↑ The Khalifa Fund for Enterprise Development recently signed a training partnership agreement with Facebook

↓ Ibrahim Ajami, Acting CEO of Hub71



"The 17 winning start-ups joining Hub71 will make waves across multiple industries, adding diversity to Abu Dhabi's tech economy from around the world and creating new jobs in the Emirate," said Ibrahim Ajami, Acting CEO of Hub71 and Head of Ventures at Mubadala Capital, which is a partner in Hub71, alongside ADIO, ADGM, SoftBank and Microsoft.

Separately, Hub71 also launched a 'Microsoft Reactor Programme', which will focus on emerging topics such as cloud services and artificial intelligence, and will be made available to Hub71 residents and the broader community free of charge.

'Microsoft for Start-ups' will also operate out of Hub71, designed to support start-ups as they build and scale their companies.

Hub71 has also been rolling out other new initiatives such as the Corporate Engagement Programme to connect companies with high growth start-ups.

"Technology continues to transform the corporate landscape and we are seeing major corporations digitize their businesses like never before," said Mr Ajami. "The Hub71 Corporate Engagement Programme creates a platform for corporates and start-ups to engage, address challenges, adopt new products and services and test new business models."

Aldar Properties and Abu Dhabi Commercial Bank (ADCB), two of Abu Dhabi's major companies, will also play a key role in supporting the



initiative. Aldar will establish a physical presence at WeWork x Hub71 for its innovation team and share incentive programmes for property technology (proptech) start-ups, including mentorship and workshops.

ADCB, a founding partner of Hub71, will collaborate with fintech start-ups and test different fintech proposals to accelerate its own digital transformation.

“Aldar and ADCB are two leaders in our region that recognise the importance of working very closely with technology start-ups and looked to Hub71 as a partner to do this,” added Mr. Ajami.

This year will also see Abu Dhabi open the world’s first AI university, the Mohamed bin Zayed University of Artificial Intelligence (MBZUAI) that will likely serve as a future platform for a new entrepreneurial workforce.

MBZUAI said it has reviewed 1000 applications for its MSc and PhD programmes for 2020 that include Machine Learning, Natural Language Processing and Computer Vision. The university will welcome its first class of graduate students in September.

“With thousands of applications coming in, I have great confidence that MBZUAI will foster exceptional talent in the field of AI,” said His Excellency Dr. Sultan bin Ahmad Sultan Al Jaber, Minister of State and Chairman of the Board of Trustees at MBZUAI. “These great minds will create a long-term integral ecosystem that introduces a new era of innovation, productivity and growth across the UAE, the region and globally.”

Meanwhile, the Khalifa Fund for Enterprise Development (KFED) recently signed a partnership agreement with social media powerhouse Facebook to provide training to budding women entrepreneurs in the UAE.

The collaboration is part of Facebook’s global ‘She Means Business’ initiative that aims to bring entrepreneurial women in a community together to share ideas and experiences.

KFED will offer the one-day training to 1000 women entrepreneurs free of charge and offer training on sourcing business ideas, growing internationally and using social media to leverage commercial opportunities.

Khalifa Fund has worked with 455 female entrepreneurs, investing a total of AED316.4 million in start-ups and SMEs, which have been founded or led by women, according to Emirates news agency WAM. Since the creation of the Khalifa Fund in 2007, the number of female entrepreneurs in the UAE has increased by 29.9%.



**“WITH THOUSANDS OF APPLICATIONS COMING IN, I HAVE GREAT CONFIDENCE THAT MBZUAI WILL FOSTER EXCEPTIONAL TALENT IN THE FIELD OF AI. THESE GREAT MINDS WILL CREATE A LONG-TERM INTEGRAL ECOSYSTEM THAT INTRODUCES A NEW ERA OF INNOVATION, PRODUCTIVITY AND GROWTH ACROSS THE UAE, THE REGION AND GLOBALLY”**

**H.E. DR. SULTAN BIN AHMAD SULTAN AL JABER,**  
MINISTER OF STATE AND CHAIRMAN OF THE BOARD  
OF TRUSTEES AT MBZUAI

“According to the Global Entrepreneur Monitor, about 80% of women in the UAE believe that entrepreneurship is a positive career choice, demonstrating a keen appetite for entrepreneurship amongst females in the UAE,” said Mouza Al Nasri, CEO of the Khalifa Fund. “This partnership which we have signed with Facebook reflects Khalifa Fund’s continued aim of increasing access to training, financing and support for those women who are aspiring to start and grow their early-stage start-ups into successful businesses.” 🌟



# ABU DHABI'S BLUE-CHIP COMPANIES LEADING FROM THE FRONT

*UAE companies rise to the challenge and post impressive profits for 2019.*

**D**ata from Emirates news agency WAM shows consolidated net profits of 67 companies listed on the UAE's financial markets hit AED75.56 billion in 2019, an increase of 16.9% compared to the previous year.

The 34 companies listed on the Abu Dhabi Securities Exchange, or ADX, notched an impressive AED38 billion in profits in 2019, a 5% increase compared to 2018 figures.

ADNOC Distribution, the country's largest listed company, saw its net profit rise 4.2% to AED2.2 billion on the back of higher fuel volumes and a marked improvement in non-fuel sales and cost rationalisation. The company said it reduced costs by AED169 million in 2019, while managing to increase gross margins in its non-fuel business by 5.4%.

The UAE's largest fuel retailer said it expects strong growth in 2020. "UAE economic growth is forecasted to pick up this year amid the government's recent initiatives and growth supportive policies, and benefiting from the Expo 2020 event," the company said in its earnings report.

"All of these measures are expected to support economic growth and thus demand for fuel and other non-fuel products. We have already started to see positive impact on our business as our corporate fuel volumes recorded strong growth in 2019 while retail fuel volumes started to grow in Q3 2019 for the first time since our December 2017 IPO."

Etisalat, one of the region's largest telecom companies, also saw its net profit rise 1% for the year. Subscriber base reached 149 million company-wide, an increase of 6% over the previous year, while revenue edged 1% higher.



During 2019 the company had introduced a number of initiatives, including the fastest mobile network in MENA and the fastest fixed broadband network in the GCC, Africa and Arabian region.

The company also completed the first end-to-end 5G standalone call in the MENA region, leading the country's digital transformation.

"5G is a game-changer with Etisalat taking the lead in the launch of the network which will amplify the use of futuristic services, target new opportunities and implement 5G use cases across verticals," said Engineer Saleh Abdullah Al Abdooli, Group Chief Executive Officer, Etisalat.

The telco provider said the investment had positioned it to provide services based on emerging technologies such as the Internet of Things, cloud, big data, artificial intelligence and robotics, as well as autonomous, augmented and virtual reality technologies.

"Our continuous investments in the network also led Etisalat to be recognised as MENA's fastest mobile network and the GCC, Africa, Arabian region's fastest fixed broadband network," the CEO said.

#### UAE BANKS SHINE

The UAE's 15 national banks also posted a robust 13.3% increase in net profit to AED46.86 billion in 2019, compared to the previous year. The



↑ Abu Dhabi Securities Exchange

profits make up 62% of total profits posted by the 67 listed companies, reflecting the dominant position of banks and their role in stimulating the economy.

First Abu Dhabi Bank (FAB), the country's largest bank by assets, saw net profits jump 4% to AED12.5 billion. The bank's loans and advances sat at AED408 billion, up 16% year-on-year and 8% sequentially, while customer deposits stood at AED519 billion, up 12% year-on-year and 9% sequentially.

↓ Etisalat's Abu Dhabi Headquarters





**“OUR CONTINUOUS INVESTMENTS IN THE NETWORK ALSO LED ETISALAT TO BE RECOGNISED AS MENA’S FASTEST MOBILE NETWORK AND THE GCC, AFRICA, ARABIAN REGION’S FASTEST FIXED BROADBAND NETWORK”**

**ENG. SALEH ABDULLAH AL ABDOOLI,**  
GROUP CEO, ETISALAT

FAB has been playing a crucial role in financing major projects. In 2015 it committed to finance \$10 billion worth of sustainable projects over 10 years but reached that target in 2019 – six years ahead of the plan.

The bank expects the UAE’s domestic factors should further stimulate the economy.

“UAE real GDP is expected to accelerate to 2.5% in 2020, up from 1.75% in 2019,” FAB said in its quarterly report. “Economic activity is expected to benefit from increased government spending on the back of stimulus plans and the positive impact of Expo 2020, and recent structural reforms to support population growth and private sector/SME activity,” the bank noted.

Abu Dhabi Commercial Bank, which merged with Union National Bank and Al Hilal Bank last year, also saw strong growth amid consolidation. The bank reported a full year net profit of AED5.244 billion, delivering a return on average tangible equity of 11.2%.

“2019 was a transformational year for the ADCB Group. The merger with Union National



Bank and subsequent acquisition of Al Hilal Bank provided the enlarged group with the scale and efficiency required for a major UAE financial institution,” said Eissa Mohamed Al Suwaidi, ADCB Chairman, in a statement. “The Bank, which now serves over 1 million customers, benefits from resilience and scale necessary to navigate continued challenges and the financial strength to take advantage of new growth opportunities.”

The National Central Cooling Company PJSC, or Tabreed, also saw net profit climb 11% to AED 472.5 million compared to the previous year.

The company, which delivers cooling services to Sheikh Zayed Grand Mosque, Abu Dhabi’s Al Maryah Island and Yas Island, among others, and recently bought Masdaar City’s district cooling plants, operates in six countries in total.

Tabreed is also playing a key role in cutting the UAE’s carbon emissions. The company said it contributed to saving 2.06 billion kilowatt-hours across the GCC, enough energy to power 117,500 homes in the UAE every year.

“These power savings prevented the release into the atmosphere of 1.23 million metric tons of carbon dioxide – the equivalent of eliminating the emissions from 268,000 vehicles annually,” Tabreed said in its earnings statement.

The UAE’s largest companies are leading sustainable growth in the wider economy, while taking advantage of low interest rates and government efforts to cut business fees, and opening up the sectors. 🌱

↑ Tabreed recently acquired Masdaar City’s district cooling plants



*The UAE's ambitions to invest in a range of sectors including manufacturing, services, tourism, technologies and SME development is underpinned by a key advantage – ready-made real estate supply.*

# SOLID





# FOUNDATIONS

**T**he availability of commercial, residential and retail real estate space in the UAE gives investors confidence that they can lease or buy often A-grade office space, often in clusters related to their sector at an affordable price.

This advantage is often overlooked as the UAE's effort to liberalize the economy and attract skilled and highly educated workers is starting to create new demand. Many of the more astute investors are already quietly positioning themselves for the growth set to come over the coming years.

Savills, a real estate consultancy, believes the country's real estate sets it up for growth for the next 50 years.

"Anecdotal evidences – based on the interest received by Savills – suggest that the share of first-time property renters in the UAE has gone up in the last 12 months," according to Savills, which took a long-term view of the UAE's property market in a new report.

The report states that around 15% of total enquiries received for vacant units in Abu Dhabi were from individuals who have recently moved to the city or are planning to relocate in the near future.

In addition, rising population and more job opportunities are creating more real estate demand.

"The total private sector employment in the UAE at the end of Q3 of 2019 was 5.08 million," Savills said in its report. "According to data from the Ministry of Human Resources and Emiratization, total net newly issued work permits in the UAE increased by 110,912 in the first nine



↑ Aldar Properties posted record development sales driven by new development launches such as Alreeman II, Lea and Saadiyat Reserve

months of 2019 compared to the same period of the previous year."

Jones Lang LaSalle (JLL), another real estate agency, said the decision to allow 100% foreign ownership of onshore companies will make the UAE more attractive for those investors who want to maintain full ownership of their businesses, increasing job opportunities and economic growth.

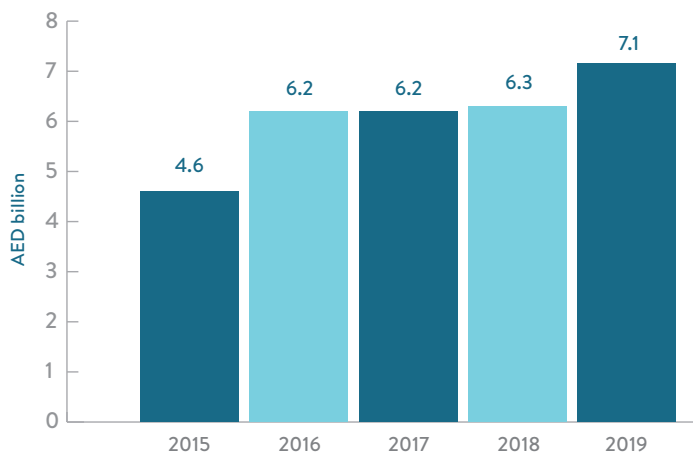
"This will in turn increase demand for all sectors of the real estate market, in terms of office space, housing, hospitality for business travellers and retail spending. The new law is also expected to provide a boost to FDI, with a number of new overseas businesses looking to establish operations in the UAE," JLL said in its outlook report.

The UAE also ranked 21st out of 122 nations in a Global Labour Resiliency Index 2019, which measures which countries are best prepared for the future of work in terms of their vision, strategy, policies and institutions and how they can unlock the full potential of their workforce going forward.

"The UAE stands out as the MENA country with the best score on the structural pillar due to its greater economic diversification," according to the survey.

The UAE is ahead of most MENA nations in terms of its infrastructure excellence, and that

## ALDAR REVENUE GROWTH





**“ABU DHABI’S REAL ESTATE MARKET IS BENEFITTING FROM AN ECONOMY THAT IS TRANSITIONING TO A GLOBAL CULTURAL, BUSINESS AND TRADE HUB THANKS TO GOVERNMENT INVESTMENTS AND NEWLY INTRODUCED PRO-BUSINESS POLICIES”**

**H.E. MOHAMED KHALIFA AL MUBARAK,**  
CHAIRMAN, ALDAR

includes gleaming office towers and picturesque living spaces that would be highly attractive to a skilled workforce.

Not surprisingly, HSBC Holdings Plc ranks the UAE as the 9th best country for expatriates out of 33 locations. The bank places the UAE ahead of other countries such as Hong Kong, France, Sweden, Japan and the United Kingdom – all countries that have some of the most expensive real estate in the world in key locations.

**LEVERAGING SUPPLY**

The available supply of real estate space has offered UAE entrepreneurs a chance to expand their business horizons.

Savills points to vertical farming, cloud kitchen, fintech, start-ups, co-working and co-living as some of the buzzwords that will influence the real estate landscape in the country.

While global co-working operators are evaluating options and strategies to expand their presence in the country, one of the world’s largest

co-working operators, WeWork, opened a co-working space at the Abu Dhabi Global Market at a time when the capital is actively promoting the start-up ecosystem in the region, the real estate consultancy noted.

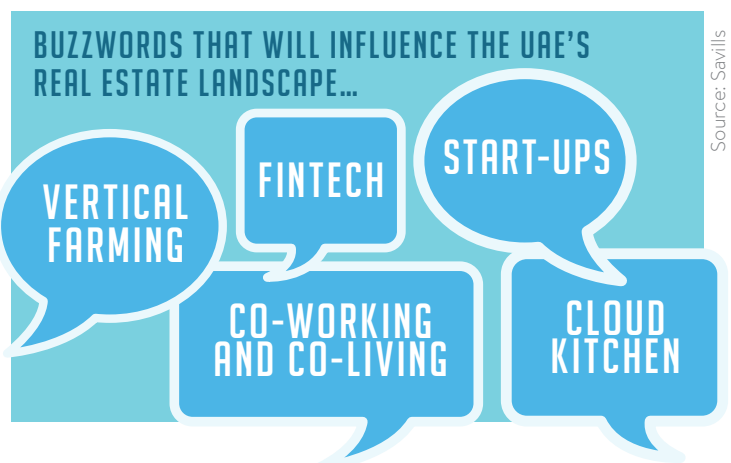
“The UAE’s capital city attracts innovative founders, established businesses, entrepreneurs and start-ups; the same type of people and businesses that call WeWork home around the world,” said Anthony Yazbeck, Managing Director for International Operations at WeWork.

The improved sentiment towards real estate was also evident in the annual earnings result of Aldar Properties, Abu Dhabi’s largest property developer. The company saw a 4% increase in net profit and a 14% increase in revenues last year.

The real estate developer posted record development sales that rose 53% to AED4 billion, driven by new development launches such as Alreeman, Alreeman II, Lea and Saadiyat Reserve, as well as strong sales across existing developments such as Yas Acres, Wes Yas and Mamsha.

His Excellency Mohamed Khalifa Al Mubarak, Chairman of Aldar, alluded to the fact that the diversifying economy is creating new real estate opportunities.

“Abu Dhabi’s real estate market is benefiting from an economy that is transitioning to a global cultural, business and trade hub thanks to government investments and newly introduced pro-business policies,” he said. “As a leader in the real estate market, Aldar has been able to swiftly convert those emerging opportunities to generate additional value for our shareholders. Looking ahead, our unique portfolio of investment properties and valuable land bank will enable us to continue to deliver attractive returns to our shareholders.” ♦







# THE BIGGEST ECONOMIC PRIZE

*The UAE and the US continue to build on their long-term partnership and are finding new areas of co-operation as the economies of both countries flourish.*

**T**he United States is, of course, the world's largest economy, and is benefitting from new momentum amid strong fiscal stimulus by the current administration, low interest rates and technological innovation that's transforming the global economy.

The United Arab Emirates, as a country that's also looking to boost innovation in the economy and expand its financial services, is eyeing new areas to partner with the US.

According to the United States Census Bureau, UAE-US trade has regularly hovered around \$25 billion annually over the past five years, making the UAE the largest market in the Middle East for the US.

The majority of US exports to the UAE were focused on aircraft, machinery and equipment, vehicles, appliances and jewellery. Key UAE exports to the US were aluminium, petroleum products, iron, appliances and jewellery, according to the International Trade Centre.

American companies looking for growth markets are drawn to the UAE as the country is the gateway to the wider MENA region, as well as South Asia, Africa and Central Asian states.

John Rakolta, the US Ambassador to the UAE, said his country is interested in forging "a long-term comprehensive strategy" with the UAE, spanning the next century.

"The ability of perhaps implementing a long-term comprehensive strategy is necessary to ensure our relationship is enduring, not only for the next 10 or 20 years, but for 50 or 100 years," the Ambassador told Emirates news agency WAM.

"The one key element I can bring some significant value to is developing the US-Emirati business interests in a comprehensive way that expands beyond just trade and gets into cross-investments in a significant way, and many other components necessary to transition from oil-based to knowledge-based economy," added Mr. Rakolta, who took on the role of Ambassador last year.

In January, Ian Steff, the US Assistant Secretary for Global Markets and Director-General of the United States and Foreign Commercial Service, met with the UAE Government to increase trade exchange and enhance cooperation in vital sectors, including technology, innovation, digital transformation and a creative knowledge-based economy.

At the meeting, Abdullah bin Ahmed Al Saleh, Under-Secretary of the Ministry of Economy for Foreign Trade Affairs, highlighted the growing bilateral ties and investments. He also emphasised the importance of intensifying the exchange of visits by both countries' businessmen and investors to boost trade and investment ties between the corporations of the two countries.

Major American companies such as General Electric Co. and Boeing Co. have long had a presence in the UAE and new ones are setting up base to take advantage of the growing economy.

Last year, US aerospace and industrial company The Raytheon Co. opened its head office in Al Maqam Tower, at Abu Dhabi Global Market Square.

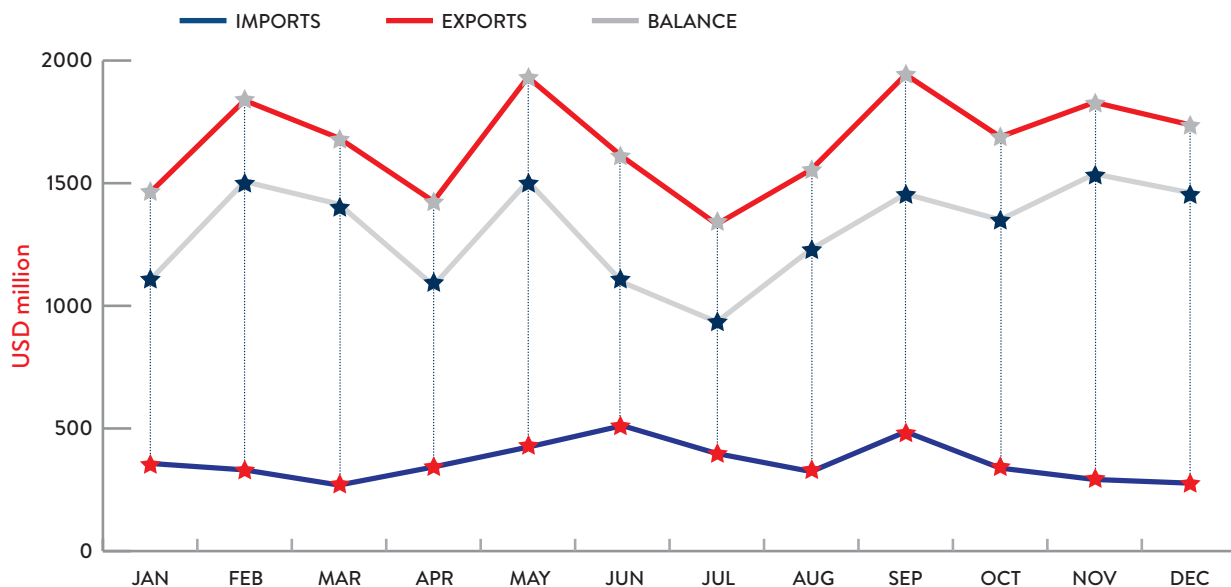
"By building a base in Abu Dhabi, Raytheon will benefit from the Emirate's competitive advantages including economic and political stability, robust infrastructure and facilitated procedures and processes, reaffirming Abu Dhabi's position as a preferred investment destination in the region for the largest international



**"THE ABILITY OF PERHAPS IMPLEMENTING A LONG-TERM COMPREHENSIVE STRATEGY IS NECESSARY TO ENSURE OUR RELATIONSHIP IS ENDURING, NOT ONLY FOR THE NEXT 10 OR 20 YEARS, BUT FOR 50 OR 100 YEARS"**

**JOHN RAKOLTA, US AMBASSADOR TO THE UAE**

## 2019: US TRADE GOODS WITH UAE



Source: United States Census Bureau



companies,” said Matar Al Romaithi, Chief Economic Development Officer at Tawazun Economic Council, which is tasked with creating and developing a defence industry in the country.

United States’ technology giant Microsoft Corp. is already a founding partner of Hub 71, a new technology hub located at the ADGM that’s designed to spur innovation and development in the region. Microsoft will play a central role as a global technology partner, while SoftBank Vision Fund will leverage its investment networks to create a focal point for tech innovation in the region, along with Mubadala Investment Company.

Abu Dhabi is also looking to attract American tourists to the country. In February, the Emirate participated in the *New York Times* travel show, organised by the Department of Culture and Tourism – Abu Dhabi (DCT Abu Dhabi) in partnership with Etihad Airways.

“From one of the world’s largest indoor theme parks and Louvre Abu Dhabi to our captivating cultural treasures and calendar of world-class events, this year also includes the incredible Expo 2020, which the UAE capital will play a key role in. Abu Dhabi is a destination that embraces the modern world whilst celebrating its rich traditions,” said Ali Al Shaiba, Acting Executive Director of Tourism and Marketing at DCT Abu Dhabi. He added: “It is an exhilarating place ripe for today’s curious traveller, and we are proud to be able to showcase that through our partnership with the *New York Times*.”

The tourism department has also been working with American tech giant Google to deliver customised messaging to an American audience, which saw a surge in Google searches from the United States for Abu Dhabi by 13%.

## TWO-WAY TRAFFIC

While the UAE is eager to attract American companies to its shores, Emirati companies are also eyeing opportunities in the world’s largest economy.

According to the Abu Dhabi Investment Authority, between 35% – 50% of its investment exposure is to North America – the highest regional allocation in its portfolio.

Mubadala Investment Company has also invested \$100 billion in the States.

“What that tells you is that from our perspective the risk reward equation works in the United States,” Deputy CEO Waleed Al-Muhairi told Reuters at the SALT Conference in Abu Dhabi, noting that the majority of the investments are



† Abdullah bin Ahmed Al Saleh, Under-Secretary of the Ministry of Economy for Foreign Trade Affairs, and Ian Steff, Assistant Secretary for Global Markets and Director-General of the United States and Foreign Commercial Service

direct, with a small portion indirectly invested through funds.

Clearly, the US remains a strong business and investment magnet, especially as it is in the midst of strong economic growth, driven by structural changes, growing population, new incentives and low interest rates.

The US renegotiated trade deals with Canada, Mexico, South Korea and Japan and is in talks with the UK and the European Union for access to their markets, giving American-based companies a huge advantage and unique access to large parts of the global company.

The rollout of a US infrastructure programme, which is assumed to commence this year with observable effects on output beginning in 2021, will also serve as a boon for private sector and international institutional investors.

“We project real US economic output to grow at an average annual rate of 2.9% over the budget window from 2019 to 2030,” stated a recent White House report, noting that inflation will remain around 2%, while the unemployment rate is set to remain at or below an annual average rate of 4%.

“The right pro-growth policies attract greater investment, encourage more people to enter the labour market and lead to higher wages from businesses investing in and competing for workers,” the report noted. “Even with recent success, there is ample room for the US economy to expand, especially if the Administration’s approach to international trade produces results that are greater than expected.” ♦



## Call to Strengthen Trade Links with Azerbaijan

Abu Dhabi Chamber's initiatives to encourage entrepreneurship and competitiveness in the business sector were outlined to His Excellency Maher Muhammad Aliyev, Ambassador of the Republic of Azerbaijan to the UAE, and Mr Javed Musaev, Advisor to the Azerbaijani Embassy in the Emirates, when they visited the Chamber recently to discuss ways to increase commercial and investment cooperation between Abu Dhabi and Azerbaijan.

Both guests were welcomed by His Excellency Mohamed Helal Al Mheiri, Director General of the Chamber, and Mr. Abdullah Ghurair Al Qubaisi, Deputy Director General of the Chamber.

While reviewing the most important opportunities for developing joint commercial and investment cooperation relations between the business communities of both countries, H.E. Al Mheiri explained how the Chamber had adopted the Future Pioneers Award, the Sheikh Khalifa Excellence Award and awards for small and medium enterprises to encourage the next generation of business leaders in Abu Dhabi.

He further stressed that the volume of investment and commercial opportunities provided by the Emirate of Abu Dhabi, the system of economic legislation and the relative

advantages that the UAE has in general, made it the most important and best attractive destination for foreign investment worldwide.

H.E. Al Mheiri added that Abu Dhabi Chamber would do all it could to support relations with Azerbaijan and help in identifying opportunities for investment. He called upon Azerbaijani companies and investors to attend and participate in the annual SIAL exhibition in Abu Dhabi.

H. E. Aliyev expressed his delight with the hospitality and warm welcome shown to him and his colleague by Abu Dhabi Chamber, stressing the depth and strength of relations between the UAE and Azerbaijan.

He called on Emirati companies and institutions, businessmen and investors to invest in Azerbaijan, where there are many investment fields, especially in the sector of agriculture and foodstuffs.

H.E. Aliyev praised the economic development witnessed by the UAE and Abu Dhabi, and the infrastructure and quality services it possesses for all types of investment, calling on companies and businessmen in his country to cooperate with Emirati businessmen and UAE companies by setting up a joint Emirati-Azerbaijani exhibition in Abu Dhabi.

## Pushing Economic Cooperation with Afghanistan Forward

As well as strengthening trade and economic relations between the two countries, Afghanistan would like to see the formation of an Emirati-Afghan business council.

The move was expressed by Sayer Daudzai, Charge d'affaires at the Embassy of Afghanistan in UAE, when he visited Abu Dhabi Chamber

recently, where he was received by His Excellency Mohamed Helal Al Mheiri, Director General of Abu Dhabi Chamber. Deputy Directors General Mr. Abdullah Ghurair Al Qubaisi and Mr. Helal Mohamed Al Hameli also attended the meeting.

Both sides discussed ways to boost communication between businesses in

Abu Dhabi and Afghanistan in a bid to increase trade relations.

H.E. Al Mheiri praised the strong relations between the UAE and Afghanistan and said the Chamber was completely ready to provide all the necessary support to push the wheel of economic cooperation with Afghanistan forward.



## Abu Dhabi Chamber Discusses Trade and Investment Cooperation with Costa Rica

Increasing trade and economic cooperation between Abu Dhabi and Costa Rica was top of the agenda when Mr. Pedro Beirute, CEO of Costa Rica Trade Promotion Authority, visited the Chamber's HQ recently where he was received by Mr. Abdullah Ghurair Al Qubaisi, Deputy Director General of Abu Dhabi Chamber of Commerce and Industry.

During the meeting, Mr. Al Qubaisi praised the solid bilateral relations and economic cooperation between Abu Dhabi and Costa Rica. He made clear that the authorities in Abu Dhabi had provided all the necessary means and facilities to attract foreign investments in a number of pivotal sectors, including transportation, education, financial services, telecommunications, biotechnology, petrochemicals, medical equipment, aviation, healthcare and agriculture.

Mr. Al Qubaisi pointed out the important role of exchanging visits to introduce Costa Rican businesses to the business and investment environment in Abu Dhabi, as a way to increase the volume of business and trade exchange between both sides.

The Deputy Director General emphasized that the Chamber is completely prepared to support Costa Rican companies desirous of investing in Abu Dhabi and



providing them with all the necessary facilities to make their investments a success.

Mr. Beirute praised the hospitality of Abu Dhabi Chamber, and said that the Emirate was successful in enhancing its position as a top destination for businesses regionally and internationally.

He added that there are great investment opportunities available for Emirati businesses in Costa Rica, especially in the sectors of agriculture, tourism and infrastructure.

The Ambassador of Costa Rica to the UAE also attended the meeting.





## Abu Dhabi Chamber Receives Korean Delegation of Emerging Companies

“The Republic of South Korea is one of the most important trading partners for the UAE in general and the Emirate of Abu Dhabi in particular. We hope this visit will achieve its objectives in improving the economic and investment cooperation between our two friendly countries.”

That was the message from Mr. Rashid Tareh Al Qubaisi, Executive Director of ADCCI's Trade and Business Development Sector, to a visiting delegation of emerging companies from the Gang Nam-Joo Province of South Korea, recently.

During his welcoming remarks Mr. Al Qubaisi pointed out that Korea was one of the first countries where the Chamber established representative offices.

“This visit is particularly important because it includes a large number of industrial companies and representatives of various dynamic Korean sectors,” he added. “We seize this opportunity to invite all Korean industrial companies, especially in the fields of electronics, automotive, petrochemical, technology products, communications, health and other fields, to establish strategic partnerships with UAE companies and those operating and playing a vital role in supporting sustainable economic development plans and projects in Abu Dhabi and the UAE.”

Mr. Al Qubaisi pointed out that the UAE is one of the largest markets for Korean industries, especially electronics and the automotive industry.

“It is therefore important that Korean industrial companies establish production and assembly units in Abu Dhabi, where access to the GCC and Middle East markets in general

is easy. This will increase the competitiveness of their products due to lower production and transport costs. Since the Emirate of Abu Dhabi has a strategic location, Korean industrial units have easy access to European markets from here,” he remarked.

Mr. Al Qubaisi concluded by saying that the Chamber is fully prepared to support Korean companies wishing to work and invest in Abu Dhabi and to provide all the facilities to make Korean investments in the Emirate a success.

Mr. Lee Dong Ki, President of Innovation and Start-up Group OF KITA, expressed his thanks and appreciation for the Chamber's hospitality. “This meeting will open more doors for businesses in both countries to increase investment opportunities and discuss the best means of cooperation in different sectors,” he said.

