



Competitiveness to transform Dubai into a global city

A presentation to the World Strategy Summit 2015 (Saint Regis Hotel, Abu Dhabi)

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A word of appreciation to hosts/sponsors

And to the organisational team for putting this together



H.H. Sheikh Saif bin Zayed Al Nahyan



وزارة الداخلية
Ministry of Interior

Thank you for the invitation and for allowing me to share this case study
(which is as much about Abu Dhabi and the UAE, as it is about Dubai)

Condolences to all the victims of terrorism

May the success of the Dubai/UAE model spread to the region (and globally)

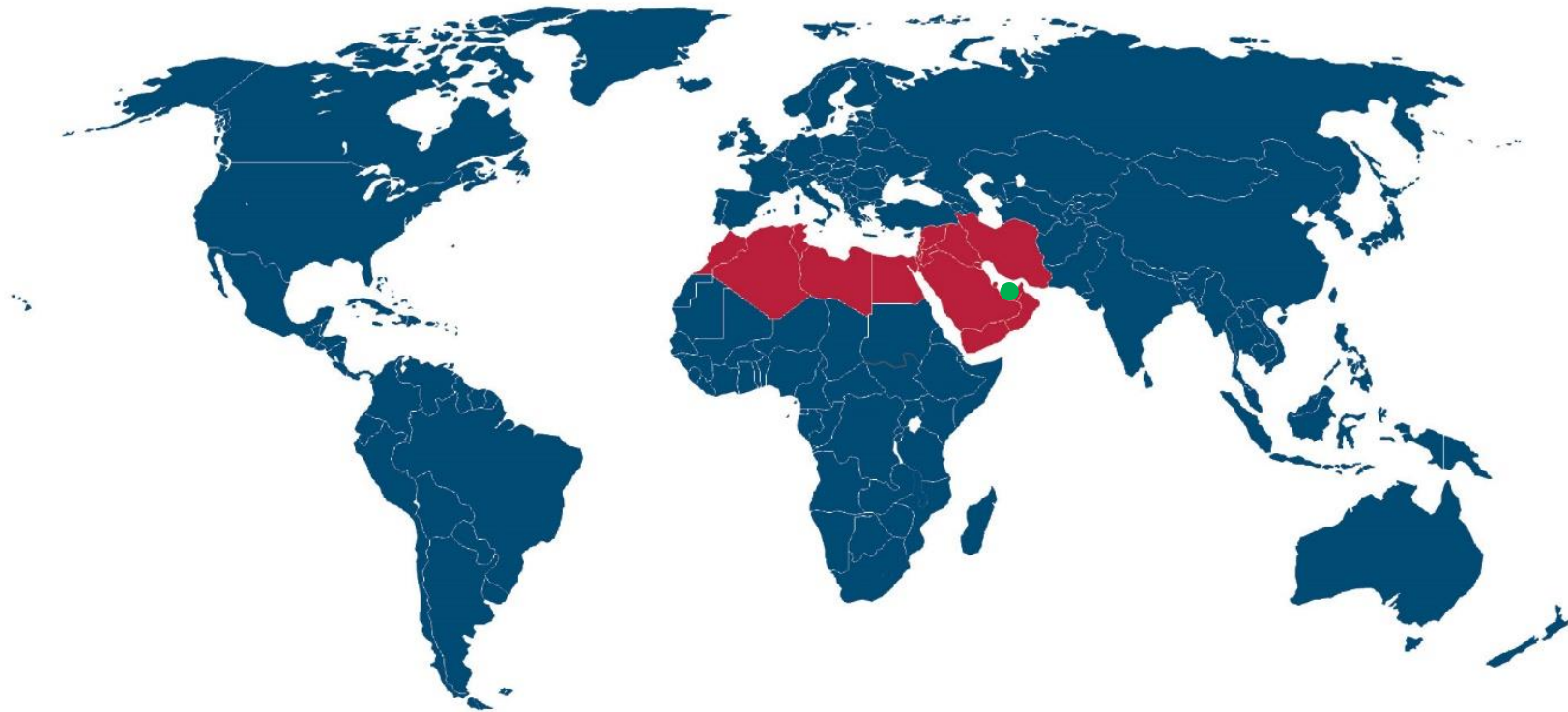




Take a step back...

We are in the heart of the Middle East (& North Africa (MENA))

Just this past weekend there was a terrorist bombing in Lebanon.
Syria is in a civil war with *Daesh* committing untold atrocities
(including an attack in Paris).



Iraq is a failed state and several others in the region are teetering.
A Russian airplane was blown up in mid-air over Egypt.



Yet in Dubia, UAE...

A global city has emerged, with a diverse and tolerant population





But it was not always that way

In fact, Dubai was an unknown sparsely-populated desert outpost in 1971

Although present-day Dubai has been inhabited since around 1095 AD, the United Arab Emirates (UAE) was established only in 1971. By 1975 Dubai's population was still less than 200 thousand and did not surpass 1 million until after the current ruler, H.E. Sheikh Mohammed bin Rashid,* took power in 2006.



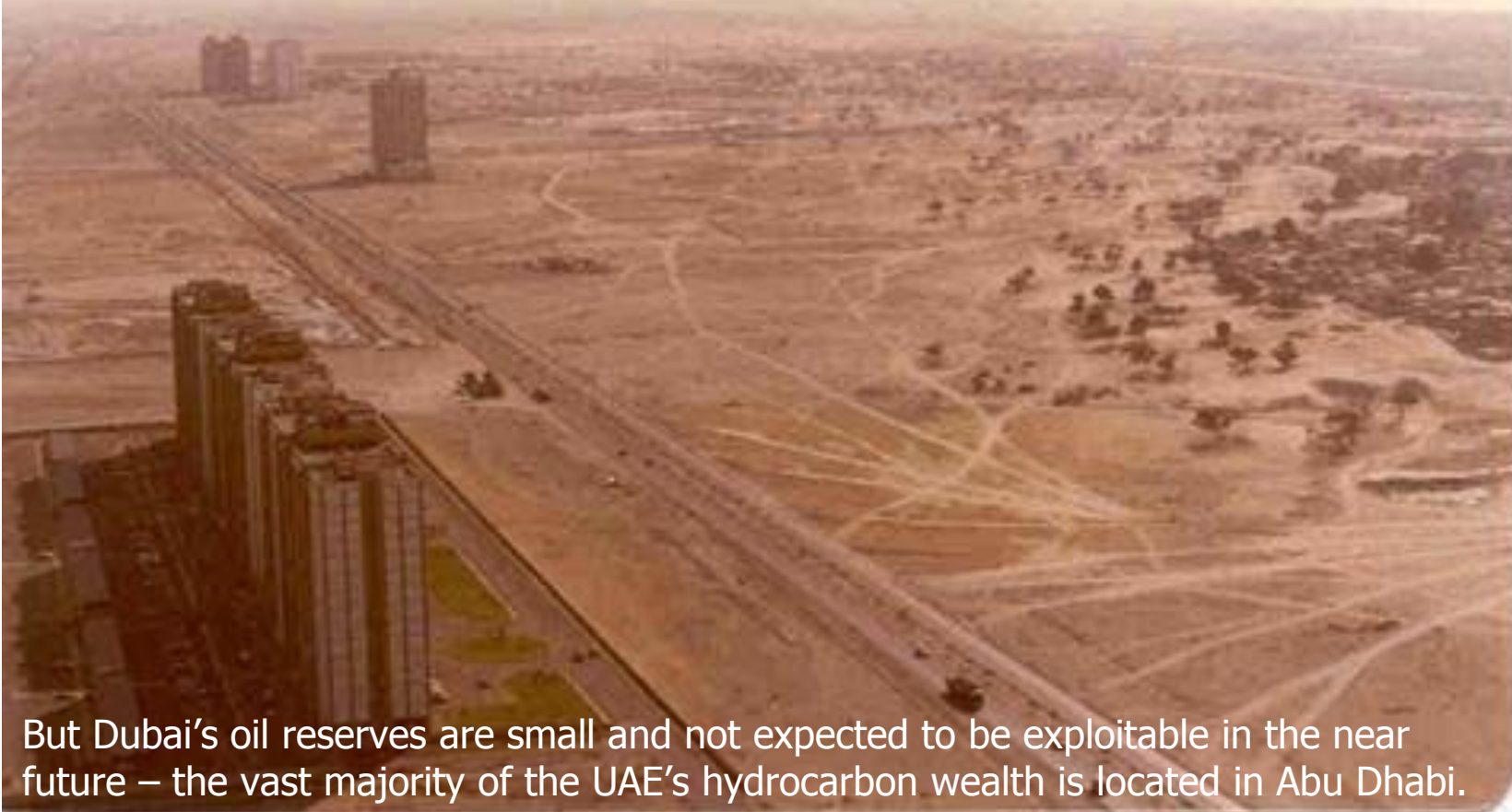
Dubai's roots are as a fishing and pearling village anchored around the Creek, and later on as a trading port for the Arabian and Persian markets.



Transformation at first was slow

Dubai funneled petrodollars into infrastructure based on good governance

In 1966 oil was discovered in territorial waters of Dubai and the ensuing petrodollars were funneled to finance infrastructure development – notably Port Rashid. This was in contrast to many other states in the MENA region where oil wealth was hoarded by those who controlled it (and often the country was also mismanaged).



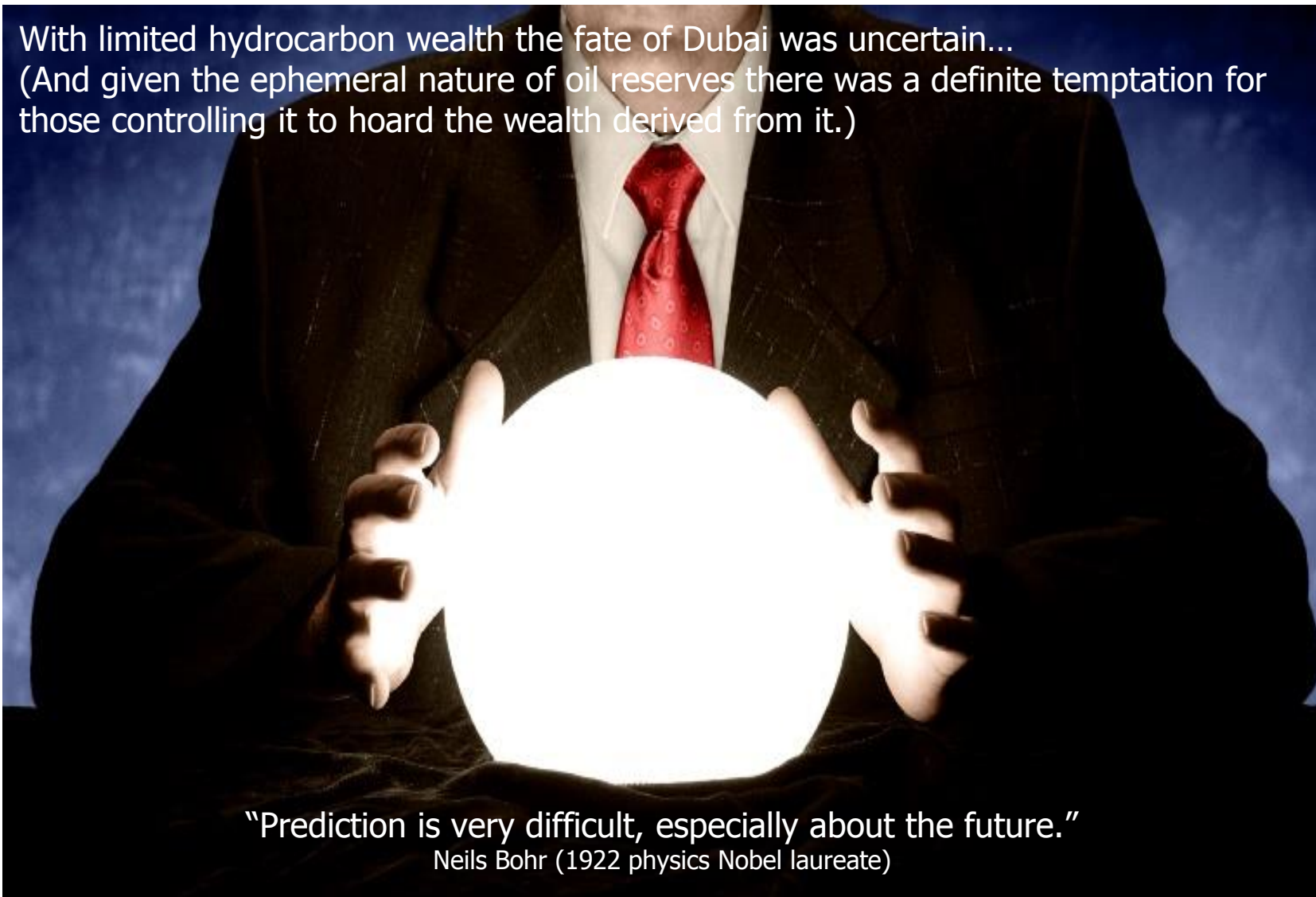
But Dubai's oil reserves are small and not expected to be exploitable in the near future – the vast majority of the UAE's hydrocarbon wealth is located in Abu Dhabi.

But no one foresaw what Dubai would become

Fast forward 20+ years and...



With limited hydrocarbon wealth the fate of Dubai was uncertain...
(And given the ephemeral nature of oil reserves there was a definite temptation for those controlling it to hoard the wealth derived from it.)



"Prediction is very difficult, especially about the future."
Neils Bohr (1922 physics Nobel laureate)



Today Dubai is a global city

A dynamic city that is the world's most connected*

The growth in Dubai since the turn of the century has been nothing short of remarkable, with the emirate transforming into a global metropolis on par with the world's great cities.

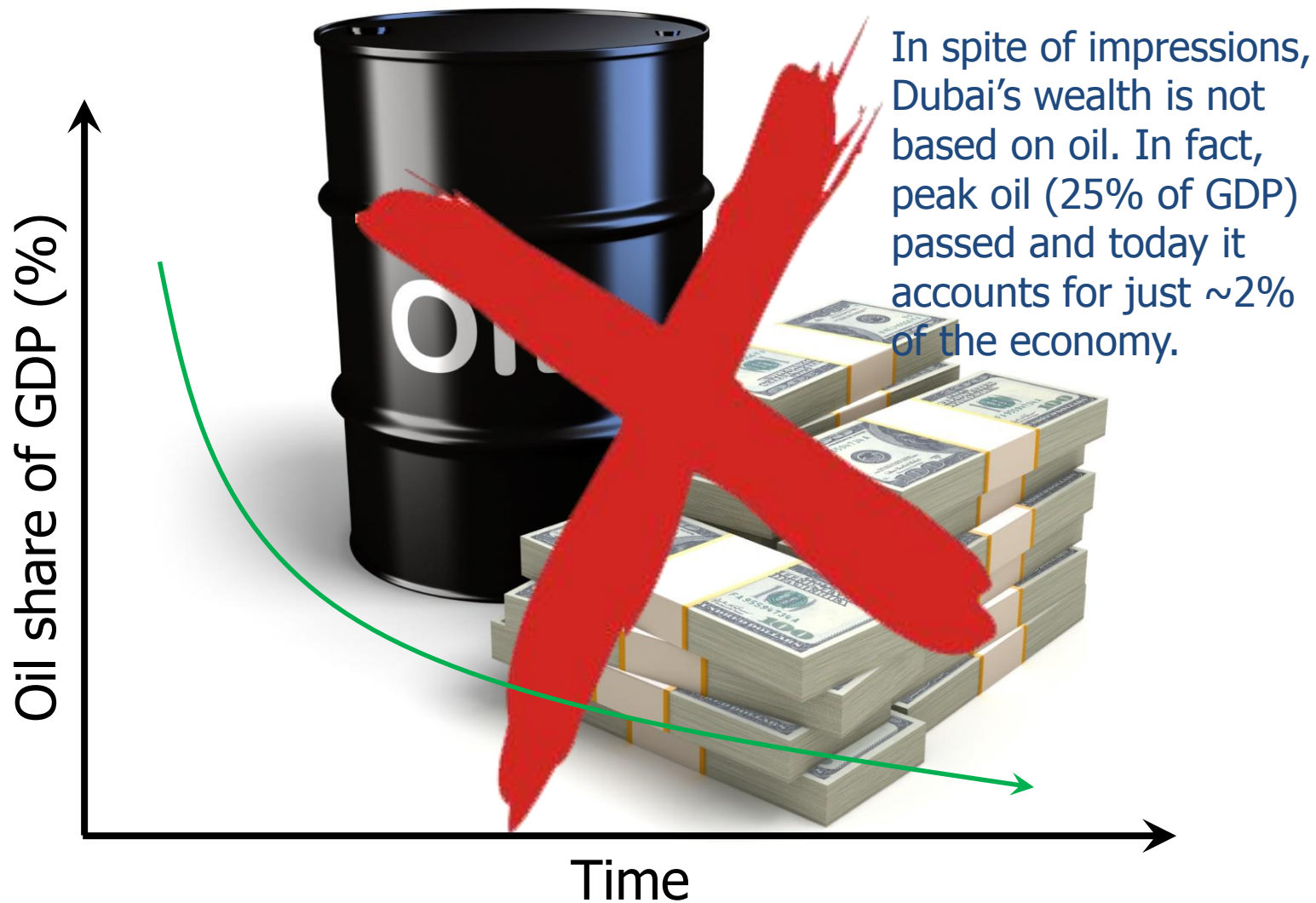


* From Dubai there are non-stop flights at least three times a week to 93% of global cities outside of its home region.



So how did Dubai manage to achieve this?

Many people mistakenly believe that Dubai is an oil-rich emirate



Nevertheless, oil does matter

Dubai serves the hydrocarbon-rich MENA region



Although oil wealth initially propelled Dubai, today the Dubai economy is remarkably diverse; nevertheless, Dubai remains a gateway to oil-rich MENA. Dubai has become the commercial hub for MENA and the preferred regional HQ location for multinationals tapping the region.



The oil in the MENA region, and particularly in the Arabian Peninsula, is especially valuable because of its low cost of extraction (cheapest in the world).



The development road not taken

Some of the best ideas are the simplest ones

Some of the great development success stories have seen states ignore the advice of “experts” who pushed countries to pursue growth in areas where they had a comparative advantage. (Korea was advised to specialize in wigs and ginseng, two sectors for which they had a comparative advantage in the 1950s.)



Dubai’s natural advantages seemed limited (if existent at all). But with no history in traditional sectors, Dubai leapfrogged the traditional steps of development. But for all the development advice, the best and the simplest were to put in good institutions to guard against corruption and to ensure good governance.

Where other saw challenges...

Dubai saw opportunity



The MENA region is one abundant in hydrocarbon resources and with a rich culture. Yet, the political instability of the region left it mostly ignored by investors. Those from the region did not help either by sending their money abroad with little regard to domestic investments and developing the local/regional economies, and by making government transparent and with structures in place against corruption and bad governance.





Dubai: The unlikely place

Little natural resources; rugged geography; sparsely populated

With few natural endowments – and virtually no water – Dubai seemed like the unlikely place to develop into a global metropolis. But the leadership in Dubai saw potential given the vast wealth in the region and the gaping hole in worldwide connectivity in an era of globalization.

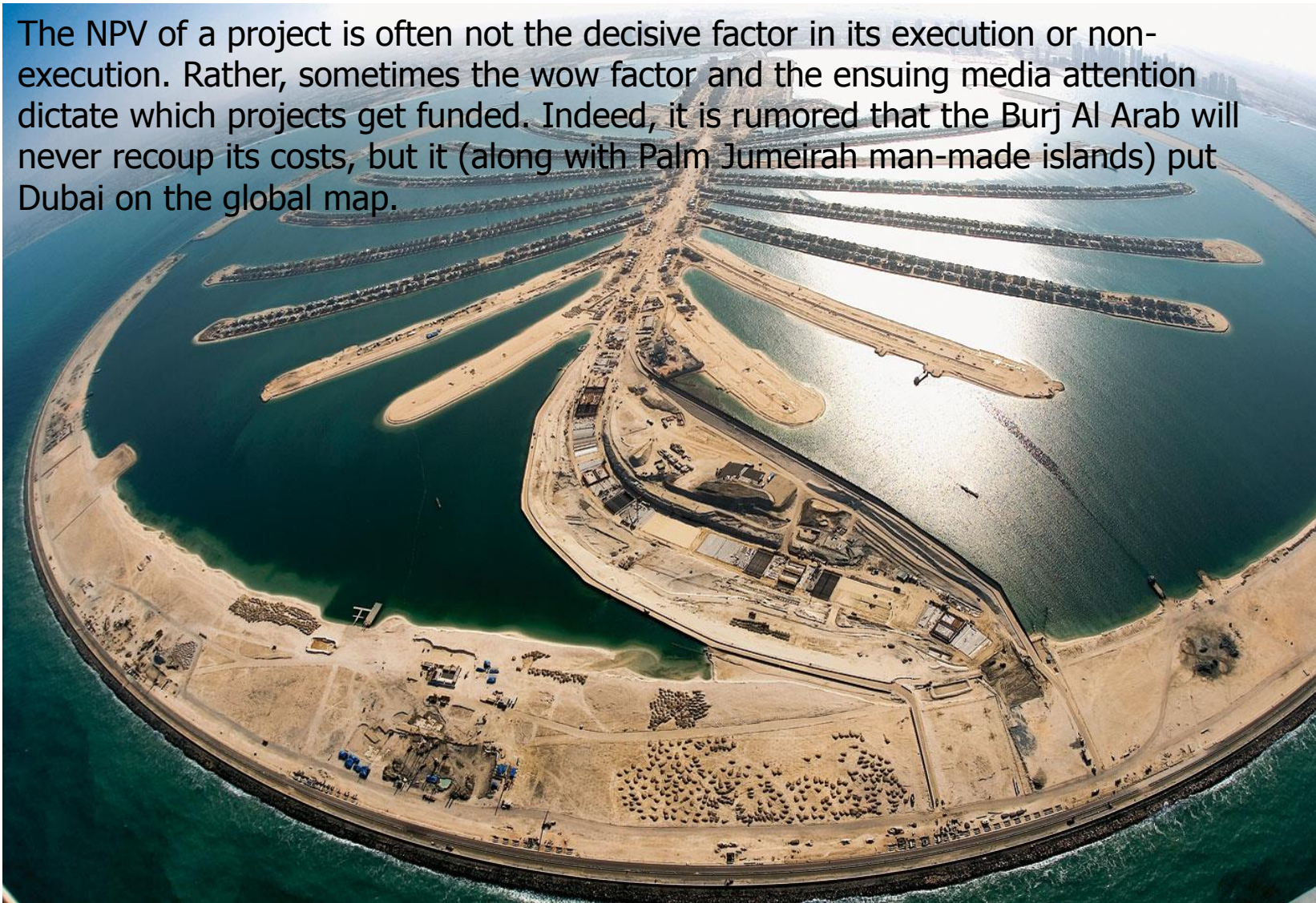
No water? No problem. Desalination plant that is integrated with aluminum smelting plant (producer of a lot of waste energy/heat). Better yet, develop desert flora. A “barren” desert? No problem. Offer desert safaris. Hot climate? No problem. Create an indoor ski resort and build an Olympic-sized ice hockey rink in a mall. Turn a desert outpost into a global tourism and aviation hub? Great idea!

Dubai's motto is to "go big or go home"

Tallest building; largest mall; largest man-made island; indoor ski slope; etc.



The NPV of a project is often not the decisive factor in its execution or non-execution. Rather, sometimes the wow factor and the ensuing media attention dictate which projects get funded. Indeed, it is rumored that the Burj Al Arab will never recoup its costs, but it (along with Palm Jumeirah man-made islands) put Dubai on the global map.



Dubai's success in a backdrop of conflict

Why did Dubai succeed while other areas in MENA are struggling?



Using benchmarking reports for good behaviour

People are incentivized and rewarded for meeting KPIs

Competitiveness reports provide third-party international quantifiable key-performance indicators (KPIs) to act as carrots (benchmarks) to get public and private sector players to align with Dubai's (and the UAE's) strategic development goals. Many of the KPIs set forth in the National Agenda are taken directly from international reports.





In 1971 seven emirates joined as one

Within the support of the federation, Dubai opened its doors

The UAE federation allows each emirate to pursue its own development path, but within a national framework, allowing Dubai to “specialize” as the bridge to the world.



Abu Dhabi and Dubai have played complementary roles in the development of the UAE, with Abu Dhabi's political clout and hydrocarbon resources matched by Dubai's dynamism and open culture.



Policymaking in Dubai (and the UAE)

Top-level directives come from the rulers; much autonomy to the emirates

H.E. Sheikh Mohammed bin Rashid Al Maktoum, assigns targets and KPIs for his ministers, many of which are based on international benchmarking reports.

The government structure allows for decisive actions that can be quickly and efficiently executed. (It is ranked #2 by the IMD for government efficiency.) Thus the political hurdles for Dubai's development goals are limited.

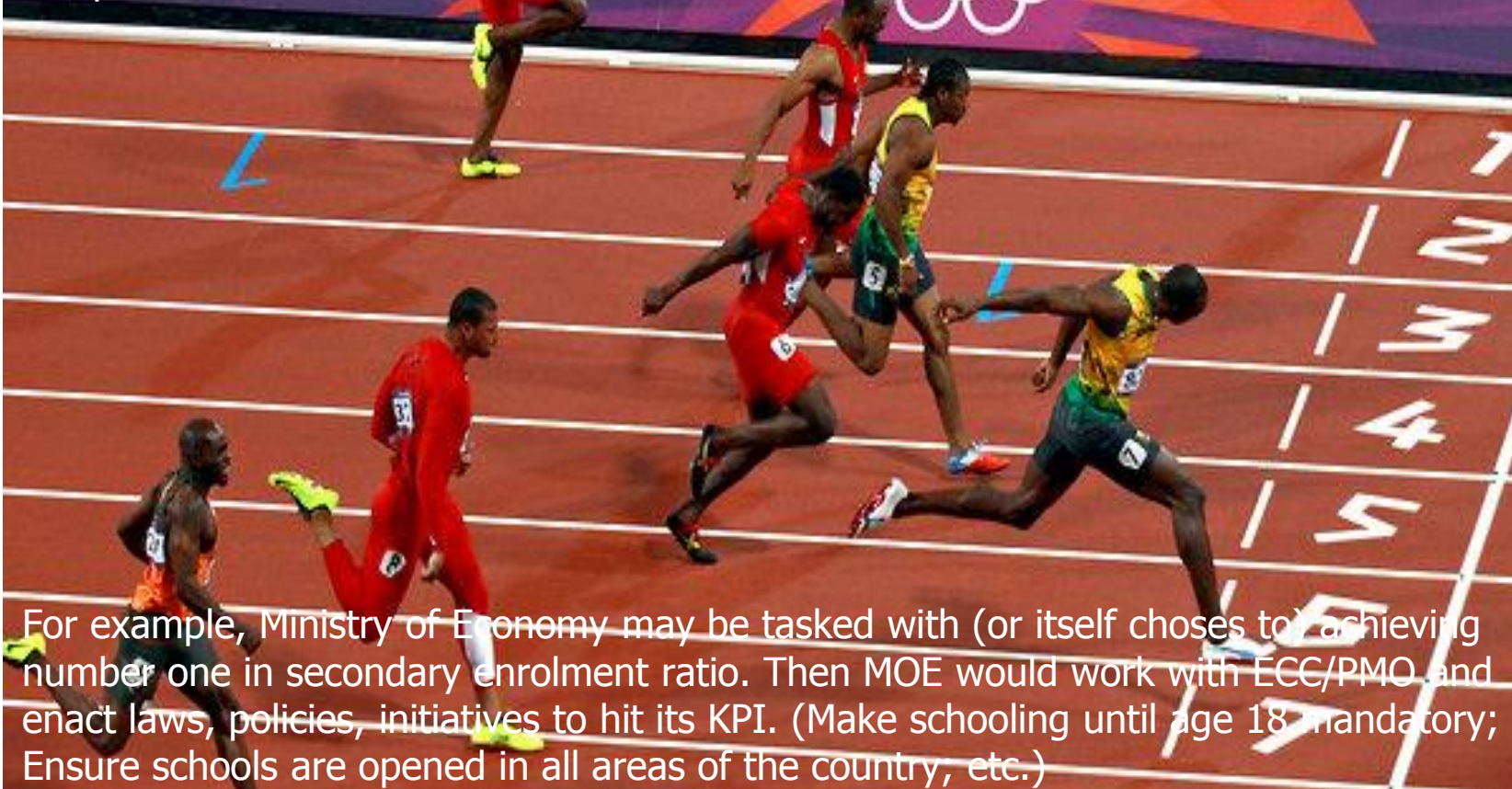




Project "Number One"

All ministries and entities to achieve #1 in competitiveness KPIs

The PMO has assigned to each Ministry/Minister a goal to achieve global number one placement on selected competitiveness metrics (indicators, indices, etc.). Quantifiable third-party targets give entities clear targets. This incentivizes responsible parties to enact good legislation, which in turn will make the UAE more competitive.



For example, Ministry of Economy may be tasked with (or itself chooses to) achieving number one in secondary enrolment ratio. Then MOE would work with ECC/PMO and enact laws, policies, initiatives to hit its KPI. (Make schooling until age 18 mandatory; Ensure schools are opened in all areas of the country, etc.)

Vision 2021

The UAE has laid out a clear strategic roadmap for development



How to measure success?...



Competitiveness reports are like report cards

An index score is like a GPA; its components show where to improve

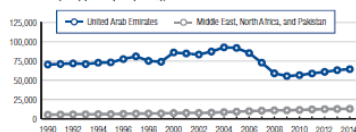
2: Country/Economy Profiles

United Arab Emirates

Key indicators, 2014

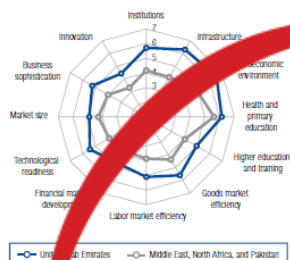
Population (millions)	9.3
GDP (US\$ billions)	401.6
GDP per capita (US\$)	43,180
GDP (PPP) as share (%) of world total	0.56

GDP (PPP) per capita (int'l \$), 1990-2014



Global Competitiveness Index

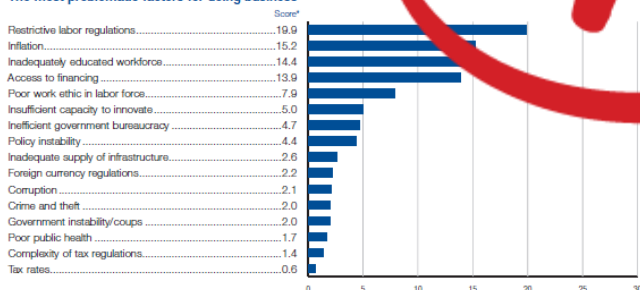
	Rank (out of 140)	Score (1-7)
GCI 2015-2016	17	5.2
GCI 2014-2015 (out of 144)	12	5.3
GCI 2013-2014 (out of 148)	19	5.1
GCI 2012-2013 (out of 144)	24	5.1
Basic requirements (20.0%)	4	6.2
1st pillar: Institutions	9	5.7
2nd pillar: Infrastructure	4	6.3
3rd pillar: Macroeconomic environment	7	6.5
4th pillar: Health and primary education	38	6.2
Efficiency enhancers (50.0%)	17	5.1
5th pillar: Higher education and training	37	5.0
6th pillar: Goods market efficiency	3	5.6
7th pillar: Labor market efficiency	11	5.1
8th pillar: Financial market development	20	4.7
9th pillar: Technological readiness	30	5.4
10th pillar: Market size	31	4.9
Innovation and sophistication factors (30.0%)	21	4.8
11th pillar: Business sophistication	15	5.3
12th pillar: Innovation	26	4.4



Stage of development



The most problematic factors for doing business



* From the list of factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

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2: Country/Economy Profiles

United Arab Emirates

The Global Competitiveness Index in detail

INDICATOR	VALUE	RANK/140
1st pillar: Institutions		
1.01 Property rights	5.5	25
1.02 Intellectual property protection	5.5	22
1.03 Diversion of public funds	6.0	8
1.04 Public trust in politicians	6.0	2
1.05 Irregular payments and bribes	6.4	7
1.06 Judicial independence	5.6	22
1.07 Favoritism in decisions of government officials	5.3	5
1.08 Wastefulness of government spending	6.0	2
1.09 Burden of government regulation	5.2	5
1.10 Efficiency of legal framework in settling disputes	5.2	18
1.11 Efficiency of legal framework in challenging regis.	4.7	21
1.12 Transparency of government policymaking	5.4	16
1.13 Business corruption	6.4	7
1.14 Availability of credit and finance	6.5	1
1.15 Organized crime and violence	6.5	2
1.16 Reliability of police	6.2	7
1.17 Ethical behavior of firms	5.8	10
1.18 Strength of auditing and regulatory systems	5.5	26
1.19 Efficacy of corporate boards	5.5	23
1.20 Protection of minority shareholders	5.3	15
1.21 Strength of investor protection, 0-10	6.1	42
2nd pillar: Infrastructure		
2.01 Quality of overall infrastructure	6.2	2
2.02 Quality of roads	6.2	1
2.03 Quality of railroad infrastructure	n/a	n/a
2.04 Quality of port infrastructure	6.2	3
2.05 Quality of air transport infrastructure	6.2	2
2.06 Available airline seats/km, millions	4.7	3
2.07 Quality of electricity supply	6.2	10
2.08 Mobile telephone subscriptions/100 pop.*	148	48
2.09 Fixed-telephone lines/100 pop.*	48	48
3rd pillar: Macroeconomic environment		
3.01 Government budget balance, % GDP	4	4
3.02 National savings, % GDP	13	13
3.03 Annual % change	1	1
3.04 Government debt, % GDP	8	8
3.05 Inflation rate, 0-100 (best)	25	25
4th pillar: Health and primary education		
4.01 Life expectancy at birth, 0-100 pop.*	n/a	n/a
4.02 Business start-ups/100 pop.*	n/a	n/a
4.03 Tuberculosis deaths/100 pop.*	1.8	1
4.04 Business impact of health	6.2	45
4.05 HIV prevalence, %	<0.2	1
4.06 Business investment in R&D, % of sales	6.3	31
4.07 Infant mortality rate, 0-1,000 live births	7.0	44
4.08 Literacy rate, %	71.4	40
4.09 Primary education enrollment, net %	5.4	13
4.10 Secondary education enrollment, net %	91.2	94
5th pillar: Higher education and training		
5.01 Intensity of local competition	92.3	67
5.02 Tertiary education enrollment, gross %	16.8	99
5.03 Quality of the education system	5.3	12
5.04 Quality of math and science education	5.3	11
5.05 Quality of management schools	5.3	20
5.06 Internet access in schools	6.0	9
5.07 Availability of specialized training services	5.4	20
5.08 Extent of staff training	5.1	12
6th pillar: Goods market efficiency		
6.01 Intensity of local competition	6.0	8
6.02 Extent of market dominance	5.2	9
6.03 Effectiveness of anti-monopoly policy	5.3	7
6.04 Effect of taxation on incentives to invest	6.3	2
6.05 Total tax rate, % profits	14.8	7

INDICATOR	VALUE	RANK/140
6th pillar: Goods market efficiency (cont'd)		
6.06 No. procedures to start a business*	6	57
6.07 No. days to start a business*	8.0	42
6.08 Agricultural policy costs	5.0	5
6.09 Prevalence of non-tariff barriers	5.5	2
6.10 Trade tariffs, % duty	4.1	58
6.11 Prevalence of foreign ownership	5.7	10
6.12 Business impact of rules on FDI	5.7	7
6.13 Burden of customs procedures	6.0	3
6.14 Imports as a percentage of GDP	62.7	19
6.15 Degree of customer orientation	5.7	8
6.16 Buyer sophistication	4.5	12
7th pillar: Labor market efficiency		
7.01 Cooperation in labor-employer relations	5.5	14
7.02 Flexibility of wage determination	6.1	4
7.03 Hiring and firing practices	5.1	8
7.04 Redundancy costs, weeks of salary	4.3	7
7.05 Effect of taxation on incentives to work	6.2	1
7.06 Pay and productivity	5.9	6
7.07 Reliance on professional management	5.5	20
7.08 Country capacity to retain talent	5.5	5
7.09 Country capacity to attract talent	5.9	3
7.10 Women in labor force, ratio to men*	0.51	125
8th pillar: Financial market development		
8.01 Availability of financial services	5.5	22
8.02 Affordability of financial services	5.4	20
8.03 Financing through local equity market	4.7	21
8.04 Ease of access to loans	4.7	3
8.05 Venture capital availability	4.4	7
8.06 Soundness of banks	5.9	21
8.07 Regulation of securities exchanges	5.5	16
8.08 Legal rights index, 0-12 (best)	2	106
9th pillar: Technological readiness		
9.01 Availability of latest technologies	6.3	9
9.02 Firm-level technology absorption	6.0	7
9.03 FDI and technology transfer	5.8	3
9.04 Individuals using internet, %	90.4	12
9.05 Fixed broadband internet subscriptions/100 pop.*	11.5	63
9.06 Int'l internet bandwidth, kb/s per user	44.5	59
9.07 Mobile broadband subscriptions/100 pop.*	114.0	9
10th pillar: Market size		
10.01 Domestic market size index, 1-7 (best)	4.6	34
10.02 Foreign market size index, 1-7 (best)	5.9	20
10.03 GDP (PPP\$ billions)	599.8	32
10.04 Exports as a percentage of GDP	94.6	11
11th pillar: Business sophistication		
11.01 Local supplier quality	5.4	8
11.02 Local supplier quality	5.3	24
11.03 State of cluster development	5.5	1
11.04 Nature of competitive advantage	4.8	24
11.05 Value chain breadth	5.1	16
11.06 Control of international distribution	5.3	5
11.07 Production process sophistication	5.1	28
11.08 Extent of marketing	5.6	5
11.09 Willingness to delegate authority	5.0	13
12th pillar: Innovation		
12.01 Capacity for innovation	4.7	28
12.02 Quality of scientific research institutions	4.8	30
12.03 Company spending on R&D	4.3	22
12.04 University-industry collaboration in R&D	4.7	22
12.05 Gov't procurement of advanced tech products	5.4	2
12.06 Availability of scientists and engineers	5.2	7
12.07 PCT patents, applications/million pop.*	5.0	48

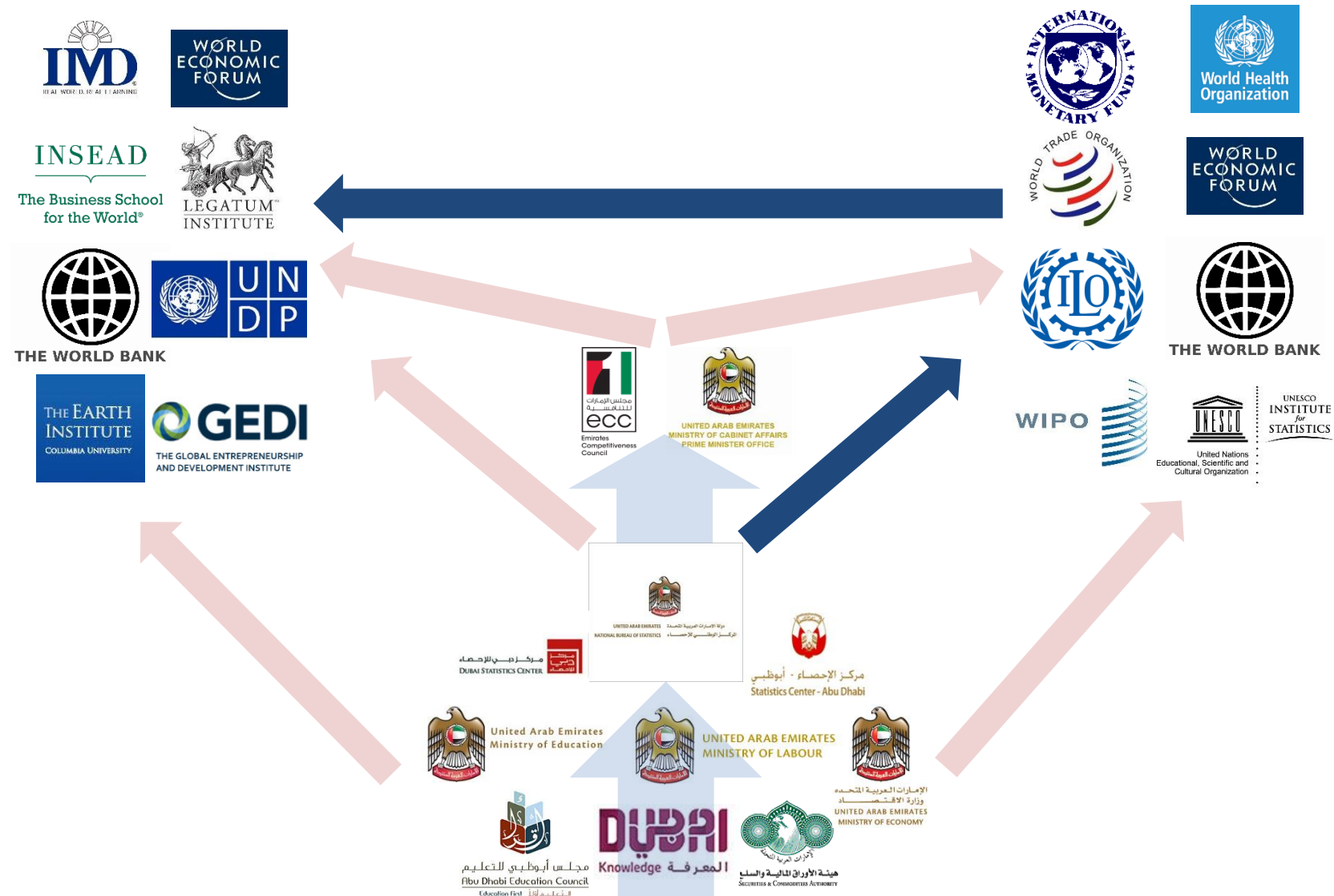
Notes: Values are on a 1 to 7 scale unless otherwise annotated with an asterisk (*). For further details and explanation, please refer to the section "How to Read the Country/Economy Profiles" on page B9.

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Data producers, warehouseers and consumers

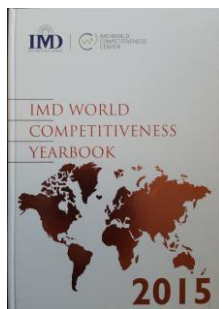
ECC manages data relationships with report authors and IOs



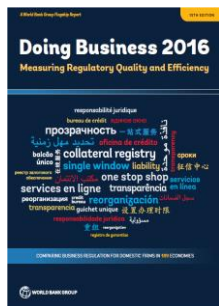


UAE competitiveness & international rankings

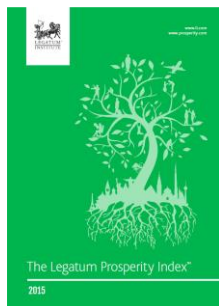
The outside world's perspective of the Miracle in the Middle East



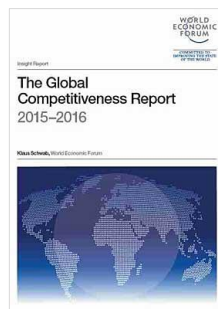
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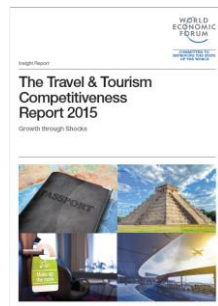
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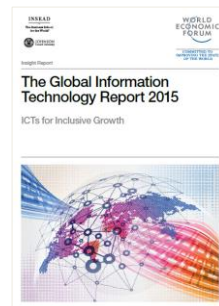
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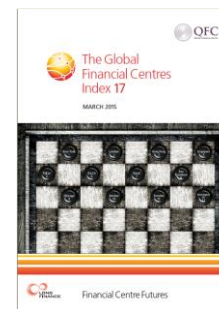
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What is competitiveness?

It has become a buzzword for businesses and governments, but...

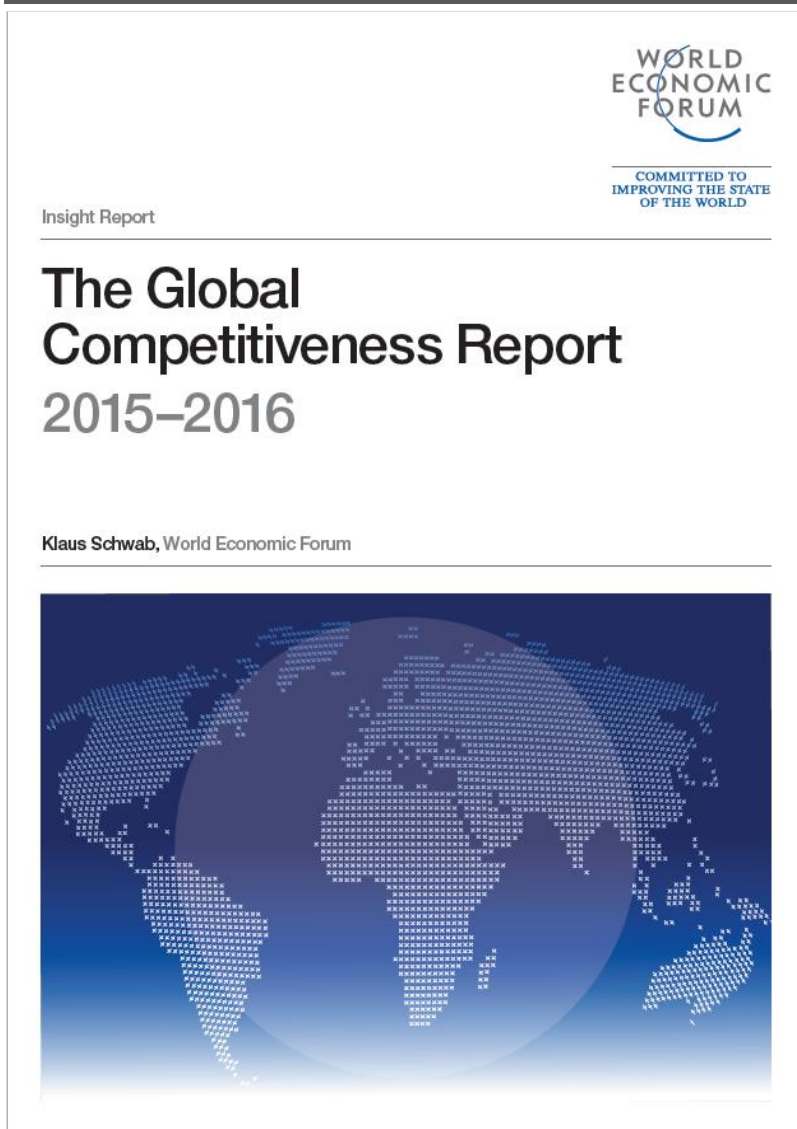
most people have a convoluted sense of what it means, other than that it is good to be “more competitive” than one’s rivals.

Competitiveness pertains to the ability and performance of a firm, sub-sector or country to sell and supply goods and services in a given market, in relation to the ability and performance of other firms, sub-sectors or countries in the same market.



WEF Global Competitiveness Report (GCR)

The GCR is the commonly accepted flagship report on competitiveness



Source: WEF-GCR.

Institutions

Infrastructure

Macroeconomic environment

Health & primary education

Higher education & training

Goods market efficiency

Labour market efficiency

Financial market development

Technological readiness

Market size

Business sophistication

Innovation

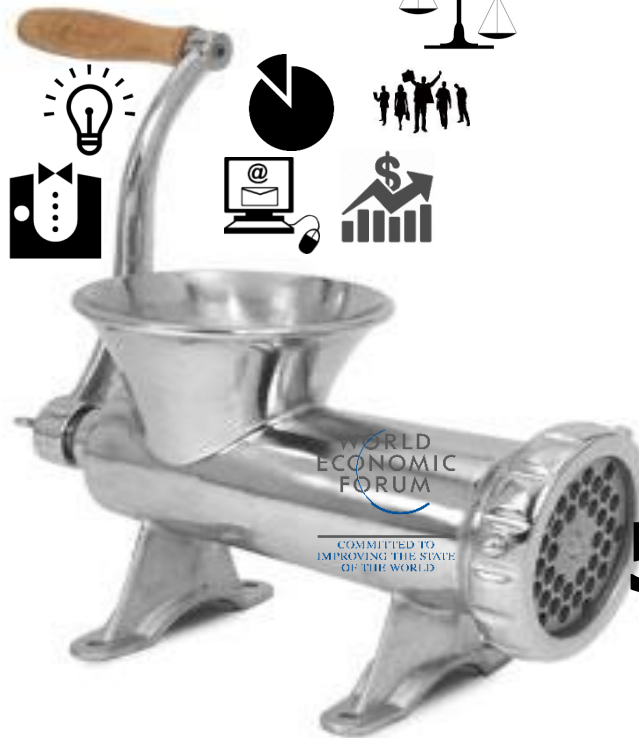


WEF Global Competitiveness Report (GCR)

Improve competitiveness by improving in its underlying indicators



Klaus Schwab



5.33

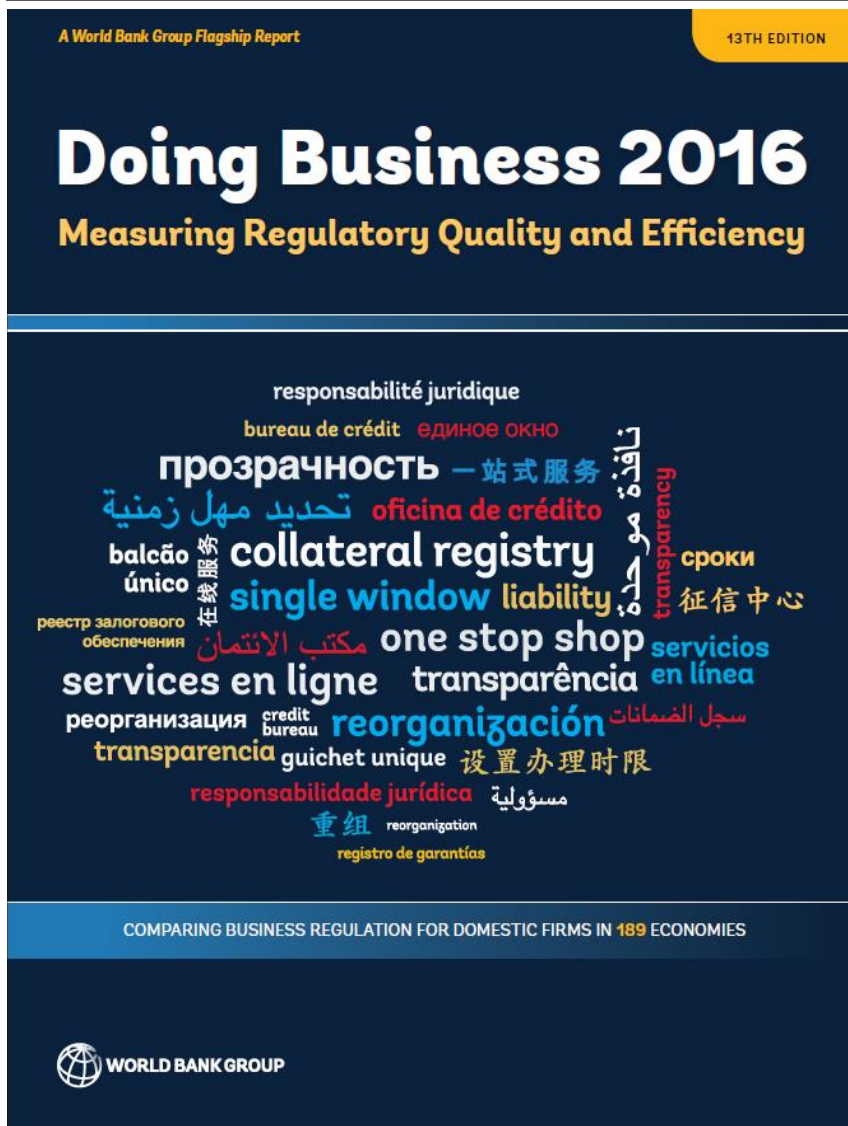


$$f(x) = \begin{cases} 6\left(\frac{x - \min}{\max - \min}\right) + 1 & \text{if } x \in G \\ -6\left(\frac{x - \min}{\max - \min}\right) + 7 & \text{if } x \in B \end{cases}$$

The UAE has set itself a goal to be top-10 globally by 2021 (currently 17)

World Bank Doing Business Report (DBR)

Doing everything possible to attract investors to do business in Dubai



Starting a business



Dealing with construction permits



Getting electricity



Registering property



Getting credit



Protecting minority investors



Paying taxes



Trading across borders



Enforcing contracts



Resolving insolvency

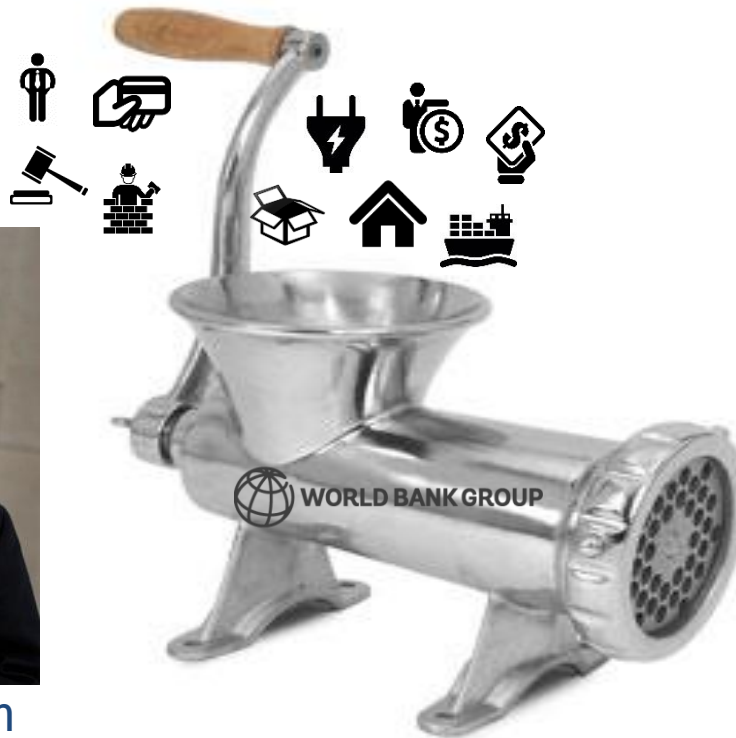


World Bank Doing Business Report (DBR)

A recipe list of reforms to do to make "doing business easy"



Jim Yong Kim



75.10

$$f(x) = \left(\frac{\text{worst} - x}{\text{worst} - \text{frontier}} \right)$$

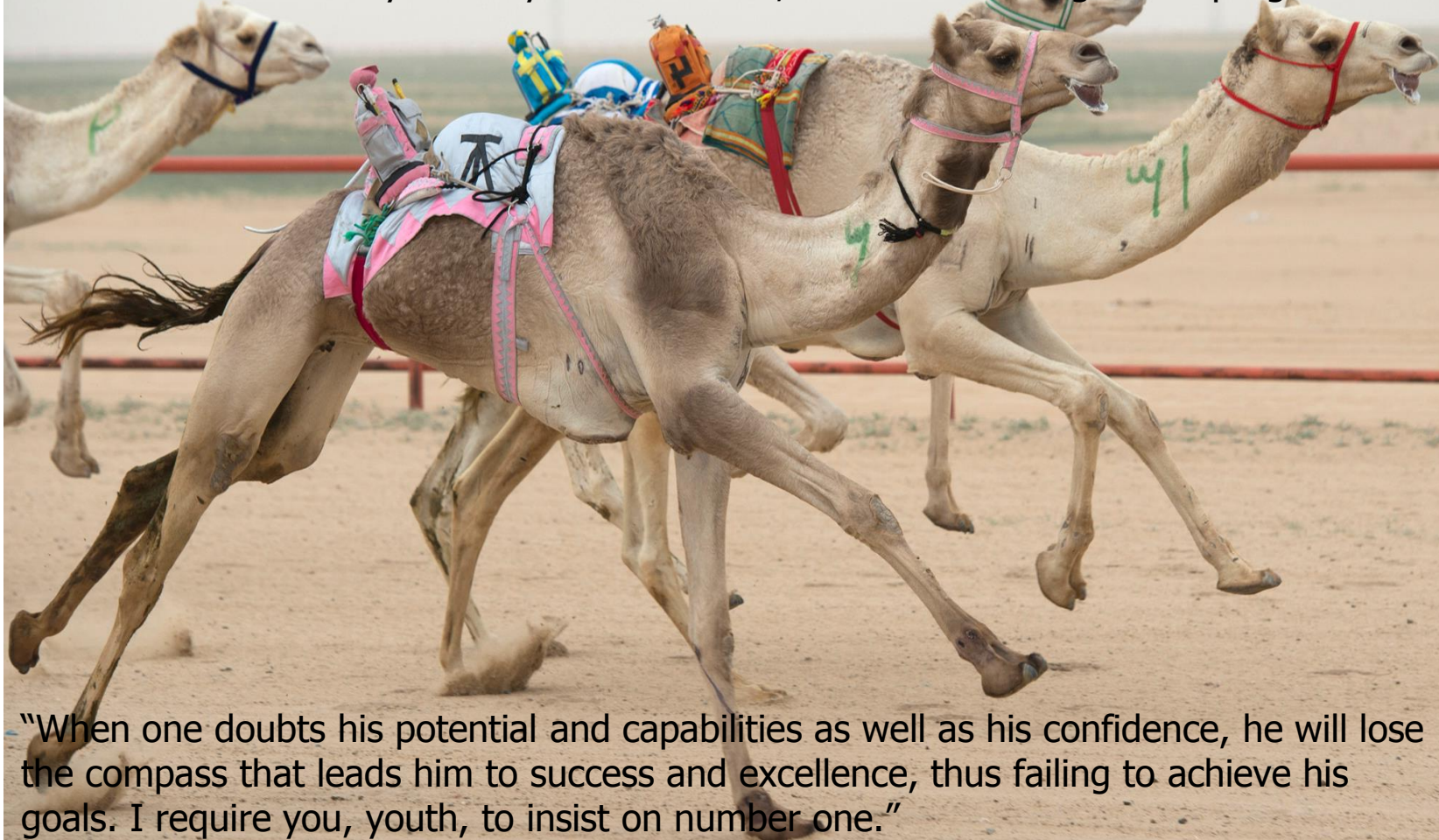
The UAE has set itself a goal to be number 1 globally (currently 31)



A culture of benchmarking

Dubai is in a perpetual race with itself, the region, and the world

"We, in the UAE, have no such word as 'impossible'; it does not exist in our lexicon. Such a word is used by the lazy and the weak, who fear challenges and progress..."



"When one doubts his potential and capabilities as well as his confidence, he will lose the compass that leads him to success and excellence, thus failing to achieve his goals. I require you, youth, to insist on number one."

Sheikh Mohammed bin Rashid Al Maktoum



Reports identify areas of strength and weakness

To excel on reports policies are suggested to improve on weak points

Identify weak areas of economy through international benchmarks

R&D and innovation infrastructures weak (limited data and low intensities)

Identify local stakeholders to assume responsibility

Ministry of Economy to take ownership

Engage experts to help design policies to improve in areas identified

Work with ECC/PMO to devise policies (e.g. dedicate budget for R&D; promote STEM in schools; etc.)

Benchmarking against leading economies

Imitation is the sincerest form of flattery



Singapore transformed itself from a poor former British colony into a dynamic global powerhouse economy in just 2 generations. It is perennially ranked atop various benchmarks, such as the GCR and the DBR.

Hong Kong is arguably the freest and most dynamic economy in the world. It is also the gateway to the Chinese market. Both Singapore and Hong Kong are world cities, with English the language of commerce.



Business-friendly environment

Taxation is a big detriment to competitiveness



One of the biggest considerations for multinationals on where to do business is the taxation regime. Dubai announced to the world that it is open for business by creating a low-taxation environment – both for businesses and households.



Dubai adopted an open-door policy

The emirate is home to over 200 different nationalities



Leveraging its quality of life

Oasis of stability and tolerance in the MENA region



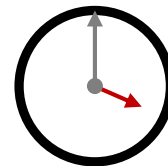
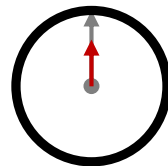
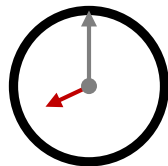
Dubai is an oasis of stability in a volatile region. Its history as a meeting place for various cultures and an openness to visitors has made it a preferred destination for businesses and expatriates as a place for business and life.



Dubai has a high quality of life underpinned by its openness and tolerance. The quality of a city is essentially determined by the quality of its residents. Dubai is able to attract a pool of high-talent expats because of the high quality of life it offers.

Leveraging its strategic location

A natural bridge for Europe and East Asia, and a gateway to MENASA



London

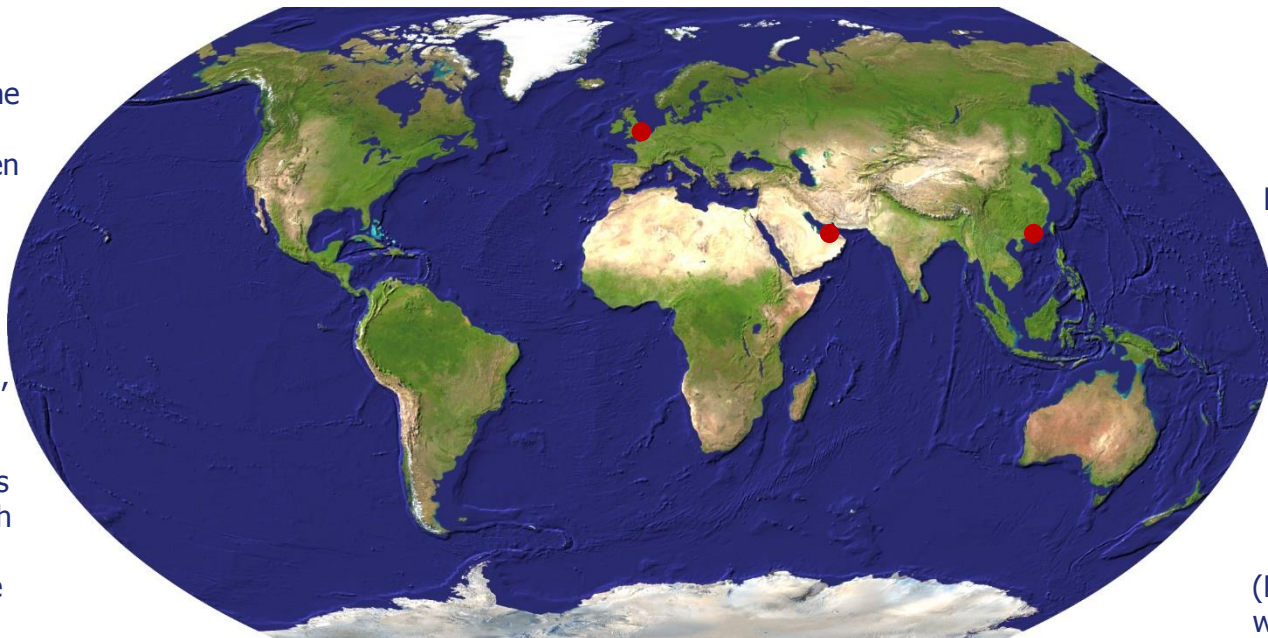


Dubai



Hong Kong

Strategically occupying the middle time zone between London and Hong Kong, the UAE lies at the crossroad of Europe, Asia, and Africa. British influence has made English the *lingua franca* in the country.



One third of the world's population within a 4-hour flight of Dubai; two-thirds within an 8-hour flight. A natural gateway to Middle East, North Africa and South Asia (MENASA), as well as Africa.

An open city connected to the world

Trade and connectivity are pillars of Dubai's success



Dubai lies at the crossroads of Europe, Africa and Asia. Its port connects it to world trade, and its position b/w Europe and Asia makes it a natural aviation hub.



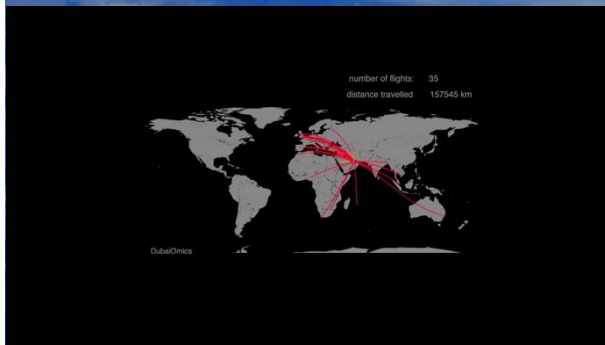
Jebel Ali Port is the world's 9th busiest container port (by TEU). The port – along with Port Rashid – make Dubai an important global hub for trade and logistics.

"As Emirates goes, so goes Dubai"

An audacious goal to turn Dubai into a global aviation hub



Most "sane" advisers would have probably shot down the idea of creating a global airline company with a base in Dubai back in 1985. Yet, in 2015 Emirates stands atop with the highest airline brand value. 2014 estimates suggest that aviation's share of GDP is 37.5% of Dubai GDP and is expected to support over 750k jobs by 2020





Economic diversification guided by benchmarking

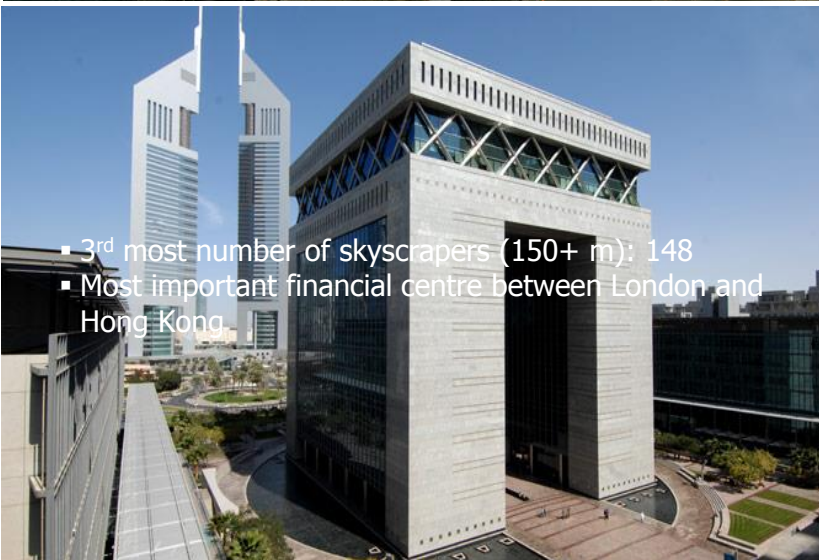
Dubai expanded into numerous fields to dampen sector volatility risks



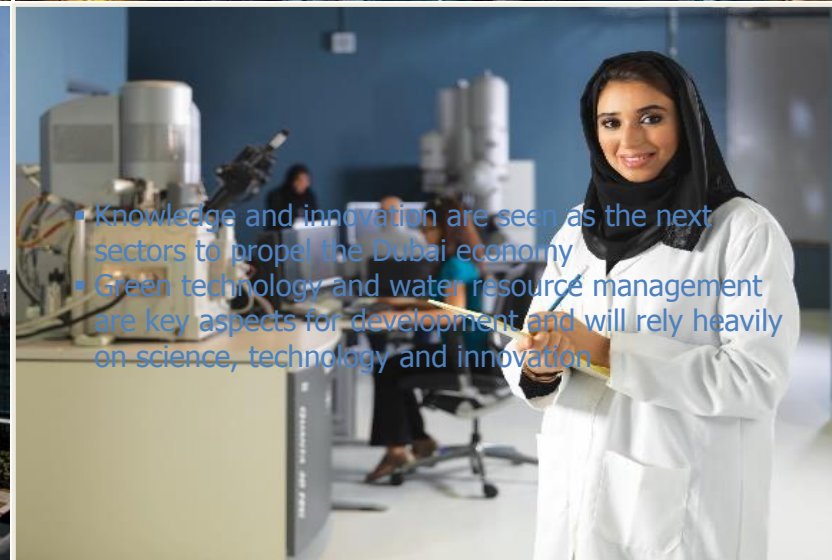
- Busiest airport (international passengers, 2014): DXB (70.5 million)
- 9th busiest container port (TEU traffic): Jebel Ali



- Tallest building: Burj Khalifa (828 metres)
- Largest mall (total area): Dubai Mall
- 5th most international overnight visitors (MasterCard, 2014): 11.95 million



- 3rd most number of skyscrapers (150+ m): 148
- Most important financial centre between London and Hong Kong



- Knowledge and innovation are seen as the next sectors to propel the Dubai economy
- Green technology and water resource management are key aspects for development and will rely heavily on science, technology and innovation

Leveraging Dubai Expo 2020

Bringing the World to Dubai to share in its Golden Jubilee celebration



25 million visits to the Expo site, of which over 2/3 are expected to come from abroad



Expo budget of €5.2 BN capex and €1.3 BN opex; opex offset by oprev (€1.3 BN)



**HELP
WANTED**

Creation of 250-280k jobs (every direct Expo job → ~45-50 additional jobs created)



Economic impact:

- Direct: 15.7 BN
- Indirect: 6.0 BN
- Induced: 4.2 BN
- Total: 25.9 BN





Dubai occupies a unique niche in global economy

It bridges East and West, as well as being a gateway to the MENA region

"Dubai has come of age as a global city."

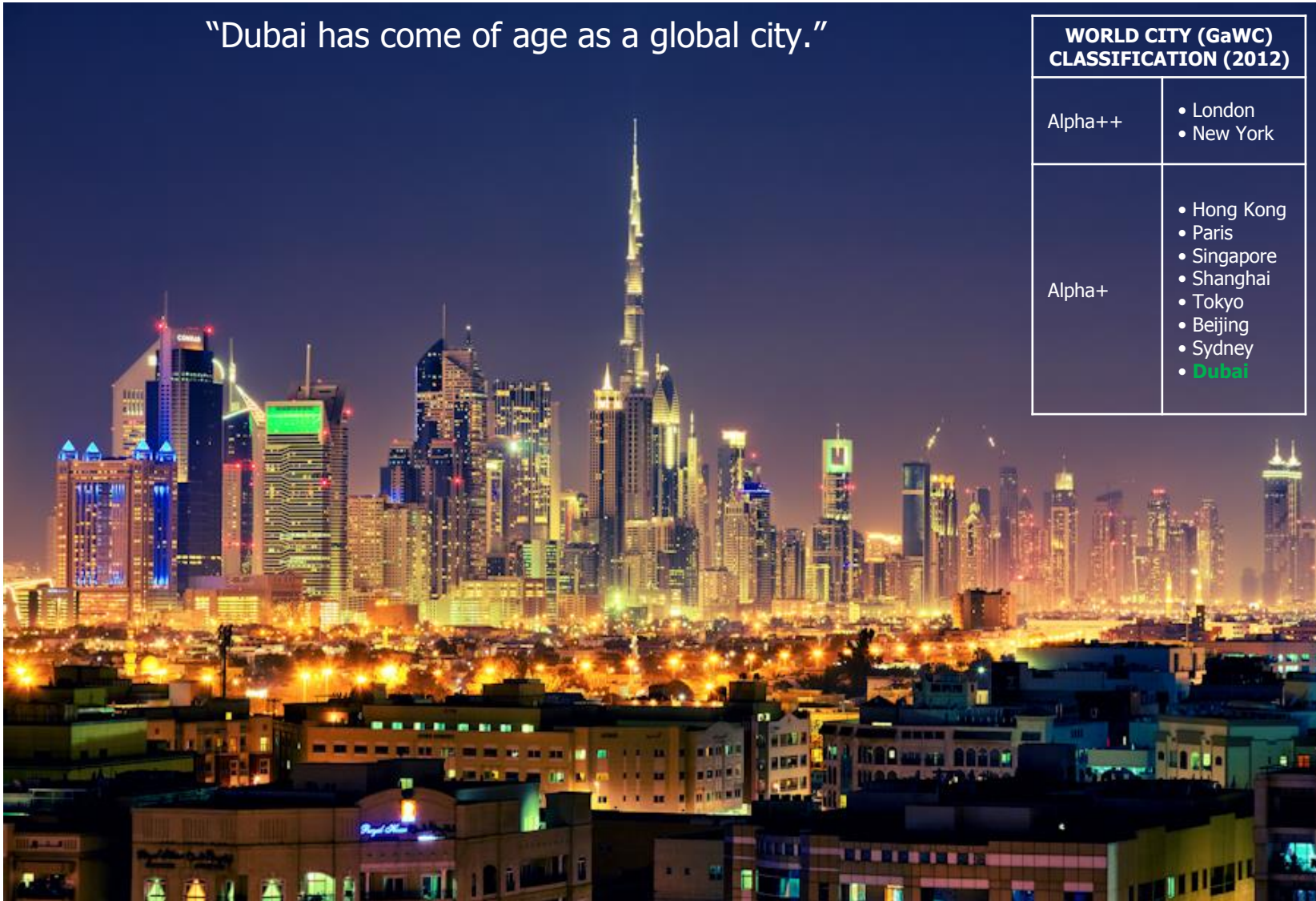
WORLD CITY (GaWC) CLASSIFICATION (2012)

Alpha++

- London
- New York

Alpha+

- Hong Kong
- Paris
- Singapore
- Shanghai
- Tokyo
- Beijing
- Sydney
- **Dubai**





Carrot and stick in place for employees

People's behaviour support Dubai's goals when incentives are aligned





Thank you!

Questions & answers

شكرا

감사합니다 Natick

Grazie Danke Ευχαριστίες Dalu

Thank You Köszönöm

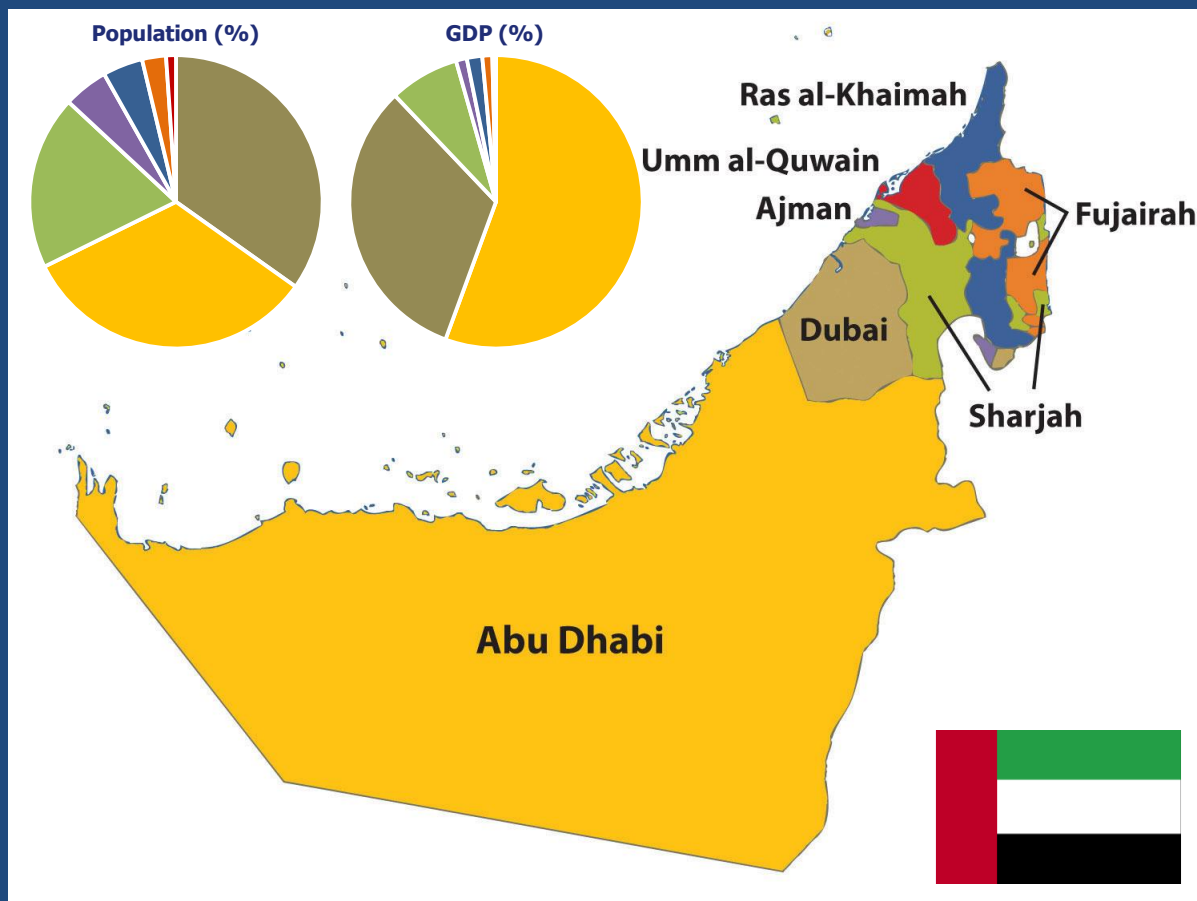
Спасибо Dank Tack

谢谢 Merci Seé
ありがとう

Obrigado

APPENDIX: UAE overview

Abu Dhabi and Dubai the dominant emirates in the union



- **Name:** United Arab Emirates (UAE)
- **Gvt type:** Federation of 7 emirates
- **Population:** 9.3 million
- **GDP:** \$416 billion
- **Per capita GDP:** \$44,771
- **Capital:** Abu Dhabi
- **Largest city:** Dubai (3.2m)
- **Life expectancy:** 76.8
- **Land area:** 83,600 km²
- **Founding date:** 02 Dec 1971
- **Legal system:** Mixed system of Islamic and civil laws
- **Expat population:** 88%
- **Literacy rate:** 95%
- **Oil share of GDP:** 32%

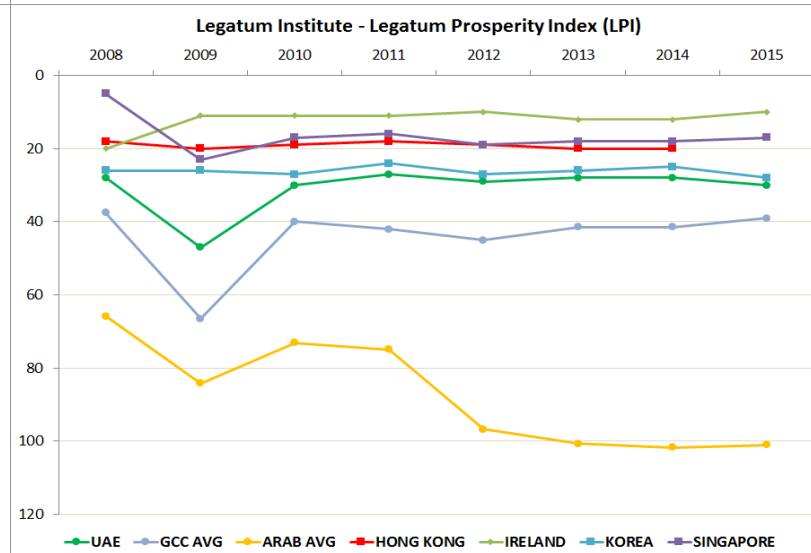
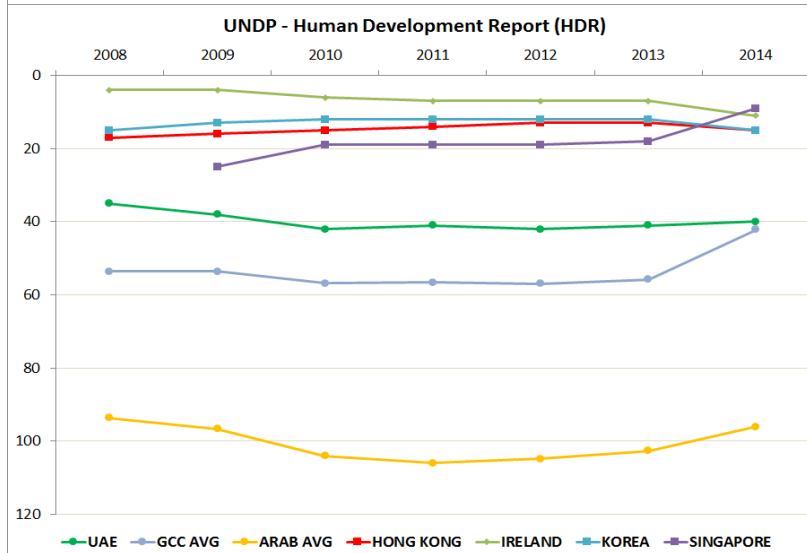
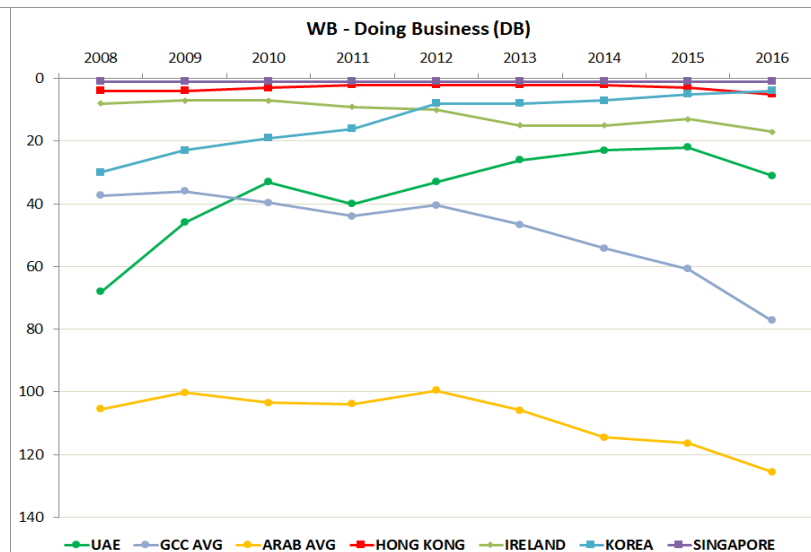
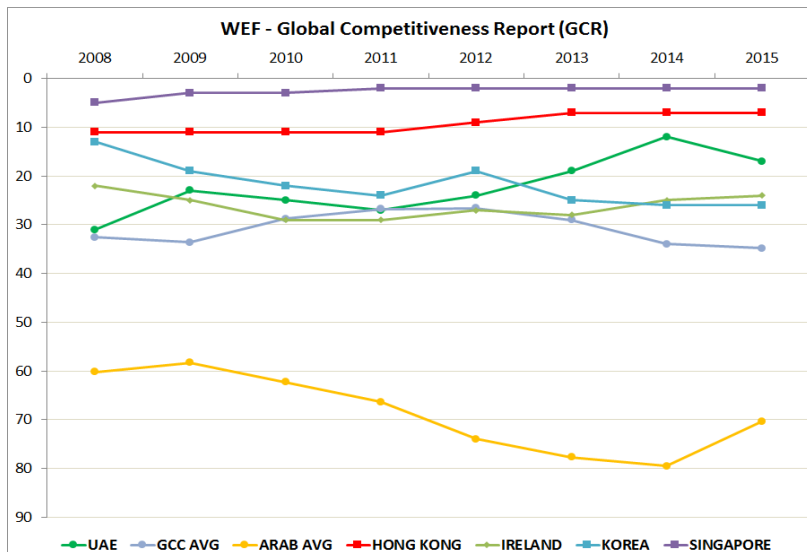
- **Exports:** \$405 BN: Japan (14.8%), Iran (11.4%), India (9.6%), Korea (5.7%), China (5.5%), Singapore (5.4%), Thailand (4.5%)
- **Imports:** \$272 BN: China (15.7%), India (13.4%), USA (8.9%), Germany (5.3%), Japan (4.2%)

Data retrieved on 01 June 2015; with the exception of trade data extracted 16 Nov 2015 (except Japan imports)

Sources: CIA Factbook, IMF WEO, National Bureau of Statistics (NBS), Observatory of Economic Complexity (MIT), UN, WB Database, WHO

APPENDIX: Historical performance of UAE

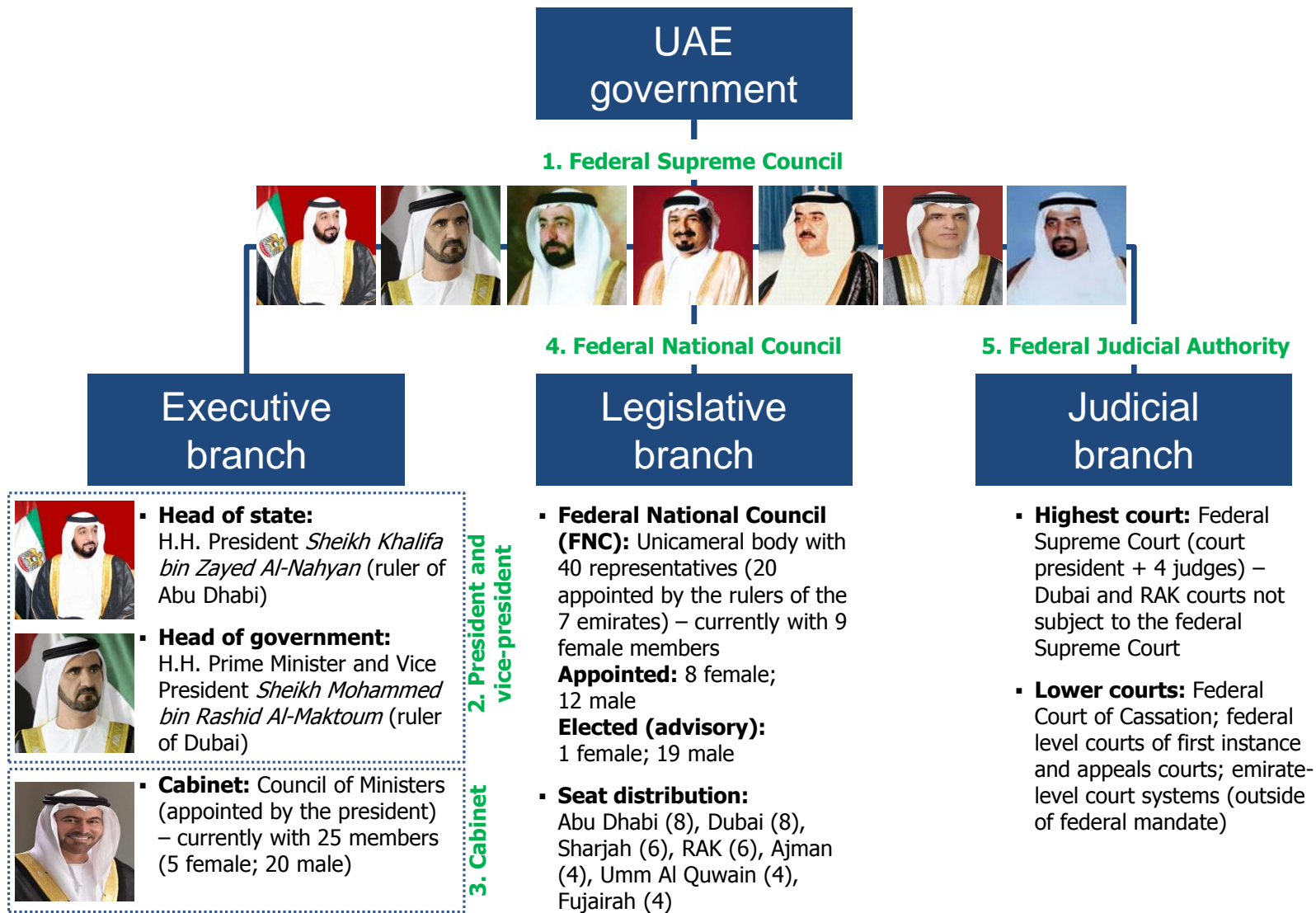
WEF-GCR, WB-DBR, UNDP-HDR, LI-LPI





APPENDIX: UAE federal government structure

Local rulers form the highest level of the government





APPENDIX: Overview of MENA region

Dependency on oil and youth unemployment biggest challenges

COUNTRY	POP. (MM)	GDP (\$BN)	GDP / CAPITA	GVT TYPE	GROSS CRUDE REV. (\$BN)	OIL SHARE EXPORTS (%)	MAJOR ENDEMIC RELIGION(S)	ARMED CONF.	U3 RATE (%)	YOUTH U3 RATE (%)	LIT. RATE (%)
Algeria	39.5	227.8	\$5,767	Republic	69.8	96.3	Sunni		9.8	24.0	72.6
Bahrain	1.3	34.0	\$25,860	Monarchy	2.4	72.4	Shia, Sunni	✓	7.4	27.9	94.6
Egypt	87.9	284.9	\$3,241	Republic	27.4	36.6	Sunni, Coptic	✓	12.7	38.9	73.9
Iran	78.0	402.7	\$5,163	Republic	126.5	82.2	Shia		13.26	29.7	85.0
Iraq	36.0	222.9	\$6,191	Republic	121.2	99.1	Shia, Sunni, Christian	✓	16.0	34.1	78.5
Israel	8.3	305.0	\$36,763	Republic	0.2	4.9	Judaism, Islam	✓	6.3	10.7	97.1
Jordan	6.7	36.6	\$5,467	Monarchy	0.0	1.1	Sunni, Christian		12.6	33.7	95.9
Kuwait	4.0	179.3	\$44,340	Monarchy	111.4	96.9	Sunni, Shia,		3.1	19.6	93.9
Lebanon	5.0	47.5	\$9,565	Republic	0.0	1.8	Shia, Sunni, Christian	✓	6.5	20.6	89.6
Libya	6.2	49.3	\$7,901	Republic	39.0	99.4	Sunni	✓	19.6	51.2	89.5
Morocco	33.3	112.6	\$3,385	Monarchy	0.2	4.4	Sunni		9.2	18.5	67.1
Oman	4.1	80.5	\$19,644	Absolute	37.5	76.7	Ibadi		7.9	20.5	86.9
Qatar	2.2	212.0	\$98,362	Absolute	81.9	94.6	Sunni, Shia		0.5	1.5	96.3
Saudi Arabia	30.8	777.9	\$25,280	Absolute	459.7	84.5	Sunni, Shia		5.7	28.7	87.2
Syria	18.0	77.5	\$4,315	Republic	7.2	7.8	Sunni, Shia, Christian	✓	10.8	29.8	84.1
Tunisia	11.0	49.1	\$4,473	Republic	2.6	13.9	Sunni	✓	13.3	31.2	79.1
UAE	9.4	416.4	\$44,089	Absolute	128.0	76.5	Sunni, Shia		3.8	9.9	90.0
Yemen	26.0	45.5	\$1,751	Republic	5.3	89.0	Sunni, Shia	✓	17.4	29.8	65.3
MENA	407.6	3,562	\$8,738	N/A	1,220.3	68.4			11.7	29.7	78.9
China	1,368.0	10,355.4	\$7,575	Socialist	176.7	0.7			4.6	10.1	95.1

Population, GDP, GDP/capita for 2014. Crude revenues (gross) and unemployment rates for 2013. Oil share of exports for 2012. Literacy rate for most recent available year.



APPENDIX: Overview of the GCC

Surpluses from hydrocarbon wealth have been used to build buffers



COUNTRY	POPULATION	GDP (\$BN)	GDP / CAPITA	FOREIGN POP'N (%)	OIL SHARE OF GDP (%)	PROD. (K BBL / DAY)	OIL RES. (BN BBLI)	YRS RES.	CURRENCY REGIME	SWF ASSETS (\$BN)
Bahrain	1,316,500	34	\$25,860	54.0	19	61.2	0.1	5.6	Pegged USD	11
Kuwait	3,583,000	179	\$50,051	62.0	50	2,811.8	104.0	101.3	Basket	548
Oman	4,099,904	81	\$19,644	44.2	50	945.1	5.5	15.9	Pegged USD	19
Qatar	2,235,431	212	\$94,842	87.0	60	2,067.3	25.2	33.4	Pegged USD	256
Saudi Arabia	30,770,375	778	\$25,280	31.1	45	11,600.4	268.4	63.3	Pegged USD	763
UAE	9,445,600	416	\$44,089	88.5	33	3,229.6	97.8	82.9	Pegged USD	1,079
GCC Total	52,333,253	1,700	\$32,489	47.8	44.2	20,715.4	501.0	66.2	N/A	2,676
Eurozone	334,570,678	13,447	\$40,192							
USA	320,201,000	17,416	\$54,392							

Diversified trade partners but concentration risk in exported products



Hydrocarbons still dominate trade

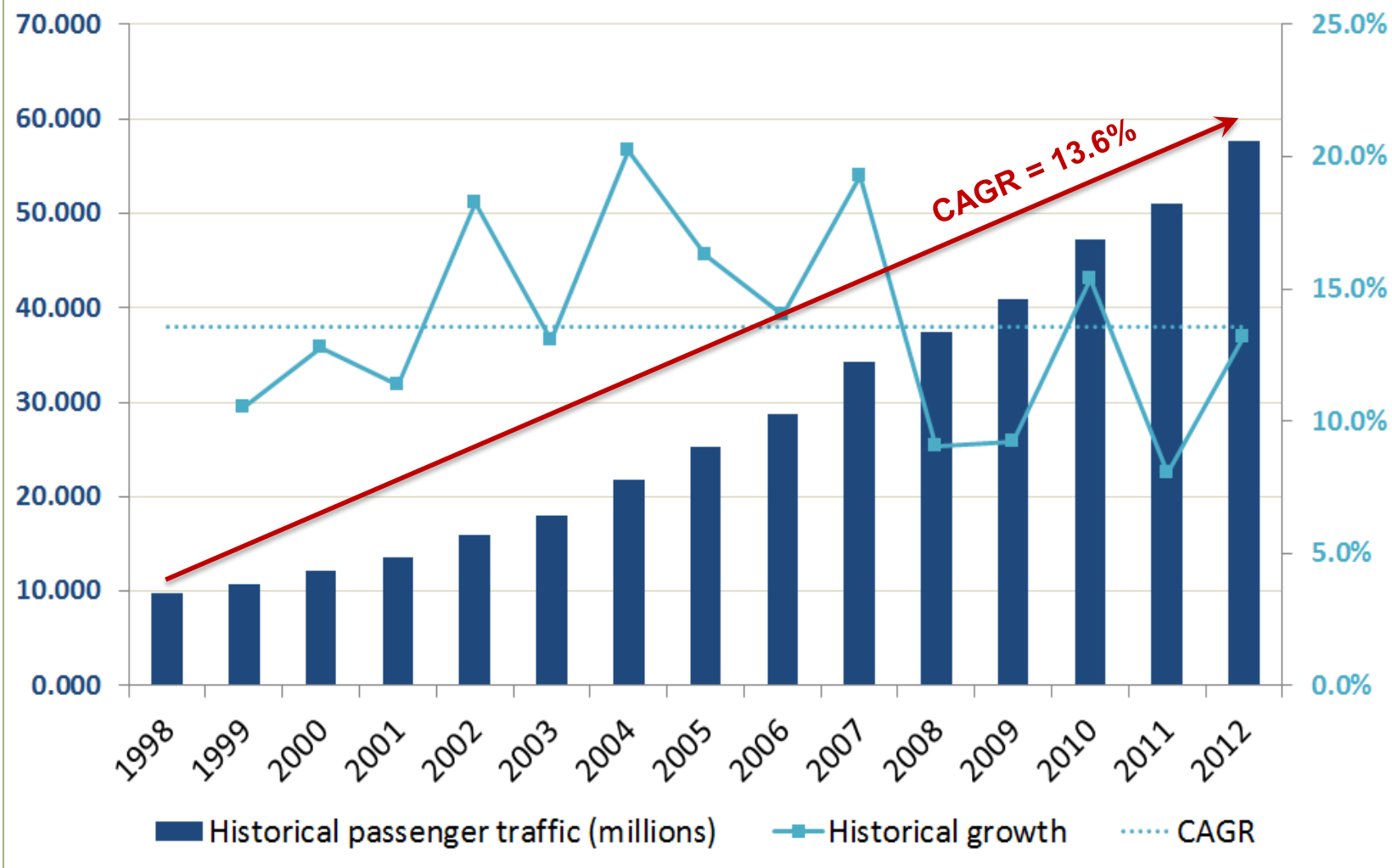


APPENDIX: DXB growth

Riding globalisation to achieve high levels of sustained growth



Dubai Airports* pax vol (MM) and annual growth





APPENDIX: Dubai hotel capacity

A capacity to handle the expected growth in tourist visits

