

**GOVERNMENT OF DUBAI**  
DEPARTMENT OF ECONOMIC DEVELOPMENT



**حكومة دبي**  
دائرة التنمية الاقتصادية

# **ECONOMIC DEVELOPMENT AND INVESTMENT**



**UNITED ARAB EMIRATES**



# General Economic Outlook.

**The UAE's impressive economic performance during the last few years and especially since 2005, led to:**

**GDP Growth rate of 25.6% at current prices, while real GDP growth is estimated at 8.2 %.**

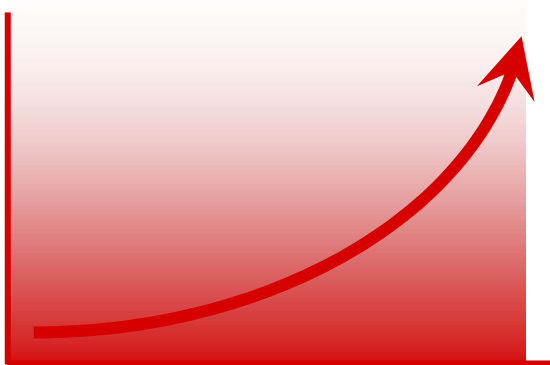
**Key factors were:**

- The strong oil market.**
- Active development of public joint stock companies.**
- Increased involvement of free zones.**
- Buoyant local stock markets.**
- Launches of a number of significant new projects.**



## Components of the Non-oil GDP

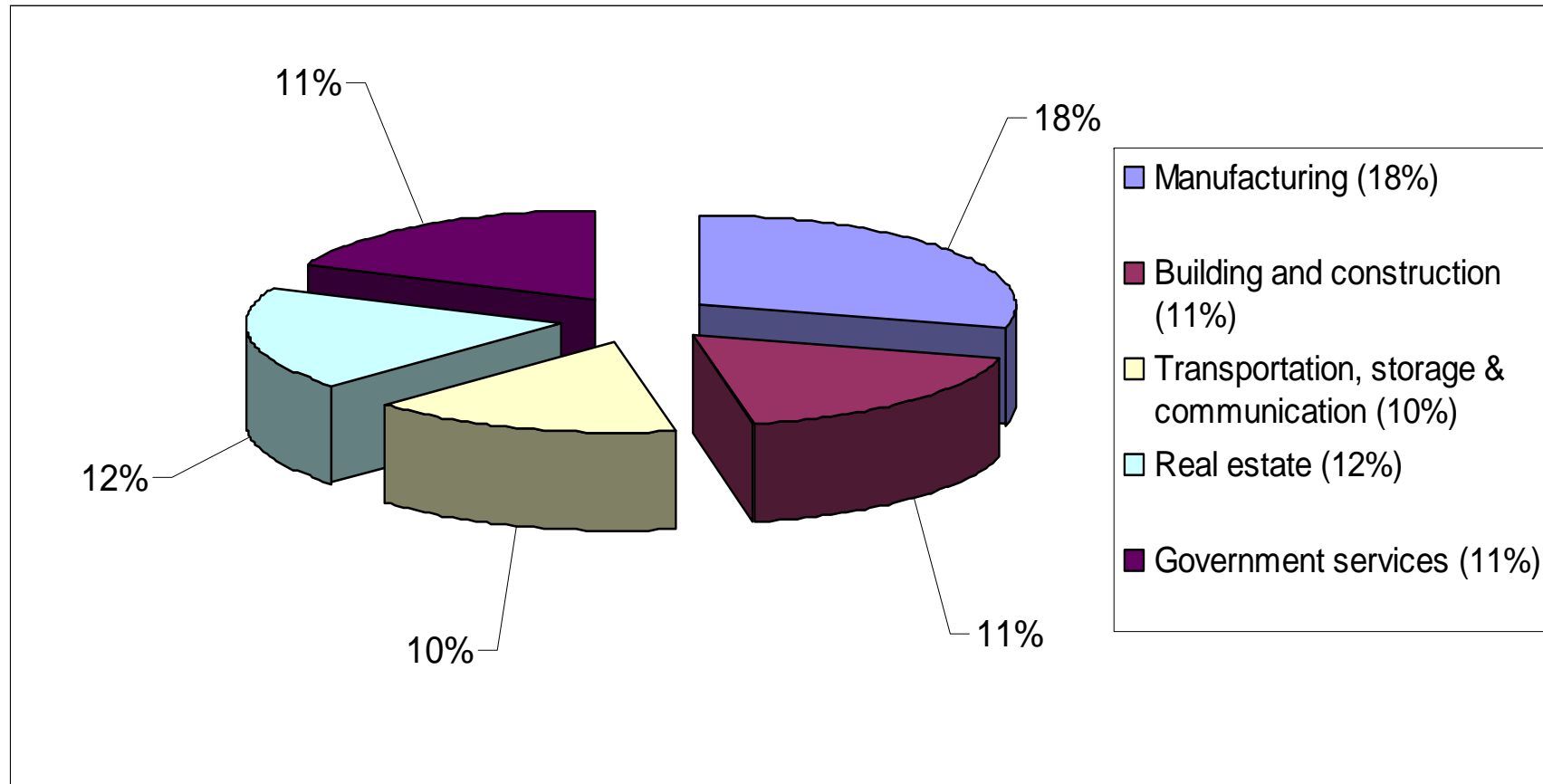
The non-oil sector accounted for 64% of nominal GDP (73% of real GDP) in 2004, rising by 19% to Dh 312 billion in 2005, compared to Dh263 billion in 2004.



- Development of the relatively new private property market in the UAE supported a rise in contribution to GDP of the real estate and business services sector, which formed 11.5% of the non-oil GDP.
- The building and construction sector continued to boom, adding 11.2 % to GDP.
- Government investment in education, health and social services boosted the government services sector to 11.1% of non-oil GDP.
- Infrastructural projects involving transportation, storage and communications contributes 10.4%.

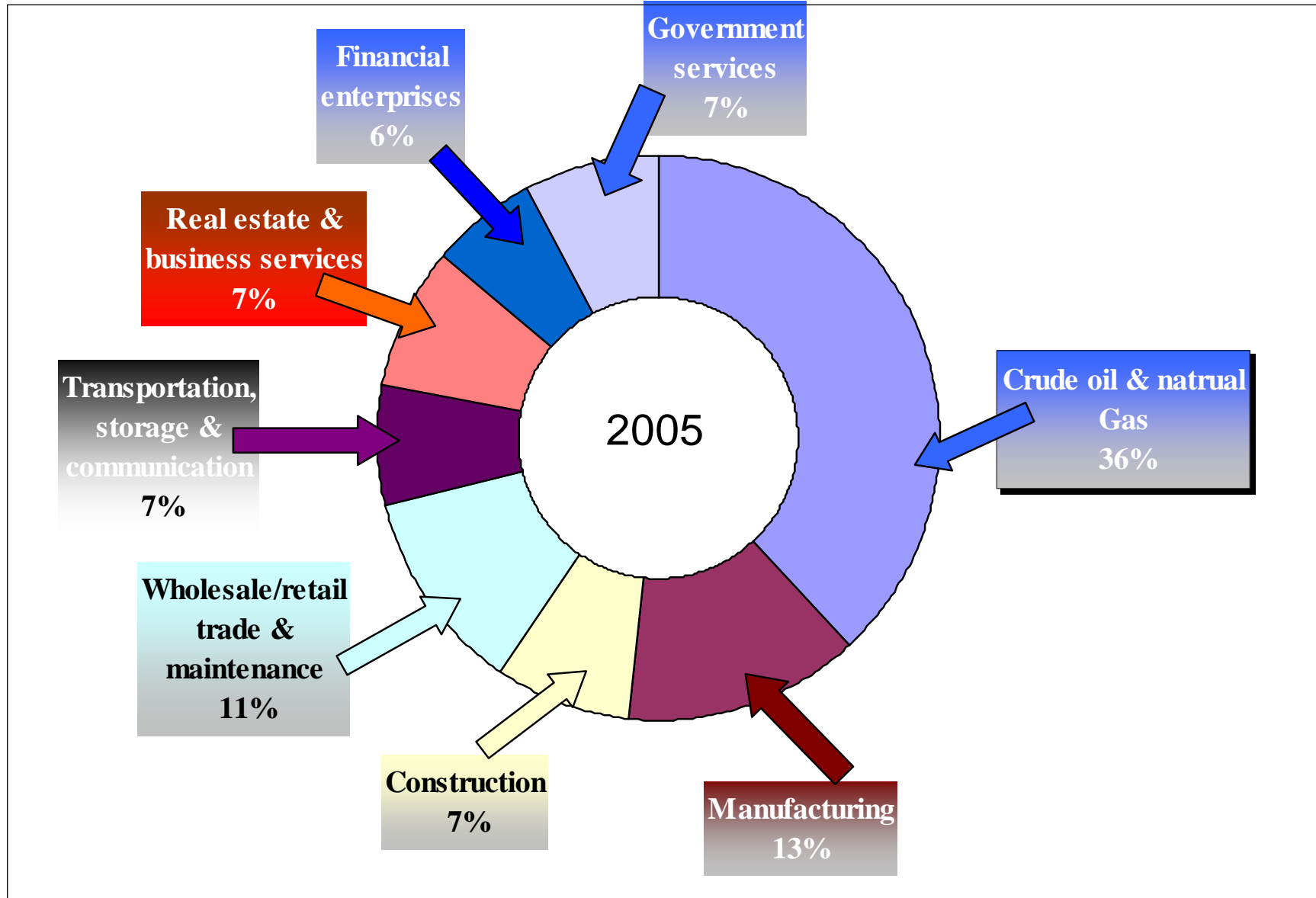


# Non-oil GDP at constant prices 2005





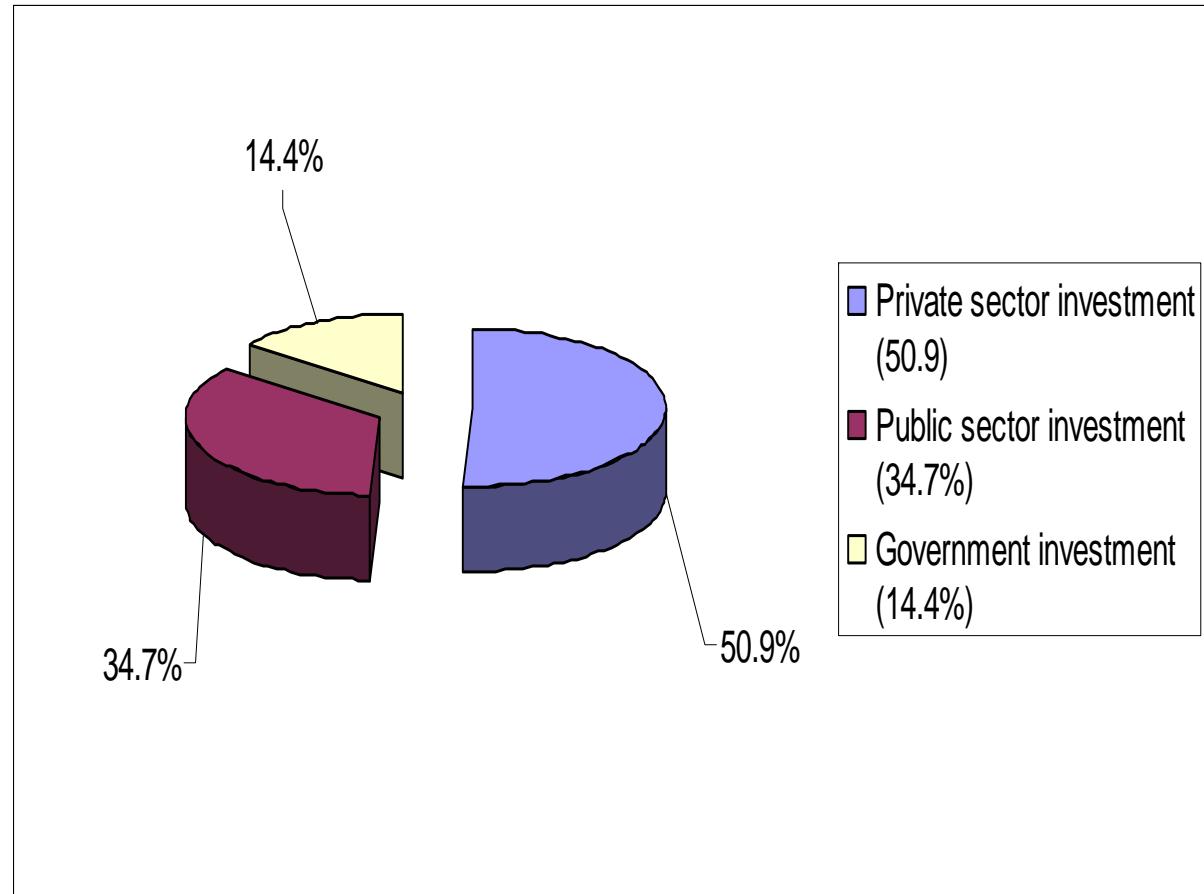
# GDP By Sector (%)





## Private, Public and Government Sector Investments 2005

Out of a total investment in projects of Dh 93.7 billion in 2005, slightly over half of this investment (50.9%) was by the private sector, while the public sector accounted for 34.7% and government investment accounted for 14.4% of the total.





## Successful development necessitates:

- Good planning.
- Adequate investment.
- Professional implementation.



**The UAE's success is based on all three of these cornerstones. And whilst achievements to date are highly impressive, there is much more to come.**





Abu Dhabi alone plans to invest over Dh555 billion (US\$ 151.22 billion) in the coming five years.

**Construction sector:**

**Dh 320 billions (US\$ 87.19 billion)**

**Development and expansion of the tourism sector:**

**Dh 20 billion (US\$ 32.69 billion)**

**New power and water projects:**

**Dh 35 billion (US\$ 9.53 billion)**

**Expanding the oil and gas sector:**

**Dh 80 billion (US\$ 21.79 billion)**



## MANUFACTURING AND INDUSTRIAL DEVELOPMENT

**Initial investments in industry focused on:**

**petrochemicals, fertilizers, cement and aluminium**

**Subsequent investments covered the following areas:**

- **Electronic items and light machinery for export.**
- **Capital-intensive high-technology industries supplying, among other things:**
  - **Security and safety equipment**
  - **Information technology equipment**
  - **Medical equipment and service**
  - **Construction products**
  - **Air conditioning and refrigerating equipment**
  - **Environmental and pollution control equipment, and**
  - **Sporting equipment**



## EXAMPLES OF MEGA INVESTMENT PROJECTS IN UAE

### **MUBADALA DEVELOPMENT COMPANY**

- wholly owned by the Abu Dhabi government, was established in 2002.
- It has a mandate to form new companies or to acquire stakes in existing companies in the UAE or abroad.
- The company invests in a wide range of sectors, including energy, utilities, real estate, public-private partnerships, and basic industries and services



## **DOLPHIN GAS PROJECT**

- The first cross-border natural gas network in the GCC.
- Natural gas from Qatar's North Field passes through Dolphin's giant gas processing plant at Ra's Laffan.
- The plant strips out valuable commercial by-products and the resulting dry gas is transported by pipeline to Abu Dhabi via Dolphin's 370-kilometre export pipeline.



# ALUMINUM

- UAE is moving towards developing the world's largest aluminum smelter in Abu Dhabi
- Construction and operation of a more than US\$ 6 billion world-class green-field aluminum smelter complex with 1.2 million tonnes capacity/year and related facility.
- The first phase is expected to be operational in 2010.



## **ELECTRIC CABLES**

- **Dubai Cable Company (DUCAB) manufactures low-and medium- voltage electric cables.**
- **Expanded its business by entering into new export markets in Iran, India, Jordan, and Tanzania.**
- **Recently made a capital investment of Dh 125 million (US\$34 million) to set up a copper rod casting plant in its Abu Dhabi factory premises.**



# STEEL

- **National demand for steel is currently estimated at approximately 2.5 million tonnes per year and is forecast to reach 4 million tonnes per year in the medium term.**
- **Steel factory expansion plans to increase annual output by 500,000 tonnes per annum is underway in Mussafah industrial area, in Abu Dhabi.**



## **PETROCHEMICALS AND FERTILISERS**

- **The UAE's oil and gas industry has spawned a major associated petrochemicals industry that produces a variety of materials.**
- **Abu Dhabi Polymers Company (Borouge) is the main supplier of plastic products used in water, gas and industrial pipe systems and telecommunications cables.**
- 
- **Borouge plans a multi-billion expansion project in Abu Dhabi expected to be completed by 2010.**
- **Plans are also underway to expand this sector, both as a result of existing facilities expansion and through establishment of new projects that will produce derivatives such as:**



## ■ ■ ■ PETROCHEMICALS

- **Melamine**
- **Polyethylene (PE).**
- **Polypropylene.**
- **Polyvinyl Chloride (PVC)**
- **Vinyl Chloride Monomer (VCM)**
- **Linear alpha olefins and aromatics.**



## ■ ■ ■ FERTILISERS

- Prior to new developments in mid 2006, 1850 tonnes per day of urea and 1340 tonnes per day of ammonia was being produced.
- Of this 100,000 tonnes per annum of liquid ammonia and more than 625,000 tonnes per annum of urea are exported.
- The recent expansion programme should add 1.2 million tonnes per annum of urea to current output. The programme will be completed by 2008 and production would start by 2010.



## **OIL & GAS ■ ■ ■**

- **The hydrocarbon reserves of the UAE is estimated to be at 97.8 billion barrels of oil and 6 trillion cubic meters of natural gas. Oil reserves account for about 10% of the world total. UAE currently ranks as the 6<sup>th</sup> largest country in terms of oil reserves and the 4<sup>th</sup> with respect to natural gas reserves.**
- **The UAE currently produces around 2.8 million barrels of oil per day (b/d) and plans to raise its daily production capacity to 3.5 million b/d in the next few years.**
- **Abu Dhabi owns more than 90% of the UAE's oil and natural gas resources.**



## ■ ■ ■ OIL & GAS

- Dubai produces around 140,000 b/d of oil (6 % of the country's production) and substantial quantities of gas from offshore fields.
- Sharjah is the third UAE hydrocarbon producer.
- On the East Coast Fujairah is the second largest bunkering port in the world (handling about 1 million tonnes of fuel from neighbouring countries per month).



## ■ ■ ■ OIL & GAS

- Oil and gas production is handled by the Abu Dhabi National Oil Company (ADNOC), or by subsidiaries in which ADNOC is the majority shareholder in partnership with international companies.
- The industry is making significant investments to upgrade drilling, processing and transport facilities so that strong demand can be adequately met.



## ■ ■ ■ OIL & GAS

- **Total investment in the UAE's hydrocarbon sector is estimated to be more than US\$ 30 billion over the next ten years.**
- **UAE plans to expand gas output to around 70 billion cubic meters by 2008.**
- **A deal of US\$1.5 billion was signed with Bechtel which represents the largest of projects to achieve the targeted gas capacity.**



## **... OIL & GAS**

- **The UAE is planning to increase its refining capacity to 1.1 million barrels per day from a present level of 600,000 barrels per day.**
- **Abu Dhabi has been considering plans to further increase refinery capacity at Ruwais and also to build a new refinery at Fujairah.**
- **Four of the existing five UAE refineries are owned by the respective emirates; two are operated by Abu Dhabi Oil Refining Company (Takreer) and owned by ADNOC .**



## ■ ■ ■ OIL & GAS

- **Takreer's refining capacity is now over 500,000 b/d, making it a major regional operator.**
- **Other refineries are in Dubai, Sharjah and Fujairah.**
- **Takreer plans to expand Ruwais refinery at an estimated cost of US\$3 billion.**
- **The proposed project aimed at raising capacity from 300,000 b/d to 415,000 b/d as well as increasing the range of products to include naphtha, aviation turbine fuel, liquefied petroleum gas kerosene and gas-oil.**



# ALTERNATIVE ENERGY

- A pioneering initiative, Al Masdar, was announced in 2006 with the aim of engaging top global energy companies together with the Abu Dhabi government in order to create the region's first alternative energy and resource conservation project.
- Land has been granted, a special economic zone proposed and a fund of US\$100 million has been offered so that a state of the art institute can be set up to look at both alternative energy and resource conservation technologies.
- The initiative has the potential to contribute to the transformation of Abu Dhabi from a consumer to an exporter of technology.



# INFRASTRUCTURE

- **Investment in infrastructure involves over US\$4 billion to expand Dubai sea ports and airports.**
- **Dubai Aerospace Enterprise is expected to invest US\$ 15 billion in global airport development, air craft leasing and manufacturing.**
- **Over Dhs 22 billion (US\$ 6.0 billion) is allocated to investment in Dubai metro project and the road network.**

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**Thank You**