

The UAE's Landscape

Grant Thornton UAE

GT Israel – GT UAE Webcast

The Core Foundations for Collaboration & Growth



September 2020

Today We Will Cover:



1. The UAE's History, Economy & Key Sectors

2. Why UAE?

3. The UAE's Future Vision

The UAE's History



Prior to the discovery of oil in the 1950s, the UAE's economy was driven mainly by nomadic farming, date palm cultivation, fishing, pearling and seafaring and trade.

The United Arab Emirates consists of **7 Emirates**:

- Abu Dhabi
- Dubai
- Sharjah
- Ajman
- Fujairah
- Ras Al Khaimah
- Umm Al Quwain

Since the discovery of oil, the economy has been influenced primarily by:

- Trade
- Tourism
- Construction & Real Estate
- Banking & FS
- Oil & Gas
- Manufacturing
- Hospitality
- Fintech and Start-up Ecosystem

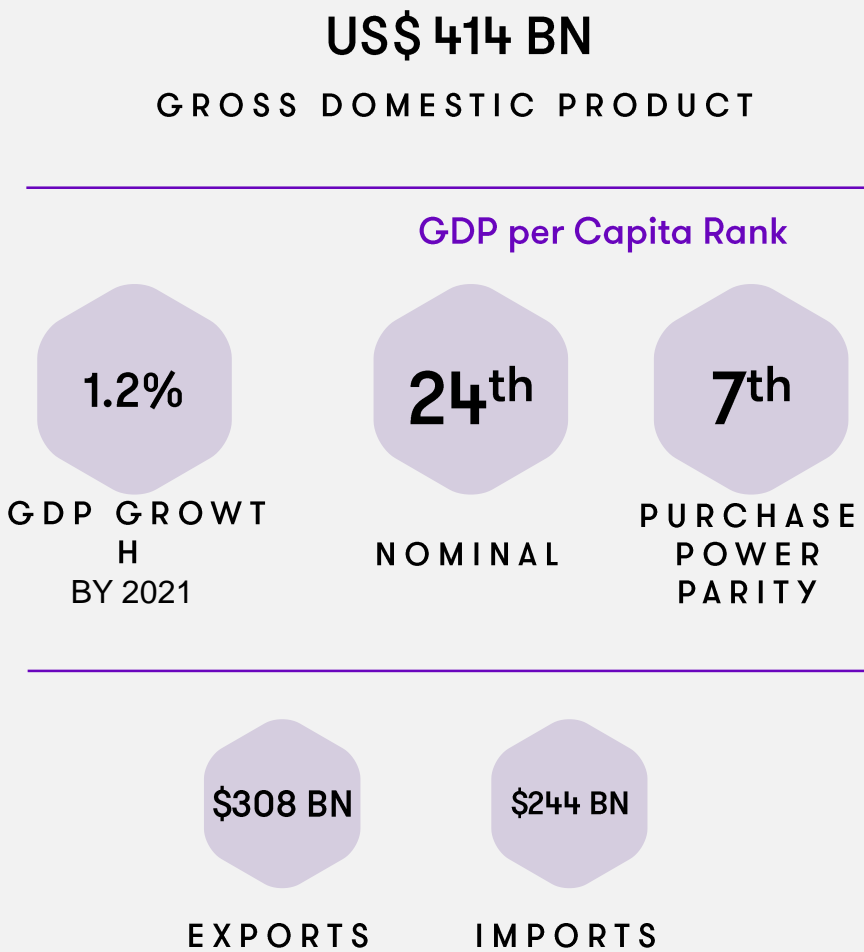
1990



2020



The Economy



Gulf Cooperation Council (GCC)

Includes **UAE**, Bahrain, KSA, Oman, Kuwait, and Qatar



Macro-economic Stability

World Economic Forum

1st

FDI Attractiveness in MENA

1st

Competitiveness

World Economic Forum

2nd in the GCC
27th in the world

Global Readiness

5th

UAE Central Bank Total Assets

US\$ 113 Bn

Key Sectors

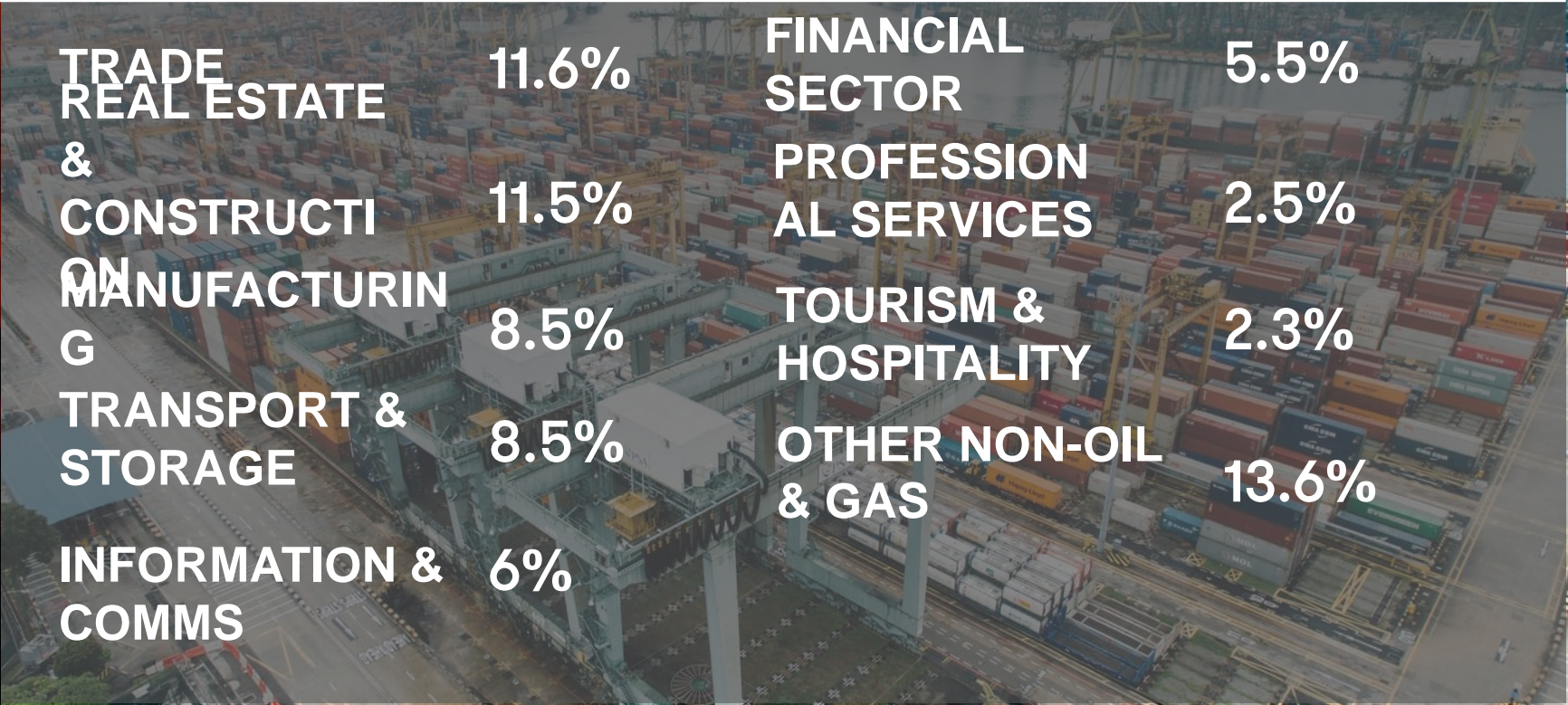


UAE’s future is focused on a post-oil economy. The Government’s efforts to improve and introduce new policies and drive new project initiatives are high on the agenda.
The **GDP contribution per sector is:**

30% OIL & GAS



70% NON OIL & GAS



The People

9.63 mil

Population

88%

Of the UAE's
population is expats

200+

Nationalities

English | Arabic

Official Language

1st

Safest country in the Middle
East, Quality of life Ranking

Dubai placed

1st

For Quality of Life in over
450 cities assessed globally

3rd

Safest country
in the world

Among **10** safest places
during the COVID-19
pandemic

A YOUNG COUNTRY

65% of the population
is 25-54 years old

RESIDENCY

36%

Of the population is
in Dubai

35%

Are in the capital,
Abu Dhabi

SOCIAL MEDIA

9.3 mil



97.48%

9.3 mil



97%

7.72 mil



80.92%

Why UAE?



1. Business Friendly Environment

- **100% Foreign Ownership**
- **No Corporate Tax**
- **No Income Tax**
- **Consumer Spending** – Consumer spending estimated to exceed \$261billion in 2021
- **Strategic Location** – provides access to regional and global markets, with increased bilateral ties with India, China, and Africa.
- **Time zone:** GST/ GMT+4

2. Access to Finance

- **Financial Services Hub** – ADGM, DIFC
 - 394 financial institutions established in both zones
 - 49 local and international banks
- **ICO Regulations** – Initial coin offering regulations to trade in cryptocurrency are coming in 2019.
- \$13 billion **Investment plan** with 50 initiatives aimed at stimulating Abu Dhabi economy

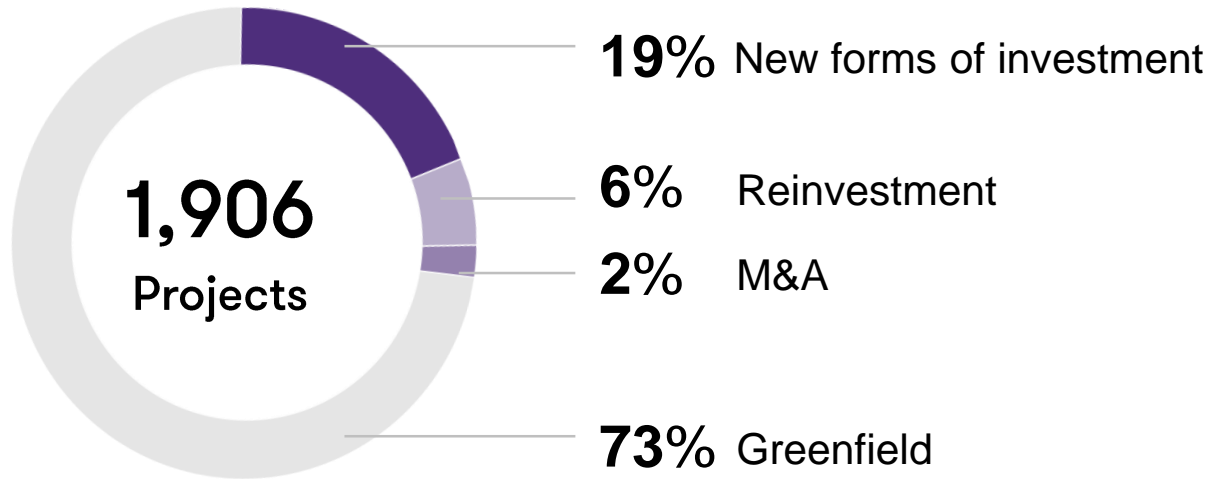
3. Innovation Hub

- **Global Innovation Index:**
 - 1st in the Arab World
 - 38th worldwide in Global Innovation Index
 - 24th in the Innovation Input Pillar
- DIFC's **Fintech Hive**, ADGM's **Hub71**
- **VCs:**
 - The region's fin-tech and start-up hub
 - Home to 1/3rd of region's investors and the highest number of venture capitalists
 - The UAE has nearly **\$ 2 billion** of investment funds
- **AI & Robotics:**
 - The incubator for futuristic innovation and design
 - Total investment in innovation is US\$4bn/annum.
- Expected substantial growth of portfolio of assets of **Mubadala Ventures** to help build enduring technology companies

Foreign Direct Investment






• Investment Type – Projects:

2015 - 2019

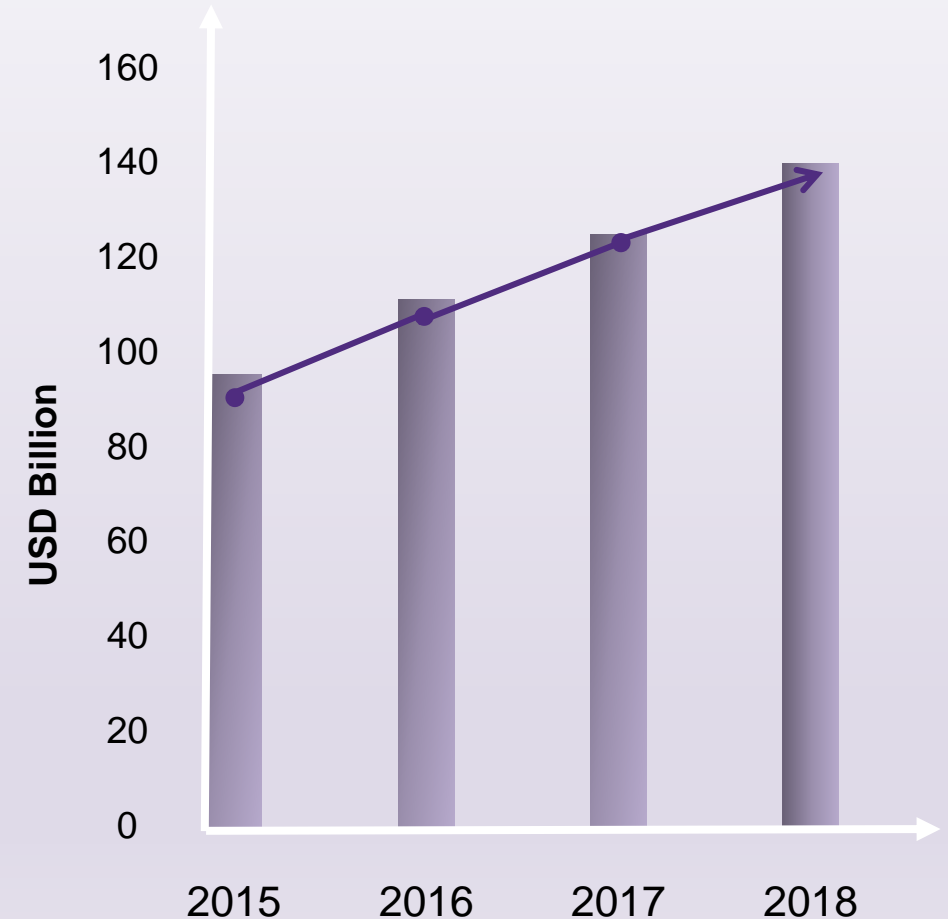


• Key Countries:

2015 - 2019

	USA	13 bn		France	3 bn
	China	5 bn		India	2 bn
	UK	4 bn			

Total cumulative FDI:



Setting up in the UAE



ONSHORE:

- The UAE's "Mainland"
- Offers zero tax and liberal trade policies
- 100% repatriation of capital and profits
- Across the 7 emirates
- A Limited Liability Company license

OFFSHORE:

- Sector Specific Solutions
- Home of majority of SME: helping the GDP by 40%
- 100% Ownership
- 37 free zones across the UAE

Dubai Free Zones:

- JAFZA
- Tecom
- DMCC
- E-Commerce Zone
- Dubai Design District
- DuBiotech Zone

Abu Dhabi Free Zones :

- KIZAD
- Masdar City



DIFC

ADGM

Home to every major international bank, insurer, and asset manager

“ The UAE is among the 10 most competitive countries in the world and our goal is to remain a top destination for ease of doing business, through an agile economy based on flexibility and openness. A strong economy drives us as a nation to be among the first and best.”

- His Highness Shaikh Mohammad
Bin Rashid Al Maktoum

Vice-President and Prime Minister
of the UAE and Ruler of Dubai



UAE's Key Projects



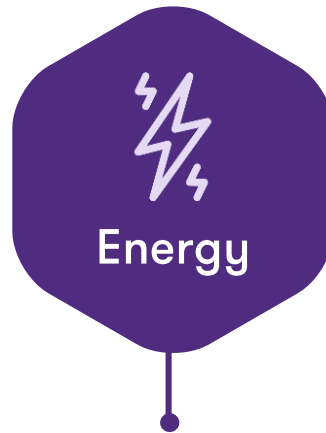
EXPO 2021

With 438-hectare area, EXPO2021 has a theme of **Opportunity, Mobility** and **Sustainability** and aims to connect minds and help create the Future.



Trade

The UAE-China bilateral deal of **US\$ 37.84 billion** over 10-year period



Energy

- Mohammed bin Rashid Al Maktoum **Solar Park** aims to generate 1 Gigawatt of Dubai's electricity from sunlight
- The Emirates **Nuclear Energy Corporation**



Tech

- The Institute Center for Smart and Sustainable Systems (iSmart)
- Dubai Science Park
- Technology and Innovation Center in Ras Al Khaimah
- **CERT**



Agriculture

- Abu Dhabi Sustainability Program:
 - Food Security: 10 AgriTech initiatives
 - The **Silal** initiative
 - ADAFSA: Abu Dhabi Agriculture & Food Safety Authority



Healthcare

The Dubai Biotechnology & Research Park (DuBiotech)

The Vision

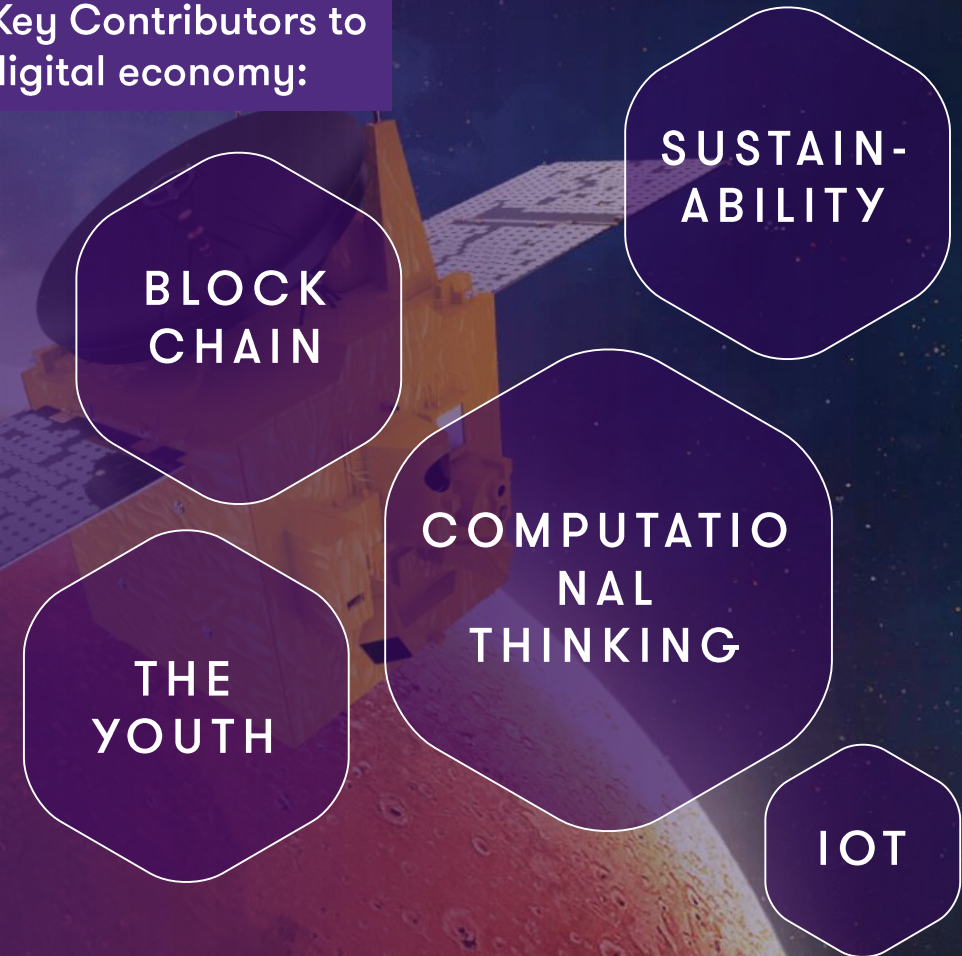


The UAE's digital economy

The Digital economy in the UAE is being implemented through the adoption of the UAE Strategy for **the Fourth Industrial Revolution**.

- The **Emirates Mars Mission "Hope Probe"** will be the first probe to provide a complete picture of the Martian atmosphere in 2021.
- The UAE Government attaches great importance to the role of **youth** and their empowerment in key roles
- **Sustainability:**
 - 94.3 % coverage, the UAE has the highest Fiber-to-the-Home (FTTH) penetration globally.
 - **DEWA 2021** – Clean energy, Renewable Energy Grid, AI Solutions, and Connected technologies
 - **70%** of cities are urbanized
 - **Masdar** – Most sustainable urban development in the world

The Key Contributors to the digital economy:



UAE in the future



2021

Initiatives to be accomplished by 2021

- Smart Dubai 2021 aims to move to a **100% digital future within 4 years** leading to the Dubai Government issuing its last paper transaction by 2021
- National Innovation Strategy – the strategy will stimulate innovation in 7 sectors where innovation is key to excellence:
 - Renewable energy
 - Technology
 - Transport
 - Water
 - Education
 - Space
 - Health

2021 -
2030

Initiatives between 2021 - 2030

- **Dubai Autonomous Transportation Strategy** - aims to transform 25% of the total transportation in Dubai to autonomous mode by 2030
- **Dubai 3D Printing Strategy**- this initiative aims to exploit technology for the service of humanity and promote the status of the UAE and Dubai as a leading hub of 3D printing technology by the year 2030.

2030 -
2117

Initiatives between 2031 - 2117

- The UAE is planning to establish the first inhabitable **human settlement on Mars** by 2117.
- The UAE will have achieved **Dubai Clean Energy Strategy** under which 75% of Dubai's energy will be generated from clean sources.

Grant Thornton UAE

Our Presence:

For the past 55 years, **Grant Thornton UAE** has been helping clients identify and tackle their most strategic goals. We are the As the **5th** largest professional serviced firm in the UAE, have a team of **300+** people in **Dubai, Abu Dhabi** and **Sharjah**, and are here to help dynamic organisations unlock their potential.

Our Key Clients:

From business owners, C-suite and governments, we continue to support local and international organisations, and cover a number of sectors including:

- Hospitality
- Banking & FS
- Oil & gas
- Construction & Real estate
- Tech
- F&B

Grant Thornton Israel



Our Presence:

With 55 years of experience, **Grant Thornton Israel** is one of the **6th** leading accounting firms in Israel. The firm employs approximately **320** professional staff, including **21** partners. While the firm’s size affords its ability to perform high-quality services, we are of a size that can provide our clients with a personal and friendly approach.

Our Key Clients:

- Manufacturing
- Construction & Real Estate
- Tech
- Insurance
- Capital Markets
- Transportation
- Non-profit
- Local Authorities and Government Ministries.

OUR SHARED SERVICES :

Audit

We have a long-established audit practice with specialists who have supported local and international clients.

Advisory

While business goals and strategies evolve, our services support you wherever you are in your business cycle.

Tax

Forces such as taxation reforms are creating huge challenges for organizations, and we can assist with guiding businesses through their tax journeys.