

"If you look at Abu Dhabi investments over the past two years, every investment means something for Abu Dhabi. We don't invest to exit in a couple of years. We invest as a long-term player."

Falah Al Ahbabi
General Manager, Urban Planning Council



All eyes on

Abu Dhabi!

A NEW LEADER EMERGING

Masdar City, Khalifa Port, Saadiyat Island — these are but a few of a number of high-profile developments that are marking the inevitable rise of the emirate of Abu Dhabi. Following years of moderation and careful investment, the emirate is decidedly taking center stage. Abu Dhabi, the largest and by far wealthiest member of the United Arab Emirates (UAE), has arrived to assert its full weight and power, driving innovation and regional integration.

Ruled by His Highness Sheikh Khalifa bin Zayed Al Nahyan and his brother Crown Prince Mohammed bin Zayed Al Nahyan, the emirate has followed a course of gradual and sustainable growth. If Abu Dhabi reaches an expected GDP of \$150 billion by 2010, it will have more than tripled GDP in the course of just ten years. In defiance of a global economic recession, the economy keeps growing and is predicted to do so at an average rate of 6 percent annually for the next twenty years. The city of Abu Dhabi in the mean-

time is evolving into a sprawling next-generation metropolis of three million, integrating a large expatriate community.

"The emirate envisions tremendous changes in terms of where we are going, how we are developing in the future, and of where we want to be as a city and as an emirate," says Khalifa Hamad Mo-

"We need to continue spending money, strengthening the economy and investing in the real economy, in sectors where we can create jobs and maintain jobs by adding value."

Salah Salem Bin Omeir Al Shamsi
Chairman, Abu Dhabi Chamber of
Commerce and Industry

ammed Fares Al Mazroui, director-general of the Abu Dhabi municipality. "One clear vision is to be one of the top five cities internationally," he adds and explains that development is to be achieved "in close coordination with the people of Abu Dhabi to ensure that we

deliver something that fulfills their needs." This approach is typical for the emirate that connects future economic growth with greater social and environmental sustainability. "It is a question of building a socially cohesive and economically viable place," says Falah Al Ahbabi, general manager of the Urban Planning Council (UPC). The UPC was created one and a half years ago, as Al Ahbabi explains, "with the mandate to be the sole entity in planning and setting the strategies for urban growth in the emirate of Abu Dhabi." It manages the development of much of the emirate's built environment and is behind the elaboration of the Urban Structure Framework Plan, a long-term planning program that will eventually extend to the entire emirate. UPC puts a strong emphasis on growing businesses in harmony with their social and natural environment and protecting Abu Dhabi's cultural heritage. With proven success, the emirate's model for sustainable development may yet come to set standards for other regions. ■

THE FUTURE STARTS HERE

>> VISION 2030

Abu Dhabi's blueprint for the future is the bold and ambitious "Economic Vision 2030," first published at the end of 2008. Developed in consultation with the private sector, Vision 2030 represents the government's guidelines and priorities for the emirate's economic development for the next twenty-two years, placing particular emphasis on the diversification of the economy. The year 2030 counts as an important milestone, by which time Abu Dhabi expects to have significantly reduced its dependence on the hydrocarbon sector, to a point where nonoil sectors contribute the majority share to GDP growth. In short, overall growth is to be decoupled from the volatility of the oil market, reducing risks, encouraging

innovation, and creating opportunities for a young population.

"Our economy has fundamentally very strong bases," says Salah Salem Bin Omeir Al Shamsi, chairman of the Abu Dhabi Chamber of Commerce and Industry. "We have created an economy that is increasingly knowledge-based, strong in the private sector and in services. A real economy," he adds. The future of Abu Dhabi lies more and more in the development of highly skilled, knowledge-based, export-oriented sectors. "We are trying to become a major re-export center and a regional hub for tourism, culture, education, health, and transportation," says Al Shamsi, pointing to just some of the opportunities that will shape tomorrow's Abu Dhabi. Accordingly, transfer of

knowledge and technology, education, and entrepreneurial support will become the drivers of this new economy.

Through the recent creation of Abu Dhabi Basic Industries Corporation (ADBIC), Abu Dhabi's government took a decisive step toward an engagement in large-scale industrial activity. "We are one of the key players in the country, even though our primary focus is not in the oil sector. We serve as a catalyst to industrial growth in Abu Dhabi, in support of the strategic diversification initiatives of the government," explains Hussain Al Nowais, chairman of ADBIC. "Our projects are mandated to focus on both energy-intensive and capital-intensive industries."



Driving industry in Abu Dhabi

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>> DIVERSIFICATION BRINGS INNOVATION

ADBIC concentrates on the development of industries in the base metals, in particular aluminum, steel, and copper, and the petrochemicals sector. It draws on Abu Dhabi's comparative advantages: an advanced infrastructure, the availability of capital, and energy supply at relatively low cost. "The reason we focus on these industries is because they generate other downstream industries, which in turn create a cluster of industries," says Al Nowais. Current activities include a \$2 billion expansion of subsidiary Emirates Steel and the development of Polymers Park, the UAE's first cluster for the plastics conversion industry. This could draw investment of as much as \$4 billion. "ADBIC will kick-start activity and investment in the park by serving as the cluster's anchor investor. As the primary investor, we play the catalyst role in attracting more investment into the park and having other investors follow our lead," says Al Nowais. ADBIC is open to investment in all its industries and is looking at wider international interest. "We have a global approach to devel-

oping our industries and look at a range of potential partnerships with U.S., European, Japanese, and Chinese companies, for instance," emphasizes Al Nowais. He goes on to say, "Opportunities in Abu Dhabi continue to multiply. We have a lot to offer, and investors internationally should tap into these opportunities."

Committed to a sustainable integration of new businesses, Al Nowais stresses the need for investment in people, in building an

"We are very active trying to create a generation of industrialists and are looking at basic industries, to realize what kind of clusters can be created around these big basic industries."

Dr. Ahmed Khalil al Mutawa
CEO of the Khalifa Fund

efficient and knowledgeable workforce. "We need a highly-trained work force with the skills and expertise needed to run a business successfully and easily," he says. "Training and development of our local talent pool, through international partnerships and educational programs is of the highest priority for us."

velop Small and Medium Enterprises, another new organization, one that plays the role of facilitator. The Khalifa Fund is dedicated entirely to the creation of "a generation of entrepreneurs," as Dr. Ahmed Khalil Al Mutawa, CEO of the Khalifa Fund, describes it. "You can have buildings, you can have ports, you can have the best roads, but the software that powers all this is the human capital. So our job is to work with people to create the culture and the ability to

do business," he says. The Khalifa Fund offers a variety of support programs to train, finance, and support young entrepreneurs, be it for start-up or existing businesses. Lately the fund has also taken to actively seeking potential high-impact entrepreneurs who will be invited to join an intensive

development program. "We are going to have new entrepreneurs in areas that are an integral part of the emirate's vision," says Al Mutawa. Crucially, a larger number of small- and medium-sized enterprises will be able to drive economic and technological innovation in desired high-value-added sectors.

This sounds a note with the Khalifa Fund to Support and De-

velop Abu Dhabi is well on its way to turning vision into reality. The emirate means business, the more diverse the better. ■

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