

## UAE marches ahead

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A key focus of the strategy is the maintaining of continuous cooperation between federal and local authorities, with Sheikh Mohammed bin Rashid noting that 'creating synergy between the federal and local governments is one of the most important vital elements of development' in the strategy.

In August, the Government of Abu Dhabi announced its own policy agenda for 2007 and 2008 which includes 18 independent policy statements providing details of plans in areas such as planning and economy, energy, tourism, health, education, labour, civil services, culture and heritage, food control, urban planning, transport, environment, health and safety.

Another important development in Abu Dhabi was the launching in September of the 'Plan Abu Dhabi City, which will become the seat of the federal and local governments as well as embassies and national health and educational institutions. The plan also lays a heavy emphasis on the environment, with plans for green belts and the conservation of mangrove forests and birds and other wildlife. Implementation of the plan is to be overseen by the newly-created Abu Dhabi Urban Planning Council.

Dubai, too, has developed its own long-term plan, the Dubai Strategic Plan 2015, based on the recognition that effective urban planning is a prerequisite for continued sustainable development.

Dubai's Urban Planning Committee is in the process of drawing up the Dubai Urban Development Framework (DUDF),

sustainability strategy.

On a smaller scale, similar long-term strategic planning is taking place throughout the other five emirates that make up the UAE, all being designed to fit within the national objectives laid down in the federal UAE Government strategy.

The new federal and local strategies have been the topic of detailed discussions in the country's political institutions, including the UAE's Parliament, the Federal National Council, which has also undergone major reforms over the course of the past couple of years. Eager to involve the country's citizens more actively in the processes of government, the President and his fellow members of the Supreme Council of Rulers, who had previously appointed all

exercises its constitutional function of examining, approving and proposing legislation. The long-term objective is to move towards a wholly-elected body.

Against the backdrop of reforms in government over the past year, the country's economy has continued to develop rapidly. One area that has attracted considerable international attention has been the way in which UAE firms, both government-owned and privately-owned, have expanded their interests overseas through acquisitions and investment.

Thus the Mubadala Development Company and the International Petroleum Investment Company, IPIC, both owned by the Government of Abu Dhabi, and the Abu National Energy Company, TAQA, in which government has a majority shareholding, have made numerous major investments overseas. Through acquisitions, for example, TAQA has become one of the largest oil producers in Canada, with other interests in Europe and Asia, while IPIC has announced investments in upstream and downstream oil and petrochemical projects in Pakistan and Central Asia to complement its existing, widely-spread portfolio. Mubadala has also announced a number of major strategic partnerships, in sectors as widely diverse as the entertainment industry, oil and gas and the aircraft industry.

Dubai-based companies, too, have been active internationally, with a lead being taken by Dubai Ports World, now one of the world's largest port operators, thanks to a series of acquisitions, and Dubai Holding, both government-owned, and by Emaar, now the largest property developer in North Africa and the Middle East, and rapidly extending its ambitions further afield.

While full details of the UAE's overseas investment for 2007 are not yet available, figures for 2006 suggest that it now ranks twenty-fifth in the world for its foreign investment -- a remarkable achievement for such a small country.

The focus of growth has, however, been at home, with nominal Gross Domestic Product growing by a remarkable 23.4 percent to nearly 600 billion dirhams, or US\$ 163 billion, in 2006, and set to rise at an even more impressive rate during 2007, partly because of high

oil prices. The non-oil sector has, however, also recorded substantial growth, rising by 20.3 percent to 376 billion dirhams (US\$ 102 billion) in 2006, with the real estate and business services and the building and construction sectors each increasing their contribution to overall GDP.

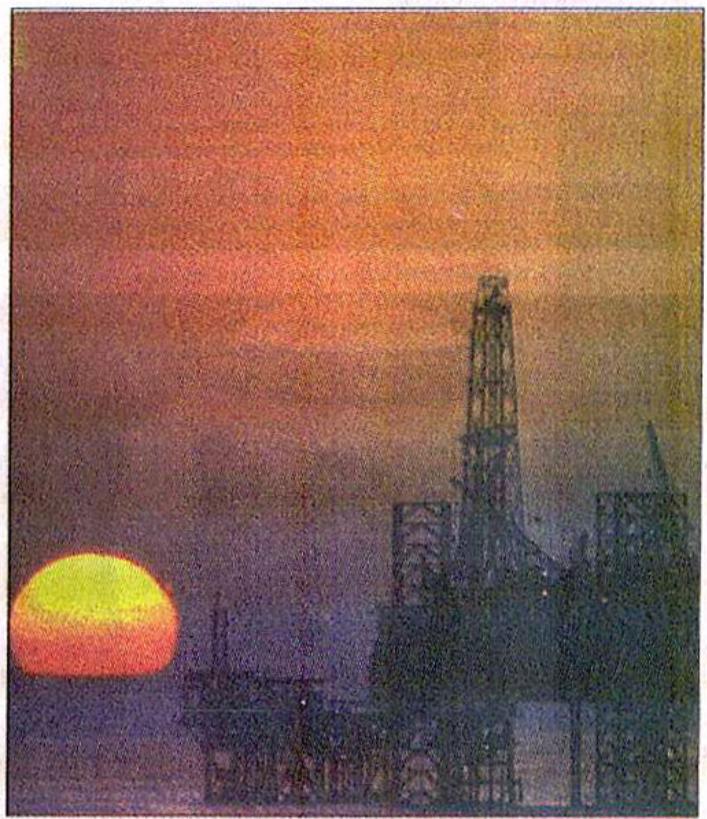
Both of these sectors have benefited directly from the construction boom, which has spread throughout the country. Much of the emphasis has been on the building of residential properties, with numerous specially-planned communities under development, such as the man-made Palm Islands off the coast of Dubai, but there has, too, been much development of prestigious office accommodation. One iconic example of this is the impressive Burj Dubai (Dubai Tower), in the heart of the city's new business district, which became the world's tallest building during the course of the year -- and was still rising as the end of the year drew near. There has, too, been a continued rapid pace of development in the hotel and entertainment industry, driven by the fast-growing numbers of tourists coming from all over the world to visit the Emirates.

Tourism is already a crucial part of Dubai's economy, and is becoming of increasing importance of all of the other emirates, and is projected to rise over the next decade at well above the global growth rate, to visit the UAE. The industry already provides nearly 12 percent of total employment in the country, or nearly 300,000 people, and jobs in this sector are expected to increase to over 375,000 by 2016.

This, in turn, has fuelled growth in the country's aviation industry, with particular success stories being the two main national airlines, Dubai-based Emirates and Abu Dhabi's Etihad, as well as the low-cost carrier Air Arabia, each of whom have added numerous new destinations to their networks during the course of 2007.

One indication of the plans for future growth came at November's biennial Dubai Airshow, where Emirates alone placed confirmed orders for 93 new aircraft and options on a further 50 planes, with the total value being worth nearly US\$ 35 billion, the largest-ever single order in aviation history.

A newcomer, Dubai Aerospace, which plans to enter the international aviation leasing market,



An old oil rig.

signed initial agreements to order as many as 200 planes, which, when delivered, will make the government-owned enterprise one of the largest plane-leasing firms in the world. Air Arabia, placed orders and options for a total of 49 planes, in another multi-billion dollar deal.

To cope with the additional traffic, whether of planes or visitors, the UAE has continued during the year to invest heavily in the expansion of its airports. Over US\$ 20 billion being spent on the upgrading of existing airports, such as those of Dubai, already a major hub for global air transport, and Abu Dhabi, and on the creation of the massive new Al Maktoum International Airport, south-west of Dubai, which, when completed in a couple of years time, will be the largest airport in the world.

Substantial investment is also continuing to go into the expansion of the country's ports, with a major new project, the Khalifa Port and Industrial Zone, now beginning to get under way north-east of Abu Dhabi.

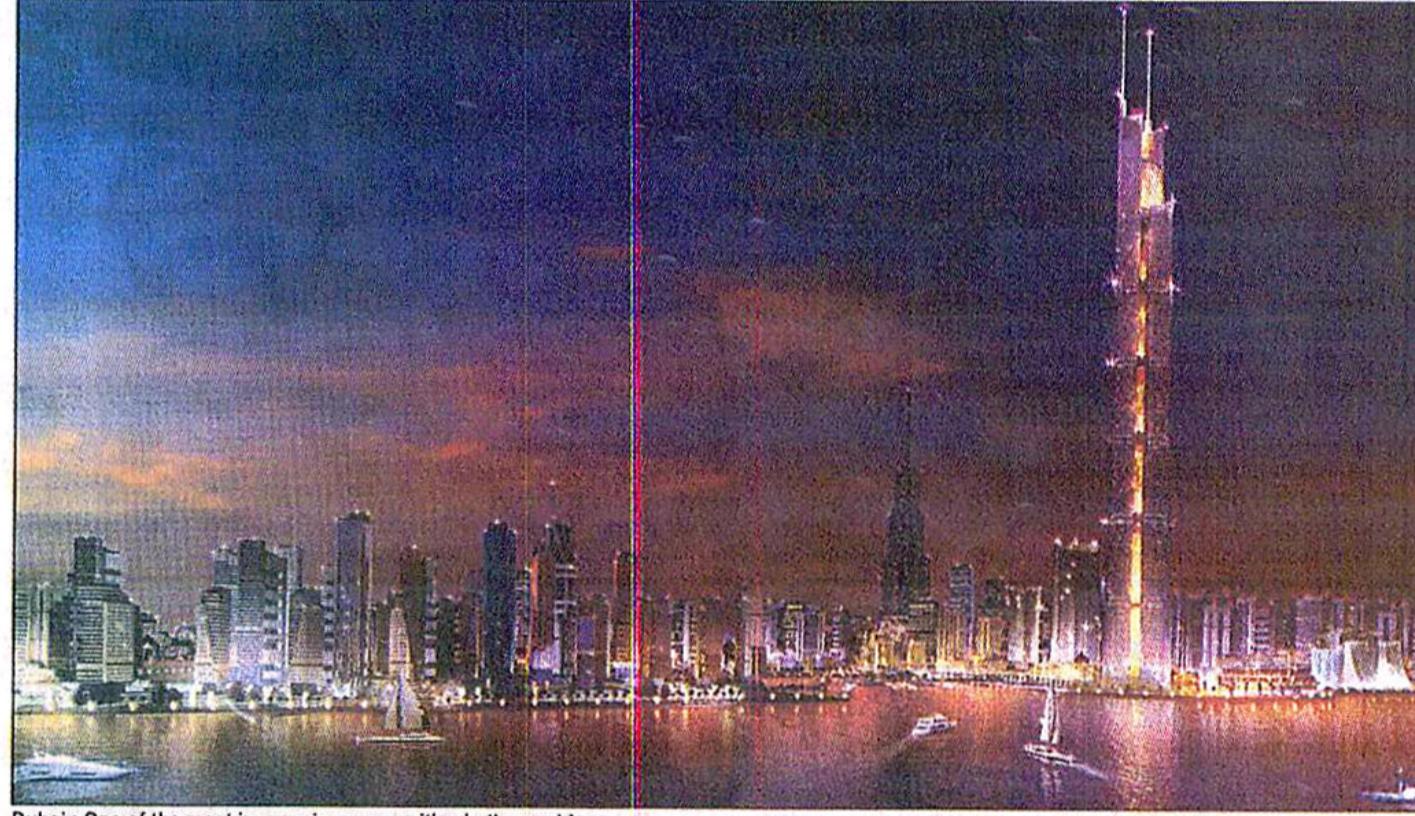
Overseas trade, whether by sea or by air, remains an essential part of the economy, and, in keeping with the UAE's belief in facilitating

the development of the global market, considerable progress has been made in terms of signing free trade agreements and bilateral preferential agreements with other countries. While an agreement with the United States has temporarily been put on hold, substantial progress has been made on an agreement between the six-member Gulf Co-operation Council, which includes the UAE, and the European Union which is expected, when finalised, to double trade between the two groups.

Amidst the focus on the economy, however, attention has continued to be paid to two other topics that are viewed as high priority issues by both federal and local governments, conservation of the environment and the promotion of culture and heritage.

In the sphere of the environment, the country marked a first in 2007 with the inclusion of the important Marawah Marine Protected Area on the international list of Biosphere reserves maintained by the United Nations Educational Cultural and Scientific Organisation, UNESCO, the first UAE reserve to be accorded international status.

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Dubai: One of the most impressive young cities in the world.

municipal affairs, police and emergency services, electronic government, women and legislative reform.

The intention, according to the Crown Prince of Abu Dhabi, Sheikh Mohammed bin Zayed Al Nahyan, who is also the Chairman of the Abu Dhabi Executive Council, is that "the publication of a comprehensive policy agenda will provide the unprecedented understanding of

Dhabi 2030: Urban Structure Framework Plan', which offers a bold and imaginative blueprint for the years ahead, specifying land uses, building heights and transportation objectives for the entire metropolitan area of Abu Dhabi, which is projected to grow to over three million people by 2030.

Amongst its significant proposals, the plan provides for the creation of a Capital District within

an integrated master plan that will offer a comprehensive roadmap for Dubai's future up to 2020 and beyond, while Dubai's 'City and Regional Planning Framework,' also under development, will include integrated land use and mobility, housing provision, economic and demographic growth, urban character and design, heritage management, integrated community facilities provision, civic harmony and

the members of the FNC, decided to introduce a process of indirect election for half of the members, who are now chosen by electoral colleges for each emirate. One result of the process, as noted above, is that over 22 percent of FNC members are now women, a high proportion by world standards, but another has been a revitalisation of debates in the Council and of the way in which it

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