



# National Day Report

CONTINUED FROM PAGE 8

Looking to the future, the UAE is already investing billions of US dollars in expanding its sustainable capacity for oil production, to help to ensure that there will be sufficient supplies available to meet rising global demand.

Since the federal budget was calculated on the basis of 2007 prices, the UAE Government remains well-placed to fund its continuing development programme.

Estimated Gross Domestic Product for 2007 rose to Dh 729.7 billion, an increase of 5.2 percent in real prices and 16.8 percent in current prices over the previous year, with further significant growth expected for 2008.

While oil and gas continue to represent an important part of GDP, and are likely to increase during 2008 because of high oil prices for much of the year, other sectors of the economy now represent around two-thirds of total GDP. One fast-growing sector is tourism, with the UAE now having established itself on the global tourist map. Well over 15 million tourists a year now visit the country, providing substantial business for the country's major national airlines, Emirates, in the Dubai, Etihad, in Abu Dhabi, and Air Arabia, in Sharjah, and also for the main airports and the hotel industry.

To cope with rising air passenger traffic, major expansion at Abu Dhabi International Airport continues to make progress, while a new airport, the largest in the world, is nearing completion south-west of Dubai. Other airports are also scheduled for expansion, while a completely new one is being planned in Ajman, which will be the eighth in the country.

The ports are also being expanded, with a large new port

being built on a brownfield site at Taweela, half way between Abu Dhabi and Dubai and with new facilities also being planned in Dubai and in Fujairah, which is now the second-largest oil bunkering port in the world.

Another aspect of the country's continuing growth is in the construction sector. Dubai already has the tallest building in the world, while plans have been announced for further major projects throughout the country that, if implemented, will cost several hundred billion US dollars to build. Much of the demand for the new projects is fuelled by the boom in tourism while others are designed to meet burgeoning demand for homes, both from UAE residents and from foreign residents seeking to take advantage of the country's investment-friendly environment.

Naturally, the impact of the global economic depression has had some effect on the construction boom, with signs that rules on tighter credit will lead to a reduction in the more speculative property purchases. Overall, however, the local economy is well-placed to deal with the depression. Local banks were affected late in the year by an outflow of foreign capital, but the government responded rapidly by making a total of 150 billion dirhams (US\$40 billion) available to the banks, to ensure that sufficient liquidity was present in the market. A slow-down in some aspects of the construction and hotel industry is expected to take place over the next year or so, but with its extensive financial reserves as well as the continuing export of oil and gas, even at lower prices, the government is confident that the UAE will be able to avoid the

worst aspects of the global depression. Indeed, the inflow of foreign direct investment into the country showed little signs of declining in the latter part of the year, as overseas investors continued to show their confidence in the fundamental soundness of the local economy, and in its prospects for future growth.

Some of this investment is directed towards both heavy and light industry, as the UAE continues its longstanding policy of seeking to diversify away from dependence on the depletable resources of oil and gas. One new area of activity is in aviation, where new-established companies in both Abu Dhabi and Dubai have formed partnerships with overseas investors to produce hi-tech components for the future generation of airplanes.

The investment does not only go in one direction, of course. Government and private companies have continued during 2008 to invest overseas in industry as widely diversified as oil and gas, property, engineering, baking and pharmaceuticals. In an increasingly global economy, the UAE believes, such a two-way flow of investment is essential if the country is to remain competitive and to maintain its place in the world.

Another way in which that place can be maintained is by ensuring that young Emiratis themselves, both men and women, are provided with the best quality education, equipping them to play their role in the future development of the country and to engage effectively with colleagues overseas. A growing number of internationally-acclaimed educational institutions are now examining the possibility of establishing branches in the Emirates, with France's Sorbonne University having already opened a campus in Abu Dhabi. Local colleges and universities are also being expanded while many UAE students continue to pursue higher education overseas, supported by scholarships from government and from industry.

Engagement with the rest of the world, of course, is not simply a matter of economics and education. The United Arab Emirates has, since its establishment 37 years ago, sought to develop friendly relations with countries around the world. The last year has seen a number of major foreign policy challenges. Among these, one of the most important has been the continuing Middle East conflict, where, sadly, no progress has been made towards a just and lasting settlement for the Palestinians that will, at the same time, guar-

antee the security of Israel. The UAE has continued to support efforts to re-launch the peace process while, at the same time, providing financial support for the Palestinian Authority. In the case of Iraq, a near-neighbour, it has supported the new government in Baghdad, and has provided assistance for the Iraqi economy by writing off over US\$ 7 billion in debts and interest. The UAE has also continued to work with others to fight the threat posed by global terrorism.

Another challenge, involving both the UAE and other countries, has been that of trafficking in human beings. The first UAE national human rights report was issued in November while the government has worked closely with many other countries to stamp out the trade. An associated concern has been the exploitation, in their home countries, of many of the migrant workforce arriving in the Emirates and Memoranda of Understanding have been signed with most of the source countries to introduce a greater degree of regulation to prevent further exploitation.

One way of tackling with issues of this type, of course, is to address their root causes -- poverty, deprivation and ignorance. The UAE has always been an active donor of international development and humanitarian aid, now amounting to over US\$ 70 billion since the state was established. The past year has been no exception. Particular note should be made of the substantial sums donated in humanitarian aid by the country's President, Sheikh Khalifa bin Zayed Al Nahyan, to countries affected by natural disasters, and of the 'Dubai Cares' and 'Noor Dubai' initiatives launched by the Vice President and Prime Minister, Sheikh Mohammed bin Rashid Al Maktoum, the former designed to provide primary education to millions of disadvantaged children throughout Africa and Asia and the latter to help both adults and children in both continents who are suffering from blindness and eye disease.

Looking ahead to 2009, and to another year in the life of the UAE Federation, the country is likely to continue to be affected, like the rest of the world, by the crisis in the global economy, as well as by human conflict and the demands for further progress at a local level. With its firm and effective leadership, however, both the government and the people of the United Arab Emirates are confident that they are well-placed to deal with both the opportunities and the challenges that lie ahead.



UAE Foreign Minister H.H. Sheikh Abdullah Bin Zayed Al Nahyan is seen shaking hands with UN Secretary General Ban Ki Moon

Together... we will fly... fly beyond the horizon...

Heartiest felicitations on UAE national day

RAK CERAMICS RAK Ceramics (Bangladesh) Pvt. Ltd.

Green Planet/RAK Ceramics/08

36 Glorious Years

Heartiest Felicitations

To the People of The United Arab Emirates on the occasion of the National Day for inspirational and exceptional leadership that has paved the path to

36 Glorious Years of unparalleled success



BANK ALFALAH LIMITED

Abu Dhabi Group



WARID TELECOM