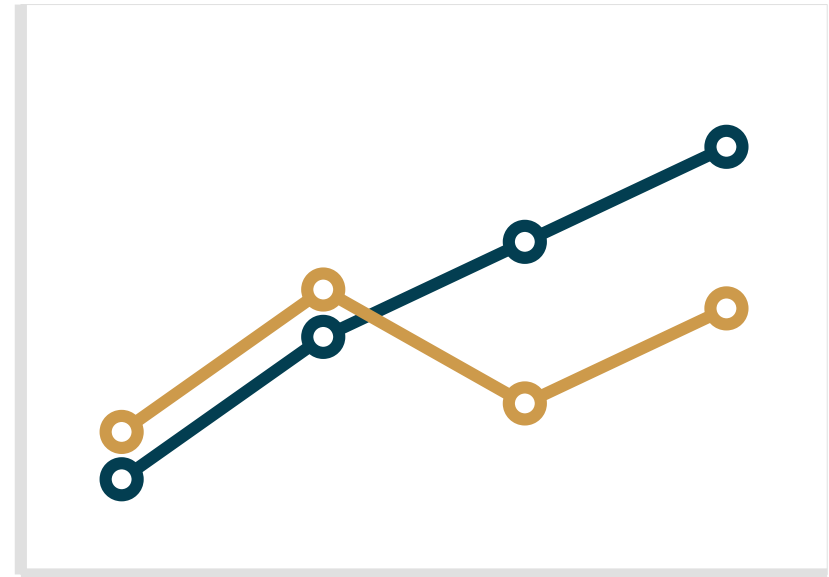


# Investment Brief

## Dubai Sectoral Opportunities



March 2016

**Economic Research Department**  
**Dubai Chamber of Commerce and Industry**



# Outline

## SECTION I: Sectors' Overview

1. Logistics
2. Tourism and Hospitality
3. Energy and Sustainability

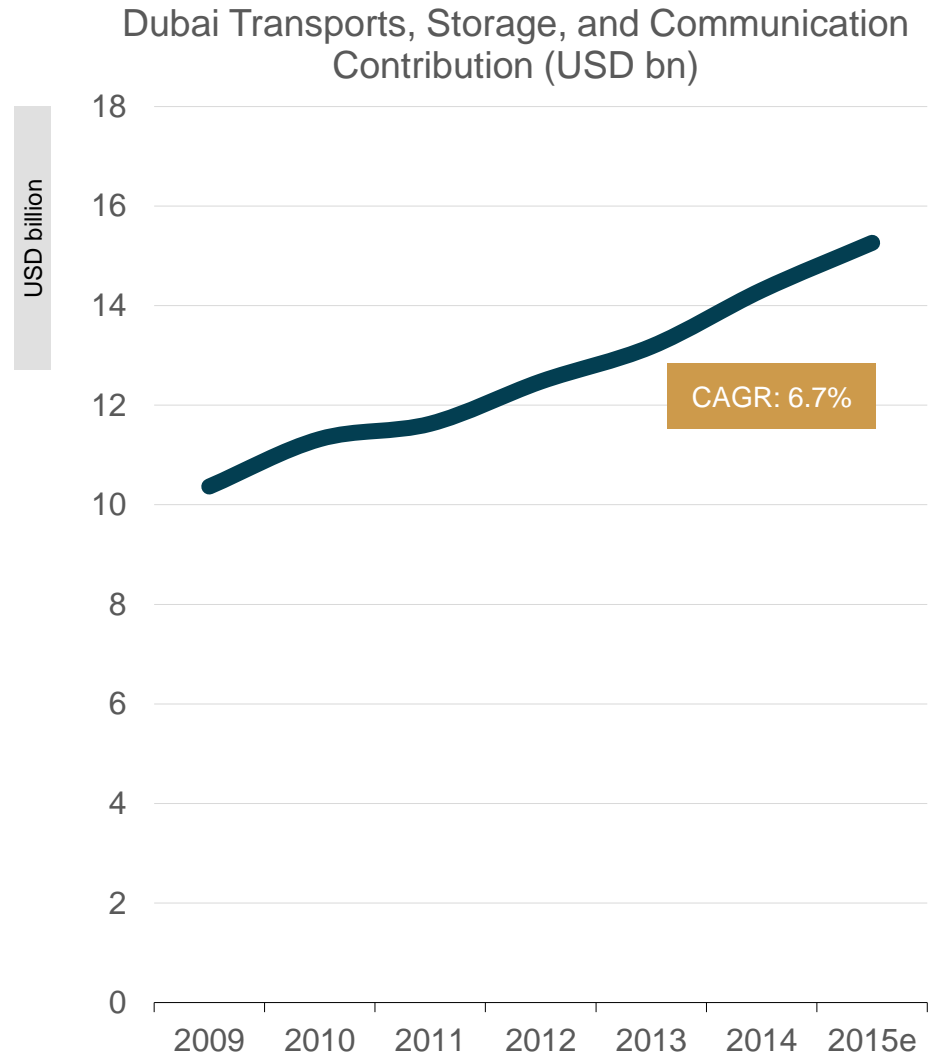
## SECTION II: Sectors' Opportunities

1. Logistics
2. Tourism and Hospitality
3. Energy and Sustainability

## II. Sectors' Overview

### 1. Logistics

- Dubai's logistics sector has been growing at a solid compound annual growth rate (CAGR) of 6.7% over the past 6 years, and has contributed an estimated \$15bn to the economy in 2015.
- Growth is set to continue supported by the following developments:
  - Jebel Ali Port will be connected to the GCC rail network (Etihad rail) by 2018, providing unparalleled reach for Dubai's supply chain industry.
  - Smooth and quick movement of cargo between Jebel Ali Port and Al Maktoum International Airport is made possible through a single customs zone: SEA – AIR Logistics Corridor.



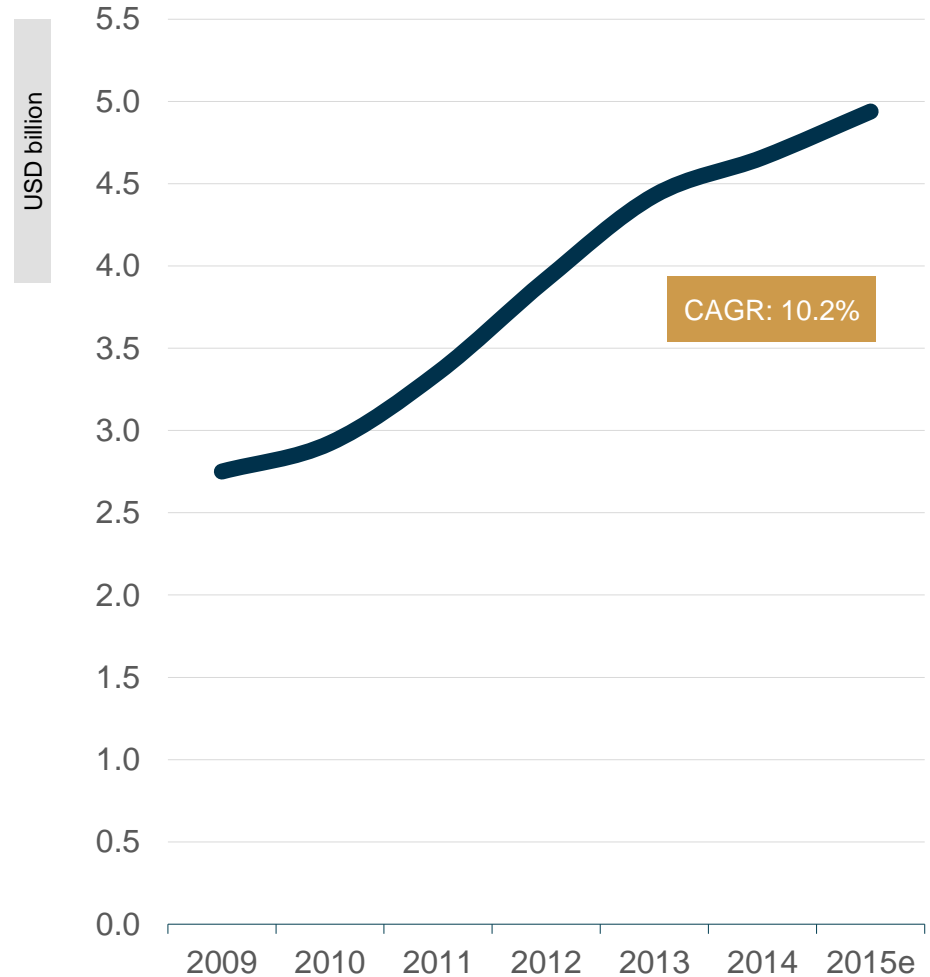
Source: Dubai Chamber, Dubai Statistics Center

## II. Sectors' Overview

### 2. Tourism and Hospitality

- Dubai's restaurants and hotel industry contributed an estimated \$4.9bn to the economy in 2015; after it realized an average growth in value of 10.2% since 2009.
- The sector receives great support from Dubai airport, which has replaced Heathrow as the world's busiest airport. During 2015, 78m international travelers passed through the airport.
- In 2015, hotel establishments in Dubai registered a 7.5% increase in the number of overnight guests to reach 14.2m.
- The recent developments of hotel and retail projects will further fuel the proliferation of food and beverage outlets in the city.

Tourism and Hospitality Contribution (USD bn)



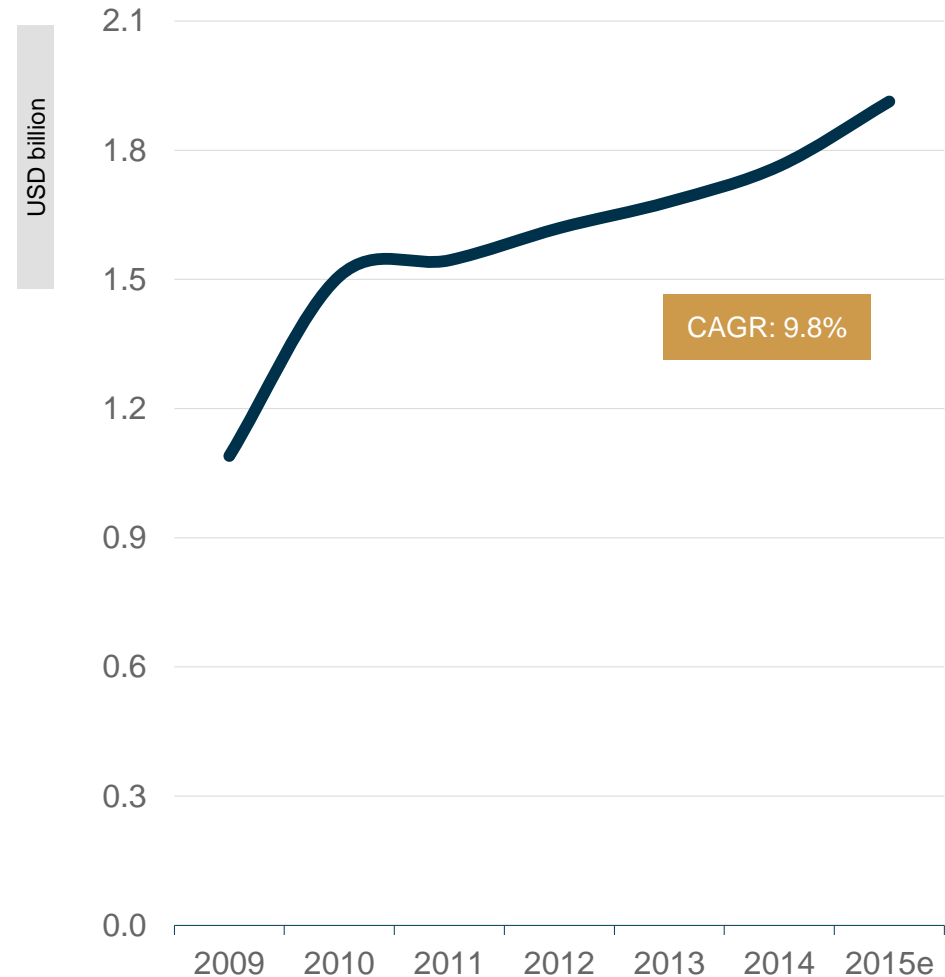
Source: Dubai Chamber, Dubai Statistics Center

## II. Sectors' Overview

### 3. Energy and Sustainability

- The sector enjoyed rapid growth of almost 10% annually in the past 6 years; and has contributed an estimated \$1.9bn to the economy in 2015.
- Dubai's first smart energy initiative "Shams Dubai" was announced in March 2015. This project, which is a collaboration between DEWA and Dubai Airports, will supply Dubai World Central - Al Maktoum International Airport in Jebel Ali with solar energy.
- This smart initiative also supports Dubai Plan 2021 and the Dubai Integrated Energy Strategy 2030.

Electricity, Gas & Water Sector Contribution (USD bn)



Source: Dubai Chamber, Dubai Statistics Center



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## SECTION II: Sectors' Opportunities

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## II. Sectors' Opportunities

### 1. Logistics

- The new SEA – AIR Logistics Corridor links Jebel Ali Port with Al Maktoum International Airport, creating lucrative opportunities in warehousing and freight forwarding.
- Plans for Dubai Wholesale City, the largest wholesale hub in the world have just been announced.
- The \$8 bn project will be located close to Al Maktoum International Airport, and is set to span over 550 million sq ft
- The project aims to increase the country's share of the global wholesale trade, currently worth \$4.3 trillion.

#### SEA – AIR Logistics Corridor

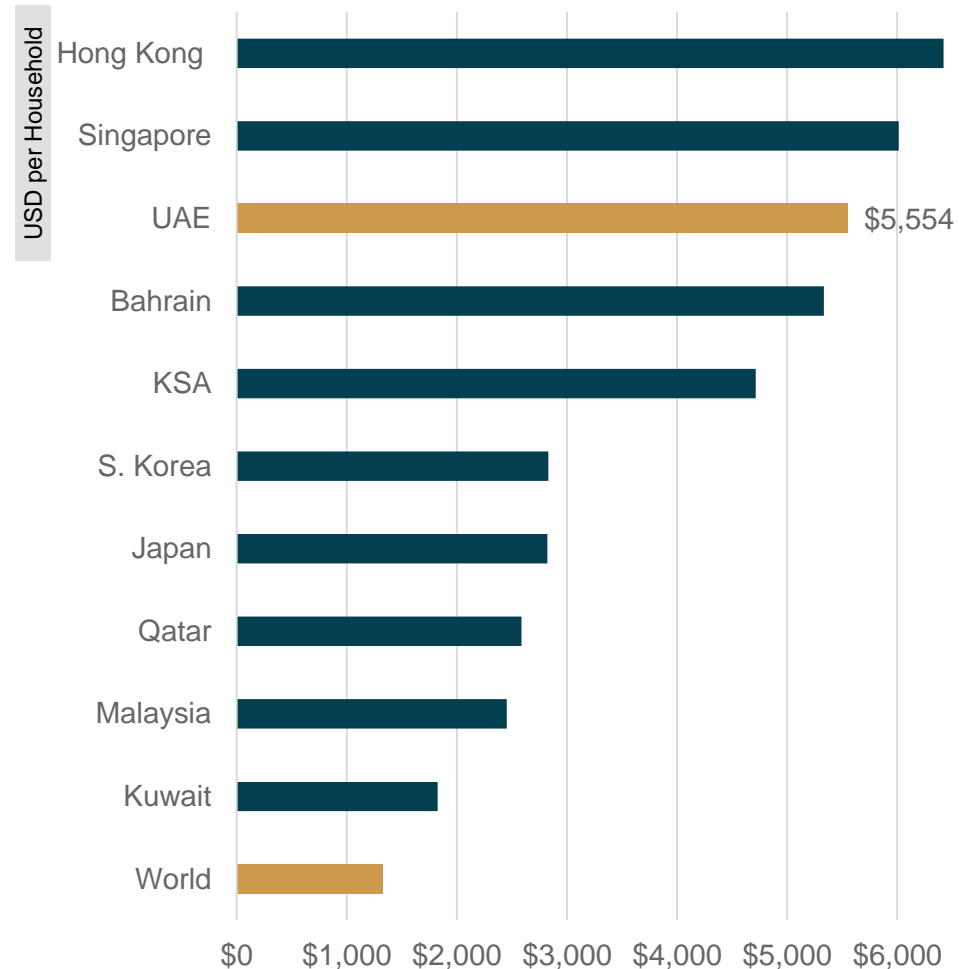


## II. Sectors' Opportunities

### 2. Tourism and Hospitality

- There is strong government support for the tourism sector. Dubai's Vision 2020 policy aims for the emirate to receive 20mn tourists and \$80bn in tourism revenues by 2020.
- The new hotel classification system (introduced late 2014) is boosting confidence in the hotel sector.
- Dubai's preparations to host the 2020 Expo is expected to boost inbound tourism significantly in the next 4 years.
- Consumers in UAE and the GCC region have some of the highest expenditure on the sector.
- Rapid-growth segments include:
  - Medical tourism
  - Cruise tourism
  - Family tourism
  - and theme parks.

World's Expenditure on Hotels and Catering- 2015



Source: Dubai Chamber, Euromonitor

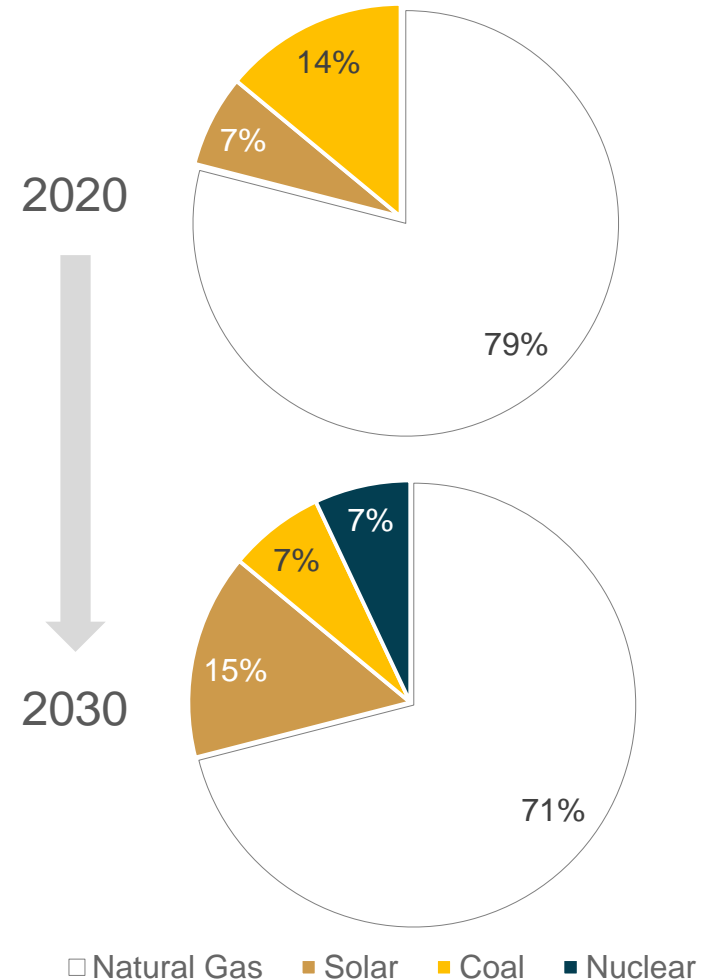


## II. Sectors' Opportunities

### 3. Energy and Sustainability

- Currently, Dubai's relies almost entirely on natural gas in meeting its electricity needs. However, the government is committed to introducing more sustainable energy sources.
- In summary, current and future business opportunities in Dubai's Smart Energy sector include:
  - The procurement and installation of 250,000 smart meters in the coming 3 years.
  - The development of smart mobile applications for efficient energy management.
  - Setting up electrical vehicles' charging stations and their required infrastructure.

Dubai Electricity Generation Feedstock



Source: Dubai Chamber, DEWA



# Conclusion

- Dubai represents a fertile ground for investors to develop their presence in UAE, GCC, MENA and the entire world, supported by the following facts:
  - ✓ Friendly business environment, with Tax free treatment
  - ✓ Costs of trade: among the cheapest in the world.
  - ✓ Proximity: links the 2 booming continents of Asia and Africa
  - ✓ Advanced and large scale infrastructure: ports, airports, roads, and soon rails
  - ✓ 21 different free zones that cover 10 business categories.
  - ✓ Free trade agreements