Economic development and diversification are cornerstones of the Dubai Strategic Plan 2015, a policy document that builds on the emirate’s past successes and charts the course forward for this city, which is already the center of business, trade, tourism and finance in the region.

As demonstrated by its success, Dubai’s most valuable resources are not the limited oil reserves underground, but rather its vision, its entrepreneurial spirit and its welcoming and business-friendly culture.

The Strategic Plan’s economic development goals build on these assets and seek to solidify Dubai’s regional and global position. They are as clear as they are ambitious: double-digit GDP growth, increased per capita income, higher worker productivity and an increasingly highly skilled workforce. Dubai’s strongest sectors will lead this growth: travel and tourism, banking and finance, professional services, transport and logistics, trade industry and construction.
Dubai: Realizing Its Ambition to Be a Global Center of Commerce

Dubai is often defined by the spectacular and superlative buildings and projects that rise out of its desert sands, but what's truly singular about this emirate is the attitude and vision that have nurtured these projects. It's the “can-do,” “anything is possible” way of looking at itself, its people and its possibilities that makes Dubai fertile ground for such ambitious construction.

Such motivation begins at the top with the emirate's leadership – a family legacy embodied today in His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai. Last year, he announced the Dubai Strategic Plan 2015 in a bold effort to sustain and expand on the emirate's tremendous historic growth.

A key component of the strategic plan is its economic development goal, with three main aims: economic growth, enhanced worker productivity and sector development and diversification. Clear performance indicators have been set in all three, including 11% annual growth in real GDP, increasing per capita income to $44,000, increasing worker productivity by 4% a year and raising the share of high-skilled jobs in the economy from 20% to 25% – all between now and 2015.

Achieving the GDP growth target will double Dubai’s GDP to $108 billion in 2015 from $54 billion in 2007, while nearly doubling the current workforce to 1.73 million.

To achieve this, the plan focuses on six sectors: travel and tourism, financial services, professional services, transport and logistic services, trade and storage, and construction. These sectors represent some of the most dynamic and fast-growing elements of the Dubai economy. Examples include: a massive real estate boom that has still not created enough housing to meet residential and office demand; tremendous growth in tourism, which led to an 86% hotel occupancy rate in 2007, the highest in the world; recognition that Dubai already is one of the world’s top 25 international financial centers; and an influx of hundreds of thousands of professionals in fields as diverse as healthcare, media and aviation.

As part of Dubai’s efforts to achieve these goals, a number of massive projects are set to transform the face of the emirate over the next decade. Just a sampling of a few of them conveys the scale and diversity of what’s to come.

The $4.22 billion, 47-mile-long Dubai Metro is one of the most advanced urban rail networks in the world. Dubai World Central, a 54-square-mile city built around what will be the largest airport in the world, will be the only district of its kind to link port, road and air facilities in a single bonded zone. Dubailand, a 107-square-mile family leisure, shopping, recreation, tourism and entertainment destination, is composed of more than 24 mega projects. Business Bay, a 64-million-square-foot office and residential development along an extension of Dubai Creek, is set to be “the region’s business capital.”

Dubai is proud of its welcoming and business-friendly culture, entrepreneurial spirit and absence of red tape. With the help of the Dubai Strategic Plan’s clearly articulated economic development goals, this thriving emirate, and those living and working here, can certainly achieve almost anything.
Dubai’s Aviation Sector: The Backbone of Economic Success

Dubai’s airline and airport facilities are a central part of a policy document called the Dubai Strategic Plan 2015, which seeks to grow the emirate’s GDP by 11% a year in real terms over the next eight years.

The history of civil aviation in Dubai began in 1937 when the city became a stopover for seaplanes on Imperial Airways’ route connecting Karachi and Southampton, England. During that time, two planes landed in Dubai each week. Seven decades later, in 2007, there were 260,530 aircraft movements at Dubai International, with more than 34 million passengers using the airport, a 19% increase in passenger traffic over 2006. This year, more than 40 million passengers are expected to use the airport.

What’s more, by the middle of the next decade, the city’s second airport, Dubai World Central – Al Maktoum International, is scheduled for completion, with a projected passenger capacity of 120 million and cargo capacity of 12 million tons.

The history of Dubai civil aviation highlights two defining traits of Dubai and its leaders: Dubai has always served to link different parts of the world and succeeded at leveraging its location to its maximum benefit. Just as Dubai was an ideal stopping point on international routes in the 1930s, so too today it is ideally located – given the enormous range of today’s superjumbo jets – to link just about any two cities on the globe.

The combination of Emirates, one of the world’s fastest-growing international carriers, and Dubai Airports, the company running Dubai International – the fastest-growing airport in the world – is driving Dubai’s aviation sector into global record books. This is just what Dubai intends, according to His Highness Sheikh Ahmed bin Saeed Al Maktoum, President of Dubai Civil Aviation Authority and Chairman of Dubai Airports. “Our plans for the aviation sector in Dubai are as ambitious as they are realistic,” he says. “We are building the future of world aviation in Dubai today, and we will continue to rewrite the history of aviation chapter and verse.”

Steps taken in this direction over the past 12 months have included successfully overseeing the restructuring of the former Dubai Department of Civil Aviation into the corporate entity Dubai Airports, the large increase in passenger and cargo traffic, and construction completed on the new $4.5 billion Terminal 3 at Dubai International, the first runway and first of the cargo and passenger terminals at Dubai World Central – Al Maktoum International. “Both Emirates and Dubai Airports had a good year in terms of growth in passenger numbers, expansion of network and addition of new destinations,” says Sheikh Ahmed.

Sheikh Ahmed lists a number of goals for the next 12 months, including passenger growth of at least 15%. The opening of the new terminal later this year and the transition of all Emirates operations to the new facility “without any hitch” is “top-most of our priorities,” he says.

But, he emphasizes, it’s the customer focus at Dubai International that’s most important. “We want to give customers an experience that is unparalleled and unmatched by any airport in the world,” he says.

This sense of urgency to grow Emirates and Dubai Airports is not just for bragging rights, Sheikh Ahmed explains. Rather, it is central to Dubai’s long-term strategy to become a leading global business, trade and tourism hub.

“By enhancing the competitiveness of the economy with efficient transportation services, [the transportation] sector influences business location and expansion decisions, helps attract foreign investment… and integrates local companies with the global business community,” Sheikh Ahmed says.

Dubai’s airline and airport facilities are a central part of a policy document called the Dubai Strategic Plan 2015, which seeks to grow the emirate’s GDP by 11% a year in real terms over the next eight years. The plan, guided by the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, also aims to increase worker productivity and the share of highly skilled labor in the workforce.

Travel, tourism, trade and hospitality are some of the sectors identified as key drivers of this growth. “Sustaining current growth levels in these sectors is directly linked to the aviation sector and infrastructure,” says Sheikh Ahmed. “Growth in those sectors has to be matched by a corresponding expansion in the aviation infrastructure capacity, and that is precisely why we have been expanding our aviation facilities over the past few years.”

From this perspective, “Dubai International and Emirates represent the backbone of Dubai’s new economy and will play a vital role in achieving the objectives as outlined in the Dubai Strategic Plan 2015,” concludes Sheikh Ahmed.

His Highness Sheikh Ahmed bin Saeed Al Maktoum is President of the Dubai Civil Aviation Authority, Chairman of Dubai Airports and Chairman and Chief Executive Officer of Emirates Airline and Group, Deputy Chairman of the Dubai Executive Council, Chairman of DNATA, Chairman of the Dubai Airport Free Zone Authority and Chairman of Dubai Aerospace Enterprise.

Dubai Airports • www.dubaiairport.com
Dubai Airports: Redefining Passenger Comfort and Convenience

The new Terminal 3 and its airside facility, major parts of Dubai International’s $4.5 billion expansion, are set to open in the last quarter of 2008.

Dubai Airports Chief Executive Officer Paul Griffiths walks into his office, still holding a briefcase and jacket, and invites a reporter to begin an interview. He has no need to gather his thoughts, take a drink of water, or even sit down – he’s ready to answer questions.

“It’s no wonder: Based on Griffiths’ resume and current responsibilities, he clearly knows how to multitask. He also has experience taking on assignments in midstream, having come aboard as Dubai Airports’ CEO just as a major part of the $4.5 billion Dubai International expansion project was nearing completion and construction was beginning on what ultimately will be the largest airport in the world. Dubai World Central – Al Maktoum International, situated at the edge of the city and near its major container port, will dwarf the city-center-located Dubai International in both passenger throughput and cargo capacity, even after Dubai International’s expansion is complete.

According to Griffiths, Dubai Airports is looking to remake the airport experience for travelers. “We’ve thrown away the book on traditional airport design and started again, designing from the customer on up,” he says. “We want to increase passenger convenience. Dubai World Central – Al Maktoum International will be the largest in the world, but it will feel comfortable and small.”

While details are not yet worked out, the idea is that passengers will no longer be funneled into massive terminals, with all the parking, security, check-in, passport control and other bottlenecks that this generates. Instead, there will be multiple entry and exit points for concourses and gates.

Dubai Airports is working with the emirate’s Roads and Transport Authority to develop road and rail networks that will be integrated into this design mandate. For example, there are plans for off-site luggage check-in at certain light-rail stations.

The new Terminal 3 and its airside facility, major parts of Dubai International’s 4.5 billion expansion, are set to open in the last quarter of 2008. Combined with the under construction A380-dedicated facility – designed primarily to handle Emirates Airline’s large planned fleet of Airbus A380 superjumbo jets – the expansion will more than double the airport’s capacity to over 60 million passengers annually.

Meanwhile, the $10 billion Dubai World Central – Al Maktoum International will begin operations next year with general aviation and cargo, followed by the opening of a 7 million terminal, set to be the region’s first dedicated low-cost-carrier terminal. The Dubai government has announced plans to launch a low-cost carrier by next year, while low-cost carrier Jazeera Airways of Kuwait already operates a hub at Dubai International.

Dubai World Central – Al Maktoum International will form the nucleus of a US$30 billion massive new aviation, logistics, residential, commercial and leisure development, 25 miles from the city center. Although it is owned by the Dubai Government, by April 2009 Dubai Airports will have completed its transition to being a separate, self-financed corporate entity like its sister company, Emirates. “It’s good discipline,” Griffiths says, noting that this restructuring also will enable Dubai Airports to access regional and global debt capital markets. There are no plans, however, to sell an equity stake in the company, he says.

His Highness Sheikh Ahmed bin Saeed Al Maktoum will remain Chairman of Dubai Airports as a sign of the airports’ significance to the government’s greater development goals. He is also the Chairman and CEO of Emirates Airline and Group and President of the Dubai Civil Aviation Authority.

In fact, the airports will contribute significantly to the success of the strategy document called the Dubai Strategic Plan 2015, which sets ambitious economic targets, including 11% annual growth in real GDP. It seeks to do this in part by focusing on a handful of strategic sectors, including travel and tourism.

Growth in other cities and countries has often been hampered by airports that are too small to handle growing passenger and cargo traffic, Griffiths notes. The expansion of Dubai International and the development of Dubai World Central – Al Maktoum International should ensure that this never happens in Dubai.

And Dubai has good reason to worry about capacity. In 2007, the airport was the world’s fastest growing in terms of international passenger throughput, which was up nearly 20% from a year earlier to more than 34 million passengers. It has maintained an average annual growth rate of more than 15% over the past six years.

Moreover, Dubai is looking to double the number of people visiting the emirate to 15 million by 2015 and expects its open-skies policy, popular duty-free shopping and excellent transit experience to continue to attract new carriers and routes. In fact, at current growth rates, Dubai International will exceed its capacity before 2015. Luckily, Dubai World Central – Al Maktoum International will be just down the road.
DTCM: Promoting Dubai to Businesses and Tourists Across the World

As part of the Strategic Plan, Dubai will double its number of visitors from just over 7 million in 2007 to 15 million in 2015. As a tourism destination and business hub, Dubai has proven itself to be an unqualified success. The city is well known across the globe: It has the highest hotel occupancy rates in the world, more than 200 nationalities work in the city, and international companies are flocking to Dubai to set up shop.

This kind of achievement usually would be explained through a complex matrix of factors. But for Khalid A. Bin Sulayem, Director General of the Department of Tourism and Commerce Marketing (DTCM), Dubai’s success boils down to three simple factors.

The first is the continuous enhancement of the Dubai business and tourism product; second is the effective marketing of the emirate; and third is the decision to ease procedures for getting a visa to come to Dubai.

As the government organization responsible for promoting the city to the world, the DTCM is at the nexus between what Dubai promises and what it delivers. From Bin Sulayem’s perspective, Dubai has kept its promise, as seen by the 86% hotel occupancy rate in 2007 – the highest in the world, despite the steadily rising cost of hotel rooms. “Business is booming for us,” Bin Sulayem says.

Not only are hotels full, but both residential and commercial real estate prices are also rising sharply, largely because so many people and businesses are moving to the city. The current transportation network is not big enough to cater to a city experiencing double-digit population growth year after year.

All of this is being addressed, says Bin Sulayem, who has headed the DTCM for nearly two decades. “There are big plans to enhance the product and the infrastructure. We are working with other entities in Dubai to coordinate this.”

For example, total hotel rooms are set to triple to 141,000 by 2015. By the end of 2008, Bin Sulayem says, the city will add about 4,000 to the current stock of 47,000 hotel rooms.

As many of the largest commercial and residential developments come on to the market over the next five to ten years, these existing bottlenecks should ease, while the city’s transport network will get a big boost from an ambitious automated metro system that will begin linking all parts of the city starting in 2009.

Millions of dollars have also been put into expanding the bus fleet and introducing air-conditioned bus stops. In addition, further developments in the city’s road network are expected to ease traffic flow.

All of this focus on improving the infrastructure reflects Bin Sulayem’s assertion that Dubai is constantly looking to improve all aspects of its “product.”

Bin Sulayem says this as he reiterates one of his main points: Dubai is different because it offers a high level of service across all elements of the living, working, playing or vacationing experience.

That’s the reason for the multibillion-dollar investment in transportation infrastructure and coordination with the private sector to ensure the city has the office, retail and residential stock it needs to grow.

In fact, through the policy document called the Dubai Strategic Plan 2015, the government has set an ambitious goal of 11% annual real GDP growth over the next seven years.

As outlined by the Dubai Strategic Plan, tourism is one of the key drivers of this growth since, as Bin Sulayem notes, tourism’s direct contribution to the Dubai economy is about 20% and its indirect contribution is 30%.

As part of the Strategic Plan, Dubai will double its number of visitors from just over 7 million in 2007 to 15 million in 2015.

The DTCM will use all its marketing tools, including exhibitions, road shows, media relations, advertising, workshops and its growing list of overseas promotion offices. The organization is about to open an office in Brazil, its first in Latin America and its 16th globally. Soon to follow are three more offices in Mainland China.

So, as DTCM goes around the world selling Dubai, what is its core message?

“We are proud of how safe a city and how accepting of others Dubai is,” Bin Sulayem says. “People are friendly, the crime rate is low. That’s one selling point. Another is the level of service we have here, and also the value Dubai offers.”

Khalid A. Bin Sulayem, Director General of the Department of Tourism and Commerce Marketing in Dubai, oversees 15 representative offices worldwide. Bin Sulayem joined the Dubai Commerce and Tourism Promotion Board upon its establishment in 1989 and was the Director of the Board before becoming its CEO in 1993. In 1997, Bin Sulayem was appointed Director General. Bin Sulayem is a member of the following Dubai organizations and institutions: Quality Award, Executive Council, Dubai Council for Economic Affairs, DSF/DSS, Economy and Trade Committee, Skal, Rashid Paediatric Center, SITE, Total Quality Management College and GCC Tourism Committee/Ministry of Culture, UAE.
Dubai Chamber: Building Businesses in the Region’s Can-Do Capital

The Dubai Chamber rebranding was designed not only to address the changing nature of business in Dubai, but also to support the Strategic Plan.

No institution in Dubai so perfectly encapsulates the ongoing evolution of this regional business, tourism and financial services hub as the Dubai Chamber. Established in 1965, the Dubai Chamber has traditionally served the interests of the city’s legendary trading community. And while it’s true that even today two-thirds of its members are traders, like the rest of Dubai, the Dubai Chamber is changing.

The organization’s new corporate identity, launched late last year, reflects a deeper strategic shift that seeks to address the changing makeup of the Dubai business community.

“The Dubai Chamber used to focus mainly on the traditional economy, but with the new brand, we are looking at new economy [sectors] as well,” says His Excellency Hamad Mubarak Buamim, the Dubai Chamber’s Director General.

Dubai began as a trading port along the Dubai Creek, a dredged inlet and remnant of an ancient river that once flowed into the Gulf. For centuries, traditional wooden boats called dhows have plied the waters of the Gulf, Arabian Sea and Indian Ocean to East Africa and the Indian Subcontinent. Hundreds of these dhows still line the wharfs along the creek and continue this commerce today.

In fact, trade remains a cornerstone of the Dubai economy, though now it’s through the container ships docking at the massive Jebel Ali and smaller Sheikh Rashid ports, as well as cargo planes landing at the Dubai International Airport.

As Dubai has diversified its economy and lessened its reliance on its dwindling reserves of oil, new sectors have sprung up, helping to grow the emirate’s economy These include real estate, construction, tourism, finance, banking, media, sales and marketing, IT and health care.

The rebranding is part of how the Dubai Chamber is managing the difficult balance of serving its existing members (the majority of whom are small- and medium-sized businesses) and their traditional sectors, while also reaching out to and meeting the needs of the many new and expanding sectors in Dubai.

“We are looking at new types of services for new-economy sectors,” Buamim says. “We are putting in place a lot of value-added services to cater to these new sectors, especially information provision and research.”

To reach this audience, the Dubai Chamber has opened a state-of-the-art branch at the Jebel Ali Free Zone, which is adjacent to the port and not far from Dubai’s media and IT free zones.

Many of these new sectors play a prominent role in the Dubai Strategic Plan 2015. This plan sets a number of goals, including economic growth of 11% a year in real terms, increasing per capita income to $44,000, increasing worker productivity by 4% a year and raising the share of highly skilled jobs in the economy from 20% to 25% – all between now and 2015.

The sectors of travel and tourism, financial services, professional services, transport and logistics services, trade and storage, and construction and real estate are identified as key building blocks for achieving these goals.

These sectors represent both the traditional sector powerhouses of Dubai, such as trade and transport, and the new ones, such as financial and professional services.

The Dubai Chamber rebranding was designed not only to address the changing nature of business in Dubai, but also to support the Strategic Plan. Under its new identity, the Dubai Chamber has a mission to “represent, support and protect the interests of the business community in Dubai,” Buamim says.

More specifically, he continues, the Dubai Chamber seeks to “create a favorable business environment, support the development of Dubai businesses and promote Dubai as an international business hub.”

In order to achieve these goals, the Dubai Chamber conducted a study of chambers across the globe and identified best practices across a range of chamber activities. It then benchmarked each one of its activities against the best services offered by chambers from Paris to Hong Kong and beyond.

In addition to familiar chamber activities, such as issuing certificates of origin and attestation, the Dubai Chamber has initiated a range of what Buamim calls “value-added” services, which contribute to the competitiveness of Dubai businesses and improve the emirate’s business environment. The Dubai Chamber has also established 20 business groups representing the full range of sectors in the emirate and 31 country-specific business councils representing Dubai-based foreign companies.

Creating a Favorable Business Environment

As part of its goal to create a favorable business environment, the Dubai Chamber operates a number of initiatives, including the Dubai International Arbitration Center, an autonomous, not-for-profit institution that provides independent, world-class arbitration as an alternative to courts for local, regional and international businesses with activities in Dubai. Originally launched in 1994, the center was established as an independent entity in 2003 and now has an international board of trustees from 11 countries.

Last year, the center handled 77 cases with $2 billion in claims.
Dubai Chamber organization is its Center for Responsible Business. It delivers training and conducts research on best practices both internationally and locally. It also offers consultancy on corporate social responsibility and conducts seminars on the topic, including sessions to address specific industry issues. A recent session focusing on real estate and construction looked at the pressing issues of labor practices, green buildings and environmentally conscious construction.

The Dubai Chamber has also shown itself to be a strong and independent voice supporting its members’ interests and advocating for them in the development of policies, laws and regulations.

Supporting the Growth of Dubai Businesses

The Dubai Chamber has a variety of programs and activities designed to support the growth of Dubai businesses, including the Mohammed Bin Rashid Al Maktoum Business Award, a business excellence awards program. What makes it particularly useful, Buamim says, is that winning companies agree to share their best practices with the rest of the community. So rather than offer theoretical best practices borrowed from Europe, the Dubai Chamber is able to show its members “the way best practices [are implemented] in Dubai and the UAE,” he says.

The Dubai Chamber also seeks to be a source of information on global trends, international standards and competitive practices. It does this through business improvement services such as executive training programs, corporate governance programs, and consultancy services in areas such as business start-up, human resource management, IT systems and marketing.

By supporting Dubai businesses, the Dubai Chamber also recognizes the importance of providing a variety of survey research and analysis. This is a service the chamber is expanding to meet the needs of the growing presence of knowledge economy service industries in Dubai. This expansion includes enhancing the Dubai Chamber’s Web site to provide easy access to the vast research data being developed.

The Dubai Chamber also has partnered with Compagnie Francaise d’Assurance pour le Commerce Exteriors (COFACE) to provide a credit rating service that facilitates increased international business and deal making. It does this by increasing the transparency and credibility of local firms that can join the COFACE alliance, which provides access to 85,000 clients in 52 countries.

Promoting Dubai as an International Business Hub

With the goal of promoting Dubai, the Dubai Chamber travels abroad and receives visiting trade delegations (it received more than 170 in 2007). Its Department of Trade and Business Development organizes and participates in major international trade fairs and economic forums, sometimes in cooperation with other Dubai organizations such as Dubai Customs and the various free zones.

It also runs the Dubai Trade Point (DTP) Web site, which is designed to facilitate international trade by helping local companies identify business and investment opportunities overseas. As a member of the World Trade Point Federation, DTP links Dubai Chamber members (particularly its small- and medium-sized companies) with 140 trade points in 92 countries, providing tremendous opportunities that would be almost impossible for these companies to identify in any other way.

Like many in Dubai and the Gulf region, he is optimistic about prospects for the local and regional economies, despite recent downturns in the United States and Europe. High oil revenue is still boosting regional economic activity, while Dubai’s Asian business and trading partners, including India and China, have been affected only minimally by the U.S. slowdown and the rising cost of oil, and so are projected to still record relatively strong GDP growth.

As for Dubai in particular, the target of 11% real GDP growth in each of the next eight years provides tremendous encouragement for businesses operating in the emirate, Buamim says.

Dubai’s great success can be attributed to its absence of red tape, liberal investment environment and world-class services and logistics infrastructure. But more importantly, Buamim says foreign businesses should seek out Dubai for “the visionary leadership and the Dubai brand, and the ‘everything is possible,’” can-do” attitude and ambition found here.

His Excellency Hamad Mubarak Buamim became Director General of the Dubai Chamber in 2006, after serving two years as Secretary General of the Dubai Economic Council. Prior to that he was a Senior Commercial Manager, in Corporate Banking, for HSBC Bank Middle East. Buamim is on the boards of Emirates NBD and Union Properties, and is a member of the Economy & Trade Committee of the Executive Council for the Government of Dubai. He earned a B.Sc. in Electrical Engineering (magna cum laude), from the University of Southern California, Los Angeles, and an M.B.A. (Honors) from the University of Missouri-Kansas City.

Dubai Chamber • www.dubaichamber.ae
DWTC: Making Dubai “A Place Where Business Begins”

In all, DWTC will have 10,000 hotel rooms by 2015, about 10% of the 100,000 total room capacity projected to be available in Dubai by that time. The city had just over 51,000 hotel rooms in 2007, with occupancy rates averaging 85% year round.

In Dubai today, the largest covered exhibition space is the 700,000-square-foot Dubai International Convention and Exhibition Centre (DICEC). So when Dubai World Trade Centre (DWTC), which owns DICEC, says it’s building a new exhibition complex with 3.2 million square feet of covered space, at first blush it seems a daunting task.

But Helal Saeed Almarri, Director General of the DWTC, says his organization’s current show bookings will fill the entire 1.3-million-square-foot first-phase capacity of the new hall, which is set to open in September 2010. Asked when any Middle East convention or exhibition could grow to fill the venue when it reaches full size, Almarri makes clear the full ambitions of the company.

“Our strategic vision is to make Dubai the world’s leading destination for all major exhibitions, conferences and events,” he says. “We already are benchmarking ourselves against the performance of global industry leaders in Europe, Asia and America.”

In the most recent report by UFI, the global association of the exhibition industry, there are only three exhibition spaces in the world – all in Europe – that are larger than the planned DWTC venue. Striving for superlatives in size – and in customer service – is nothing new for Almarri. From the day it opened its doors in 1979, DICEC has been, and remains, the largest, best equipped and best run event space in the entire Middle East and North Africa region.

In order to become a leading player in the global MICE (meetings, incentives, conferences and exhibitions) industry, DWTC – which began as a single 37-story office tower with adjacent conference halls – has embarked on a $15 billion development plan that includes two unique commercial destinations in the city. One will be located at the edge of the city, adjacent to a massive new international airport that is now under construction. The other will be in the heart of Dubai’s financial and business district.

The first, with the working title Dubai Exhibition City (DEC), will be a 2.7-square-mile, self-sufficient destination with the 3.2-million-square-foot Dubai Exhibition World (DEW) as the centerpiece. The largest hall in the venue will offer 915,000 square feet of covered exhibition space and, at more than half a mile long, will be the longest column-free exhibition hall in the world. DEW will be “one of the top five exhibition centers worldwide in terms of capacity, scale and scope of service offerings,” Almarri says.

However, he doesn’t want to leave the impression that the size of the exhibition city is all that matters. DEC will be “a one-of-a-kind destination,” he notes, by delivering a “world-class experience around events to the global business tourist.”

DEC will also have transportation, logistics and warehousing infrastructure as well as an array of commercial spaces, cost-effective office park facilities, retail outlets, hotel accommodations and residential facilities. It will be located away from the city center adjacent to the new Al Maktoum International Airport in Jebel Ali, which will be able to accommodate 120 million passengers per year at full capacity.

The DEC district will cater to the world’s largest and most significant exhibitions. By contrast, the commercial business destination, called Dubai Trade Centre District (DTCD), will offer a blend of sophisticated business with upscale lifestyle and is designed to host the most prestigious global conventions.

Encompassing the current exhibition center and surrounding areas in the heart of Dubai’s business district, DTCD will feature five-plus-star hotels, concierge apartments and towers; a state-of-the-art convention center; office and commercial towers; and a wide range of boutique retail outlets. These will all be interspersed with open terraces and promenades to create “a vibrant international business district like those found in cities such as London, Tokyo and New York,” Almarri explains. Luxury hotel operators Amanresorts and GHM, and top-notch business tourism operators including Accor, have been appointed to manage the district’s high-end hotels.

In all, DWTC will have 10,000 hotel rooms by 2015, about 10% of the 100,000 total room capacity projected to be available in Dubai by that time. The city had just over 51,000 hotel rooms in 2007, with occupancy rates averaging 85% year round.

Guided by the ambitious Dubai Strategic Plan 2015, as laid out by His Highness Sheikh Mohammed bin Rashid Al Maktoum – UAE Vice President, Prime Minister and Ruler of Dubai – the emirate is looking to grow its GDP by 11% a year over the next eight years. Part of that will be driven by tourism and hospitality, with the convention and exhibition industry playing a major role in driving business tourism numbers.

Under this plan, Dubai seeks to more than double its number of visitors, from 7 million in 2007 to 15 million in 2015. It already has a strong track record of double-digit growth, having had just 5.4 million visitors as recently as 2004.

Aside from the direct contribution to these goals through the development of its two exhibition districts, DWTC is also supporting the strategic plan by helping to grow Dubai as a global MICE destination and by bringing in new trade shows focused on high-priority industries such as travel and tourism, manufacturing, pharmaceuticals, aerospace and financial services.

DWTC is owned by the Investment Corporation of Dubai (the investment arm of the government of Dubai) and is using a range of
Heal Almarri is the Director General of the Middle East region’s leading exhibitions and conference group, the Dubai World Trade Centre (DWTC). He is also on the board of the Dubai Chamber of Commerce, ARAMEX and Depa United Group and serves as the Chairman of Emirates Investment Services. He holds an M.B.A. from the London Business School and is a qualified Chartered Accountant from the Institute of Chartered Accountants in England and Wales.

Dubai World Trade Centre • www.dwtc.com
Dubai Properties Group: Building Communities With Vision

Some of the group’s most high-profile projects include the completed Jumeirah Beach Residence, a sprawling one-mile-long development with dozens of high-rise residential and hotel towers on the Gulf, and Business Bay, an integrated business and residential district covering an area of 64 million square feet along an extension of the Dubai Creek.

When walking into the offices of Dubai Properties Group (DPG), visitors notice two things immediately. First, the interior makes extensive use of natural textures and materials, including hewn stone, marble, wood, sand and seashells. Second, there is no lobby. Instead, the reception desk is located at one end of an enormous open-plan area with glass-walled offices and large common spaces that accommodate seating and scale models of some of the group’s projects.

Together, these two elements create a community feel that’s both comfortable and aesthetically pleasing to staff and visitors. The interior design captures the essence of the group, whose focus is people and communities. DPG’s advertising line is “built around you.”

“The company’s inspiration comes from knowing that we are working to improve the lives of people living in our communities and enriching the local economy,” says Executive Chairman Hashim Al Dabal.

This focus is not only on those living and working in the group’s developments, but also on its employees. “People working at DPG are very passionate about their work,” Al Dabal says. “We are determined to work as a team to bring more visionary projects to life.”

The company’s Group Chief Executive Officer, Mohamed Binbrek, puts it this way: “Our driving ethos has been about what we are doing to enhance the urban landscape of Dubai, what we are doing to make life nicer and better for people in Dubai.”

Launched in 2004, Dubai Properties is the third of three government- or quasi-government-owned master real estate developers operating in the emirate. Emaar – a publicly traded but government-controlled company – is known for building Burj Dubai, the world’s tallest tower, while Nakheel – a part of the government-owned Dubai World – catches headlines for its three artificial palm-shaped islands built in the shallow waters of the Gulf.

“Size has never been a dimension we’ve looked to,” Binbrek says. Instead, he says the developer has focused on the “people” dimension. By way of example, Binbrek points out that Dubai Properties was the first master developer in Dubai to focus on community. Speaking of Jumeirah Beach Residence, Dubai Properties’ inaugural development, he says, “It was the very first fully integrated community concept that brought together residential, retail and leisure components “to meet [residents’] day-to-day requirements.” Because it was built in a single phase, the development reinforced a sense of community. All components of a community – housing, public spaces, shops, service and leisure facilities – were present from the moment the buildings were occupied, he says.

Jumeirah Beach Residence was also unique because it was the first freehold development not designed for the luxury end of the market. “We came in with a proposition to expand the base [of freehold property ownership in Dubai], enabling the average white-collar person to enter the real estate business… we actually broke the mold,” Binbrek says. “It was the first time there was a development in the market that the average person could aspire to as an investor or property owner.”

Since then, Dubai Properties has grown its portfolio of properties – including those that have been completed, are still under construction or have been announced – to more than $136 billion. Its stated goal is to increase the value of this portfolio to $191 billion in three years’ time. So far, all its activity has been in the emirate of Dubai.

Some of the group’s highest-profile projects include the completed Jumeirah Beach Residence, a sprawling one-mile-long development with dozens of high-rise residential and hotel towers on the Gulf, and Business Bay, an integrated business and residential district covering an area of 64 million square feet along an extension of the Dubai Creek.

The latest project to be announced is the Mohammed Bin Rashid Gardens, a 32-square-mile, low-density, mixed-use development that is unique because more than 83% of its total land area will be used for gardens, public parks and waterways, leaving just 17% for built-up areas. Because it is designed to be a sustainable community in line with the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the trees, plants and other foliage will either be native to desert climates or low-water-consuming. In addition, the community will use recycled “gray” water and all buildings will adhere to the highest standards of energy efficiency and conservation.
“The Gardens” will be divided into four districts with nature, culture, commerce and education themes. It will be home to schools, residences, offices, a museum, a festival hall and the Mohammed Bin Rashid Al Maktoum Foundation, a non-profit organization funded by Sheikh Mohammed’s personal endowment of $10 billion, which is dedicated to the development of a knowledge-based society in the region.

“The Gardens is going to elevate Dubai as one of the new leading cities of the world, competing with, if not surpassing, some of the leading big cities globally in terms of urban development,” Binbrek says.

Dubai Strategic Plan 2015
The newly formed Dubai Properties Group operates in line with the Dubai Strategic Plan 2015 and Sheikh Mohammed’s vision for the city’s development as a global business, trade and tourism center. The strategic plan sets a goal of increasing real GDP in the emirate by 11% a year for the next eight years to reach an annual GDP of $108 billion by 2015. Six sectors have been identified as key drivers of this growth, including construction.

“In accordance with the vision of His Highness Sheikh Mohammed, Dubai Properties Group is determined to develop Dubai and the UAE as a global commercial and business center,” Al Dabal says. The group pursues projects “that add value to customers and contribute to the growth of Dubai,” he adds.

Given the massive size of its portfolio, the company will certainly be supporting the construction industry.

In addition, its massive residential developments, including Jumeirah Beach Residence and the Business Bay project, are contributing substantially to easing the current housing and office supply shortage that must be addressed in order to achieve the emirate’s ambitious growth targets. DPG describes Business Bay as “the region’s new business capital” and part of the emirate’s push to extend the international role of the UAE, thereby contributing to the strategic plan.

Restructuring
Dubai Properties Group only came into existence in March 2008, when the various divisions of Dubai Properties were reorganized as six distinct business units and DPG was created as the holding company. The six subsidiaries are: Dubai Properties, the master real estate developer for customer service, sales and marketing interface; Salwan for property management services; Injaz for the development of fully sustainable communities; Dubai Retail as the retail services company; Dubai Asset Management as the facilities management provider and community security services; and Dubai Hospitality, as the hospitality field company.

Al Dabal says the restructuring will open “a new chapter to capitalize on the group’s phenomenal three-year success and to continue its growth regionally and internationally.”

Binbrek adds that each business unit is now responsible for its own management systems, strategic planning and business results in a system that will increase efficiency, control costs and lead to the development of value-added services.

As a result of the restructuring, Binbrek says, each unit will have to bid for jobs against outside suppliers and, when appropriate, provide services to the other business units within the group. “The creation of an open market is the ideal scenario for companies to come up the curve,” he says.

In addition, DPG’s companies have “gained enough experience and know-how” to sell their services to outside clients, he adds.

From a human resource management point of view, the restructuring increases opportunities for professional advancement within the group, which will help retain staff in the very competitive Dubai real estate market. It will also allow the holding company to focus on strategic development and new business opportunities. “Now it will be free to think out of the box, to come up with new creative ideas,” Binbrek says.

DPG is owned by Dubai Holding, a massive business conglomerate owned by Sheikh Mohammed. Since its founding in 2004, Dubai Properties has been entirely self-financed, Binbrek says. Despite its goal of growing its total projects’ value to $191 billion, it doesn’t anticipate the need for outside equity or debt financing through IPOs, joint ventures, bank loans or bond issues.

Major Projects
The freehold Business Bay project covers an area of 64 million square feet and will feature office and residential towers set along an artificial extension of the Dubai Creek with networks of roads, pathways and canals. It will be home to the emirate’s stock exchange and the Dubai Financial Market and will combine office, retail, dining and residential components in order to match the 24-hour liveliness of Manhattan or Tokyo’s Ginza district.

Within Business Bay, DPG is developing the 11-building, 8.7-million-square-foot Executive Towers complex. Comprised of nine residential towers, an office tower, the five-star Business Bay Hotel and an outdoor retail space called Bay Avenue, the project is the first to be handed over in Business Bay. Its residences include lofts, penthouses, and studio, one-, two-, three- and four-bedroom apartments, and the whole development is set for completion in the last quarter of this year.

The 51-story Vision Tower, at the entrance to Business Bay, is DPG’s sole stand-alone commercial tower. The freehold tower provides 5.4 million square feet of office space.

The Villa at Dubailand (a 3-billion-square-foot family leisure and entertainment destination) is a residential development featuring cool and tranquil Spanish-style courtyard housing, water fountains and waterfalls. It offers winding walkways and horse trails incorporated into an attractive desert landscape, as well as restaurants, shops and pools within walking distance of the four-, five- and six-bedroom villas. Villa handover has already begun, with completion of the final phase slated for 2010.
Culture Village is a 40-million-square-foot, mixed-use master development with open spaces, traditional wind towers, cobblestone walkways, unique sculptures and waterways. Its location on Dubai Creek provides for creek-side restaurants and cafés, art galleries, craft studios, a maritime museum and a dockyard where building of the dhows (traditional Arab sailing vessels) can be observed. Apartments ranging in size from studios to four-bedrooms will be available. The first phase of the project is expected to be complete in 2012.

Mudon, which incorporates five individual districts themed after the cities of Baghdad, Beirut, Damascus, Cairo and Marrakech, covers an area of 73 million square feet in Dubailand. Each district will have its own golf course and office buildings, as well as villas, townhouses and apartments. The project is being developed in phases over a period of five years, with the first phase due for completion in 2009.

The 5-million-square-foot Bay Square is a trendy, mixed-use community within Business Bay. The entire development will be a pedestrian-only zone and will include walkways over canals, a central plaza, a boutique hotel, apartments, lofts and offices in mixed-use buildings. There will be open-air cafés, restaurants and shops that will create a lively atmosphere during both day and night. It is expected to be finished in 2009.

Waha Villas is a gated residential community in Dubailand with 260 Mediterranean-styled villas set amidst palm trees and manicured gardens. Scheduled for completion later this year, the two-, three- and four-bedroom villas will feature terra-cotta roofs and cobbled driveways.

Also located in Dubailand, the 20-million-square-foot Tijara Town is the first freehold master development in Dubai to offer integrated offices, showrooms, warehouses and apartments in single units. This design is intended to help small- and medium-sized businesses reduce operating costs. The first phase will be completed later this year. The development also will have a business tower offering an auditorium, serviced executive office suites and meeting rooms, restaurants and cafés, and two four-star hotels.

During 2008, DPG anticipates the launch and handover of approximately 5,000 commercial, residential and retail units from across its portfolio. In addition to these projects, DPG still has an available land bank of 26 distinct parcels of land across the emirate that it is in the early concept stage of developing, Binbrek says.

Subsidiaries

As mentioned above, DPG has six wholly owned subsidiaries. These include Dubai Properties, the master real estate developer, and Salwan, which provides property management services, including strata, sales, leasing and property advisory services. INJAZ, another subsidiary, provides expertise in sustainable communities and best practices regarding green building.

The Dubai Asset Management Company (DAMC) has three subsidiaries: Dubai Security Group, the first company of its kind in Dubai to provide security services in cooperation with Dubai Police; IDAMA Facility Management; and Dubai Community Ventures, which provides expertise in the development of neighborhood amenities, such as schools and sports clubs, within DPG’s master-planned communities.

Dubai Retail is responsible for developing the retail component of DPG’s developments, including shopping malls and retail markets. Dubai Hospitality, which is now being formed, will provide in-house expertise on the hotel industry to ensure that DPG’s hotel properties choose ideal partners and operators.

Despite the extensive scale of its current and future projects and operations in Dubai, DPG is beginning to explore overseas expansion. Al Dabal identifies Asia and India in particular as likely areas of interest, while Binbrek elaborates on some of the rationale behind the expansion.

“You need to start getting out of your comfort zone [and] explore what the good things learned in Dubai are that can successfully be transferred elsewhere, and what are the learnings obtained overseas that you can bring back to Dubai,” he says. “That’s what’s going to challenge us as a company going into the future.”
The emirate of Dubai is full of luxury real estate projects, but Kuwaiti boutique luxury developer Abyaar Real Estate Development saw an opportunity in the even more rarified ultra-high end of the market.

The company has developed joint ventures and collaborations with some of the world’s most famous designers and architects. Together they are designing and building residential, commercial, retail and hospitality projects in prime locations that feature innovative architecture and “aspirational” interiors, according to Marzooq Rashed Al-Rashdan, Vice Chairman and Managing Director of Abyaar.

“We are one of the only developers specializing in luxury on an ongoing basis, as opposed to a project basis,” he explains.

Abyaar’s partners include the renowned French designer Christian Lacroix, with whom Abyaar has entered into a joint venture to build a unique 38-unit residential tower, the first project in a long-term partnership to develop similar projects around the region and beyond. Lacroix, whose work is noted for its exceptional use of color, is designing the building façade.

“Allowance to offer freehold as a feather in our cap,” Al-Rashdan says. “There is confidence in our ability as developers.”

In a city where most property is purchased “off plan,” which means before projects have been completed or even started, Abyaar did the reverse with its VentiQuattro Tower in the luxury Dubai Marina district. In May, the company made history by being the first developer in the city to put units up for sale only after completion.

The developer stands out in the crowded Dubai real estate market in a number of other ways.

French designer Andrée Putman, known for her minimalist, avant-garde furnishings and interior designs, is designing a number of projects for Abyaar, including residential towers and luxury sky villas. In addition, Abyaar uses leading European suppliers for much of its finishes.

The developer stands out in the crowded Dubai real estate market in a number of other ways, too.

Acacia Avenues, a 1.4-million-square-foot mixed-use gated community near the sea, the iconic Burj Al Arab hotel and major business and leisure landmarks, is the only freehold development of its kind in the upscale residential neighborhood of Jumeirah. “We see our

In a city where most property is purchased “off plan,” which means before projects have been completed or even started, Abyaar did the reverse with its VentiQuattro Tower in the luxury Dubai Marina district. In May, the company made history by being the first developer in the city to put units up for sale only after completion.

The project also is unique for Dubai in that it’s operated by Rezidor Radisson SAS, which allows investors to maximize returns via a rental pool.

Founded in 2005, Abyaar trades on the Kuwait Stock Exchange and in June obtained a secondary listing on the Dubai Financial Market. The capital increase from this move will fund its land bank and help with cross-border diversification.

Why has a Kuwaiti company made Dubai the focus of its investments? The city “is the most attractive place in the region to do business, especially in the field of real estate development,” explains Al-Rashdan, who attributes Dubai’s success to the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. Al-Rashdan notes that the quick realization of Sheikh Mohammed’s vision encouraged Abyaar to double its original investments in the city to nearly $7 billion.

Abyaar has recently entered into a strategic partnership with TECOM Investments, a member of Dubai Holdings, to develop mixed-use projects in the International Media Production Zone and TECOM Site-A on Al Soufouh Road.

Looking forward, Abyaar plans to expand beyond the borders of Dubai. Later this year it is looking to enter the Saudi and Qatari markets. In 2009, it will be looking beyond the GCC, to countries such as Egypt, Turkey, Malaysia and Singapore.
Dubai World Central: The Global Transportation and Logistics Hub of the Future

Guided by the ambitious Dubai Strategic Plan 2015, the emirate is looking to grow its GDP by 11% a year in real terms over the next eight years. The plan identifies six key industries to drive this growth, including travel and tourism and transport and logistic services. DWC will play a central role in both areas.

It’s a mouthful, but aerotropolis is the name for a growing urban form that features aviation-oriented businesses around an airport and adjacent transportation corridors. They are being built around the world, but there is little doubt that five or ten years from now, when the world thinks of the quintessential aerotropolis, they will think of Dubai World Central (DWC).

This city twice the size of Hong Kong, located adjacent to the Jebel Ali Port and Free Zone at the edge of Dubai, is the largest and only such district to link port, road and air facilities in a single bonded zone.

The result? It will take less than six hours for cargo to get from port to plane on a journey to any of the hundreds of destinations located within six hours’ flying time of Dubai.

DWC’s airport, Al Maktoum International, will be the largest in the world. It will be capable of handling 120 million passengers, almost 50% more than Atlanta’s airport, which is currently the world’s busiest passenger airport. It will have six parallel runways, allowing four planes to land at any one time. It also will be able to handle 12 million tons of cargo, three times the amount handled by Memphis’s airport, the world’s largest cargo hub.

DWC is divided into five districts – Logistics City, Aviation City, Commercial City, Residential City and Golf City (which will have a golf course and luxury resort). The entire city will be wired with the latest fiber optics and covered by metropolitan-wide wireless connectivity to allow voice, video, data and service delivery anywhere across the city.

Most aeropolis develop haphazardly as add-ons, or intentionally but hampered by space constraints. What makes DWC unique in this regard is that it’s not an add-on, nor are there land constraints, according to DWC Executive Chairman Khalifa Al Zaffin. “The whole of DWC has been deeply thought through in advance. It will provide a fully integrated platform for the aviation and logistics industries,” he says. Al Zaffin lays out the business case for a facility of this size. “The aviation industry in this part of the world – that is, the countries within a 3,100-mile radius of Dubai – is in its infancy,” he says. The 399,000 tons of cargo passing through Dubai International Airport are “just scratching the surface” of the region’s potential.

Cargo and general aviation services will begin operations at the new airport by early next year, while the first terminal, designated for low-cost carriers, is set to open in mid-2009. Over the course of 2009, the first phases of the logistics, aviation and residential components will be finished. Full realization of the entire master plan will take about a decade. Although the Dubai Government wholly owns DWC, it operates as a separate corporate entity. Funding to date has been from the government, but DWC plans to tap the debt capital markets before the end of the year, likely with an Islamic bond issue, says Tarig H. Shalabi, Chief Financial Officer.

DWC’s innovative nature extends to its financing, which will use “unique new structures,” says Shalabi.

There also will be equity financing in the form of joint ventures and partnerships between third parties and DWC’s eight wholly owned subsidiaries. DWC requires partners, “not only for the cash, but also for the know-how and expertise,” Shalabi explains. “We have expertise in some areas, but look to our partners in other areas.” Guided by the ambitious Dubai Strategic Plan 2015, the emirate is looking to grow its GDP by 11% a year in real terms over the next eight years. The plan identifies six key industries to drive this growth, including travel and tourism and transport and logistic services. DWC will play a central role in both areas.

In addition, the tremendous efficiencies of the logistics and information and communication infrastructures will contribute to two additional goals of the plan – increasing labor productivity and growing the share of highly skilled jobs in the economy.

In all, by the time DWC is fully developed, more than 250,000 people will work in the city and around 900,000 will live there, providing a huge stimulus to the emirate’s economy.

Dubai Logistics City

Currently, more than 60% of all imports into the Middle East transit through Dubai. This number is set to grow, both in volume and geographic scope, with the opening of DWC’s Dubai Logistics City, the world’s first truly integrated multi-modal logistics platform. The speed of transit from port to plane, the city’s location adjacent to a light industrial zone and its position in the heart of a region populated by 2.2 billion people within India and Africa all give this platform a competitive edge.

Not only does the platform’s speed and efficiency save money, but it also means distributors and logistics companies can use Dubai as a regional warehouse and quickly fly products to markets across the region as needed. This is particularly attractive for electronics, spare...
Khalifa Al Zaffin is Executive Chairman of Dubai World Central. He began his career in the aviation sector in 1989 when he joined the Dubai Department of Civil Aviation as Assistant Director of Engineering. In 1991 he was promoted to Director of Engineering and Projects. Since then, he has been involved in all major airport and airport-related construction and expansions in Dubai. He is a board member of the Executive Council for Economic Affairs, Dubai World Trade Centre, Dubai Investment Park, Dubai Taif Investments and Cleveland Bridge. Al Zaffin earned a BSc in Chemical Engineering from Arizona State University in the U.S.

Global Technologies

The diverse range of businesses operating from DWC creates a complex set of challenges in the field of information and communication technology, especially as the city is building a single, unique technology infrastructure. Handling this challenge is the role of Global Technologies, the information technology and telecom company of DWC. Global Technologies is responsible for realizing DWC’s vision of being one of the most advanced “Smart City” models in the world, with an advanced information and communications infrastructure offering reliable and cost-effective accessibility with high-bandwidth connectivity across the DWC, be it at the workplace, at an office, at home, or at school. Among the core services available across DWC will be a uniquely introduced worldwide track-and-trace service for baggage and cargo, and even passengers; visibility services to enable tracking of the movement of vehicles, cargo or even people; smart offices that will help businesses perform to their maximum; and home services enabling features such as remote premises monitoring, security management, and remote control of appliances.

To implement this vision, Global Technologies has set up two joint venture companies: Smart World, with an undisclosed partner, to provide the ICT infrastructure and technology; and iSource, with Australian company Global News Express, to provide the many information and digital content services that will be available to businesses and residents of DWC. There are future plans to provide these experiences outside DWC. In addition, currently there is an advanced level of partnership discussion with a U.S.-based Internet Registry Service leader, Afilias Limited, to provide Automatic Identification-based discovery services, which will emerge in a joint venture or worldwide partnership to build a unified secure selection visibility of tracked items or objects for logistics and aviation industries.

As a result, companies operating from DWC, particularly in the technology-dependent aviation and logistics industries, will enjoy a competitive advantage, explains Mohammed Khoroo Askar, CEO of Global Technologies. By way of example, he notes that logistics and aviation companies “succeed or fail depending on their speed and agility, and using the best technology offering is key to success for them.”

Duserve

Given the complexity, vast scope and scale of DWC, simply managing its assets is a challenging task. Duserve, the infrastructure and facilities management company of DWC, handles this task.

The firm will manage all DWC facilities, including the airport. In cooperation with Dubai’s government-owned utilities provider, Duserve will handle electricity, water and waste services within the city.

Duserve will develop and manage district cooling, public transportation, waste disposal and road network infrastructure for the city. It will also handle airport systems and the aviation fuel supply system and act in a quasi-municipal function as a planning and building permits authority. For residents and businesses, it will seek to be a single window through which all utility payments, as well as building, trade and other licensing procedures, can be processed.

In line with its vision to be the partner of choice and to deliver world-class services to all its internal as well as external customers, Rashed Buqara’a, CEO of Duserve, says his company is mustering its best resources and systems and looking to form joint ventures with market leaders to achieve “quick-to-market [services], rather than reinventing the wheel.”

Al Zaffin believes airports help form both first and last impressions of a place for visitors. DWC, with its ambitious scale and scope, will certainly be one of Dubai’s most effective tools in forming an impression of Dubai for the world.

Dubai World Central • www.dwc.ae
Dubai Duty Free: Delivering Value and Quality to the World

Dubai Duty Free projects it will double its revenue to $2.3 billion by 2012 and double it again to $4.6 billion by 2016 – all from sales at Dubai International and Al Maktoum International, which is currently under construction.

Dubai Duty Free sells three tons of nuts a day – just a small part of the 400 pallets of product it sells every 24 hours. Each year, it sells 8,600 pounds of gold, 120,000 cell phones, nearly 206,000 watches and 2.2 million bottles of perfume.

It is the single biggest Revlon sales outlet in the world and the top duty-free outlet globally for both Nestlé and Mars.

And Dubai Duty Free still plans to double its retail space with the expansion of Dubai International Airport later this year. Currently the third-largest airport for duty-free shopping in the world in terms of turnover (behind London’s Heathrow and Seoul’s Incheon), Dubai International is likely to become number one by 2010.

The story of Dubai Duty Free begins 25 years ago, when it was launched as a way to promote Dubai and make it a more attractive airport retail destination and transit point. When it opened its doors, it had a staff of 100. Today, it has 3,000 employees, including 60 of the original 100. One of them is Colm McLoughlin, Dubai Duty Free’s Managing Director.

McLoughlin explains the business proposition that Dubai Duty Free offered back in 1983 and still offers to travelers today. “We very consciously decided to provide, firstly, good value to people; secondly, good service; and thirdly, an experience that generally they weren’t experiencing in airports at that time,” he says.

Dubai Duty Free also benefits from being owned by the Dubai Government, which means both that it gets an excellent location in the airport and that the promotion of Dubai, and not profit maximization, is the operation’s top priority. Dubai Duty Free also gets strong support from His Highness Sheikh Ahmed bin Saeed Al Maktoum, President of Dubai Civil Aviation Authority and Chairman of Dubai Airports.

Innovation in sales and marketing also has defined Dubai Duty Free since its launch. Examples include first-of-a-kind promotions such as “Dubai Duty Free’s Finest Surprise” luxury-car draw, the longest-running duty-free promotion in the world.

Perhaps it’s unusual for a duty-free operator, but Dubai Duty Free runs its own charitable organization, the Dubai Duty Free Foundation, which distributes about $2 million a year to causes locally and as far away as Mongolia and Sri Lanka.

To promote both itself and Dubai, the operation sponsors a wide range of sporting and cultural activities in Dubai and abroad, including the Dubai Duty Free Irish Derby and the Dubai World Cup. It also is the owner and organizer of the world-ranking and hugely successful Dubai Tennis Championships.

All of this helps explain Dubai Duty Free’s success, which is due in part to the fact that it sells to nearly 45% of all passengers who depart, arrive or pass through Dubai International Airport. This is the highest penetration rate in the world for duty-free shopping.

Volume is also growing quickly, with sales up 24% in 2007 to $880 million and up 32% so far in 2008. The operation expects top sales of $1.15 billion this year.

Dubai Duty Free projects it will double that amount by 2012 and double it again by 2016, putting total sales from operations at Dubai International and the under-construction Al Maktoum International at $4.6 billion by 2016. Al Maktoum International is located at the edge of the city, 25 miles from the current airport, and will accommodate 120 million passengers when fully built. Dubai International is opening a new terminal later this year to double capacity to 60 million, followed by a further expansion to 75 million by late 2009.

Ahead of Dubai International’s expansion, Dubai Duty Free is moving to a new headquarters and a new 290,000-square-foot warehouse that will use the latest logistics automation to manage a complex supply chain that expects to send 600 pallets a day to its retail areas by next year.

Dubai Duty Free, which is wholly owned by the Dubai Government, was given a mandate to help promote Dubai. This mandate is very much in line with the Dubai Strategic Plan 2015, which seeks to grow the emirate’s real GDP by 11% a year to $108 billion by 2015.

McLoughlin notes that Dubai Duty Free purchases 70% of what it sells from the local market, providing a strong stimulus to local business. In fact, given its projected growth, Dubai Duty Free’s purchases from the local market could account for 3% of Dubai’s entire GDP in 2016.

That’s a lot of nuts by anyone’s standards.

Colm McLoughlin has more than 40 years of experience in the retail industry. He worked at Shannon Duty Free for 15 years before moving to Dubai, where as the Managing Director, he helped launch Dubai Duty Free in 1983. McLoughlin is married with three children. A keen golfer who plays with a single handicap, he also holds a private pilot’s license.

Dubai Duty Free • www.dubaidualityfree.com
Dubai Infinity Holdings: Harnessing Innovation for Public Good

For the next two years, DIH will focus on developing projects for the UAE market and bringing international partners to Dubai.

Dubai and the wider Arabian Gulf region are full of investment companies that are riding the waves of petro-liquidity. Usually these firms take on a very corporate and officious tone when dealing with customers. But not Dubai Infinity Holdings (DIH), whose Chief Executive Officer, Samira Abdulrazzak, takes on a decidedly different tone and approach by using language that would be more familiar to a progressive group of individuals heading up a development think tank generating and conceptualizing pioneering projects, rather than what you would expect at an investment company.

Perhaps it’s no surprise, since being “different” is what DIH is all about.

“DIH aims to contribute to the diversification of the country’s economy by focusing on key nonconventional growth sectors,” Abdulrazzak says. “We foresee future trends coming in the next five to ten years, and we implement them now. At DIH, we harness innovation for public good and anticipate and respond to unmet and changing market needs. We believe societal trends are the lifeblood of DIH, which is also vital for building national competitiveness and social progress.”

At its core, DIH is committed to developing unique projects that not only can succeed in the UAE, but also can be replicated abroad.

“Our projects and initiatives will always be in line with Dubai’s Strategic Plan for 2015 as set by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai,” explains Abdulrazzak.

The company, which focuses on the information technology, education, healthcare, entertainment, and lifestyle development and management sectors, nurtures an entrepreneurial culture that empowers its employees to think creatively.

“We believe in the culture of empowerment, as empowerment is the oil that lubricates the exercise of learning,” Abdulrazzak says. “DIH is characterized by a flat hierarchical structure, which ultimately means decisions are made collectively. All employees are encouraged to take ownership, giving them more responsibility and decision-making authority while reducing traditional corporate barriers.”

In such an environment, she adds, people are enormously productive.

“Before we act, we have to dream and be passionate. Before we plan, we have to believe. If we believe and are passionate and do the necessary research that justifies a viable business concept, exhibits a sustainable long-term investment approach and complements the vision of Dubai, then a project gets the green light.”

“The project – from concept to management to funding – is entirely DIHs, although the company is partnering with 24 international fashion brands to help realize development. DIH’s growing and varied portfolio will have different capital structures, including joint ventures, co-investments and partnerships,” explains Abdulrazzak.

Supporting the government’s development goals is a major priority for the company. Tourism is one of six targeted industries within the Dubai Strategic Plan, and DIH believes that destinations such as Isla Moda are strongly supporting tourism to Dubai. In addition, the Strategic Plan identifies a number of growth enablers, including improving human capital. “I believe personal growth is the most important growth enabler. We can talk about sales growth, profit growth, asset growth, but all of this probably will not happen without personal growth. DIH will prepare the leaders of tomorrow today, with the Style 7 initiative,” explains Abdulrazzak. DIH sees its one-of-a-kind executive training program, Style 7, as contributing to this goal. Style 7 chooses seven promising young Emirati women and pairs them for three months with world-renowned international firms. Successful interns are then offered a leadership position within the holding company.

For the next two years, DIH will focus on developing projects for the UAE market and bringing international partners to Dubai. It will then begin to look overseas to emerging markets such as China and India with the goal of bringing along the international partners it has cultivated in Dubai.

So keep a very close eye on this company that is powered by intelligence and driven by innovation.
Mawarid Finance: Big Goals for Small and Medium Businesses

Mawarid plans to expand from its core activities into a full-service financial services company with activities in brokerage services, investment banking, takaful (Islamic insurance), asset management and real estate development.

The directors at Mawarid Finance are from some of the oldest and most established business and banking families in Dubai, so it’s particularly interesting to hear that this two-year-old Islamic finance company has made serving small and medium enterprises (SMEs) the focus of its activities.

Do Mawarid’s founders see something that others don’t in a city like Dubai, where a “bigger is better” mentality generally prevails? Yes, although the company is not immune to this trend. Mohamed Al Neaimi, the company’s Executive Director and Chief Executive Officer, notes that the company had $272 million in paid-up capital at its launch, the largest initial capital base of any UAE finance company in history.

But Mawarid does have a unique perspective on business in Dubai, according to Al Neaimi. “SMEs are a promising sector in a booming economy like the UAE’s,” he says. He lists the reasons: no other financial firm is focusing on these companies; SMEs have a greater need than larger corporations for Mawarid’s innovative products; and, he says, “it’s a very good sector in which to test and develop new and innovative products that will support our activities in the future.”

It’s no surprise that the word “innovation” comes up so often in the interview. It’s all over Mawarid’s marketing materials. But it’s also immediately clear that this is no warmed-over cliché for the company. Mawarid recently launched E-Murabaha, which exemplifies this spirit of innovation. E-Murabaha is a business line of credit that can be managed entirely online.

E-Murabaha is the first such financing tool to be offered anywhere in the world, Al Neaimi says. Using E-Murabaha, every step of a purchase – from registering the order to executive approval to Mawarid’s transfer of funds – can be completed electronically and in real time, letting SMEs operate faster and allowing executives to authorize such transactions while on the go.

Mawarid is also a Sharia-compliant institution, which means it operates in accordance with Islamic principles. Islamic finance is an exciting financial sector to be in, given that the global industry is now worth an estimated $400 billion and is growing at 20% annually. However, the Sharia-compliant Islamic financial sector is still in its infancy in terms of size, sophistication and the depth and breadth of its products and services.

On this point, Mawarid’s penchant for innovation comes up again. When the company was being formed, Al Neaimi explains, “we decided we didn’t want to be just another Islamic finance company delivering what other banks do. We decided we should participate in improving Islamic finance to cover areas in which conventional banks already are leading the way. We promised to deliver innovative products.”

Mawarid has also made a major commitment to developing the UAE’s human capital. In fact, the company is both willing and eager to mentor and invest in large numbers of bright young entrepreneurs and encourage them to pursue jobs in other sectors, according to Al Neaimi.

The company has also created an annual contest called “Tamaiz,” which offers a $272,000 prize and is the only private-sector-run academic awards program in the UAE. The goal is to promote academic excellence among UAE nationals, with additional top prizes in each of seven skill categories worth $5,400 each, plus an offer of employment at Mawarid.

As for its other products and services, the company’s main offerings for SMEs include working capital finance, project finance, business expansion finance and trade finance. For individuals, services include personal, home and car financing. The company also provides individual and corporate customers with a range of investment and deposit opportunities.

Mawarid plans to expand from these core activities into a full-service financial services company with activities in brokerage services, investment banking, takaful (Islamic insurance), asset management and real estate development.

In all of these sectors, Mawarid will be touting its independence and an ownership structure in which no institution owns more than 5% and no individual owns more than 2.5% of the company. This is unusual in the Middle East, where governments and large conglomerates often are the primary owners of most financial institutions.

“This gives us more flexibility in our direction, more flexibility in the types of investments we evaluate, more flexibility in tying up with or supporting SMEs, and more flexibility in supporting market sectors where the large ‘sharks’ don’t look,” Al Neaimi says.

Mohamed Al Neaimi, Executive Director and Chief Executive Officer of Mawarid, earned his M.B.A. in the United States and has more than 18 years of experience in banking and finance. He previously served as general manager of both a brokerage firm and a real estate development company, and has been a board member for many scientific and social organizations. His government experience includes being a committee member of the Central Bank and positions in federal ministries and local government departments.

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