



Trade and Investment Opportunities in Sustainable Products

Between UAE and the Netherlands

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Economic Research Department

Dubai Chamber of Commerce and Industry

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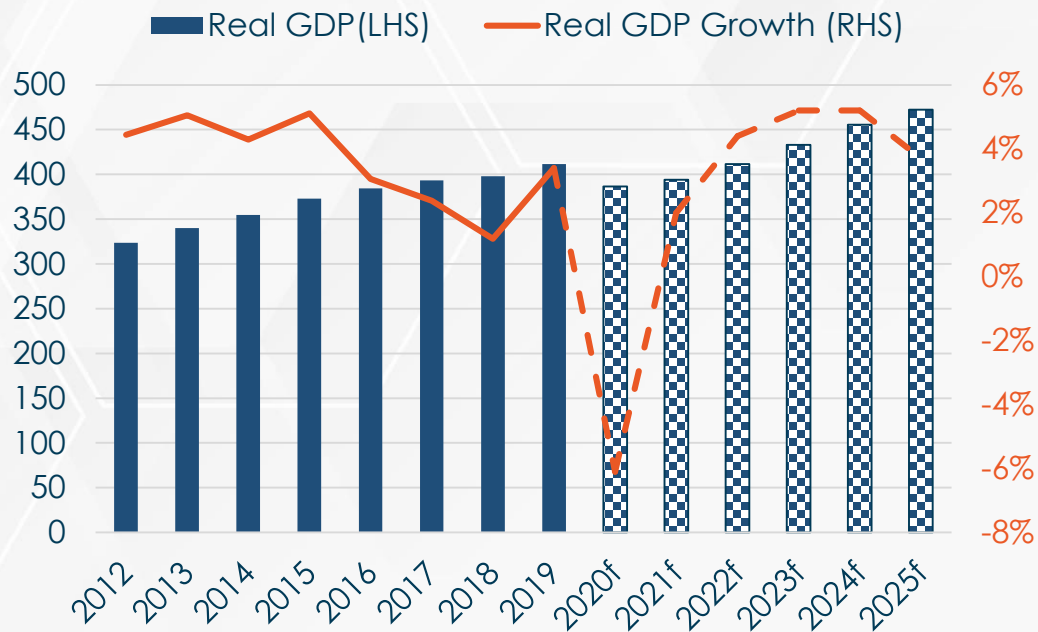
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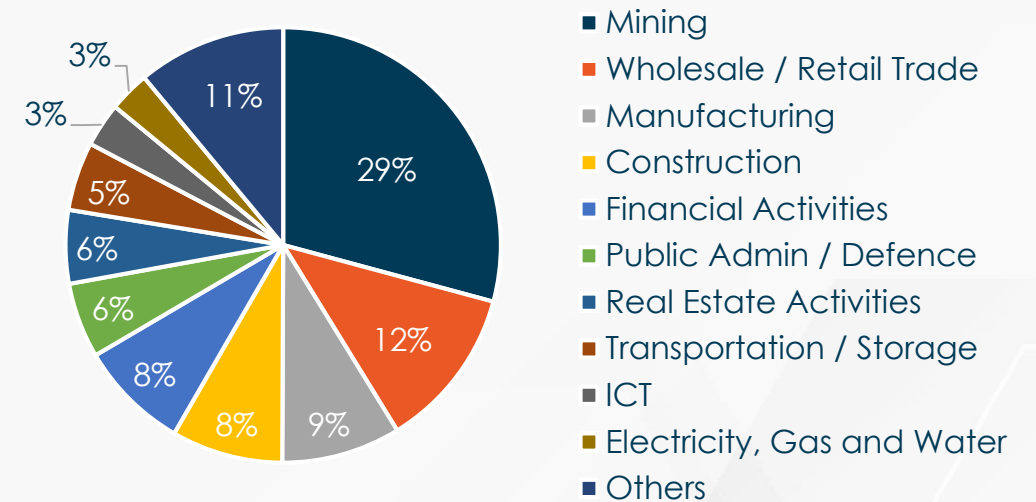
UAE Economy and Business

GDP and Major Sectors

UAE Real GDP (USD bn) and Growth Rate (%)



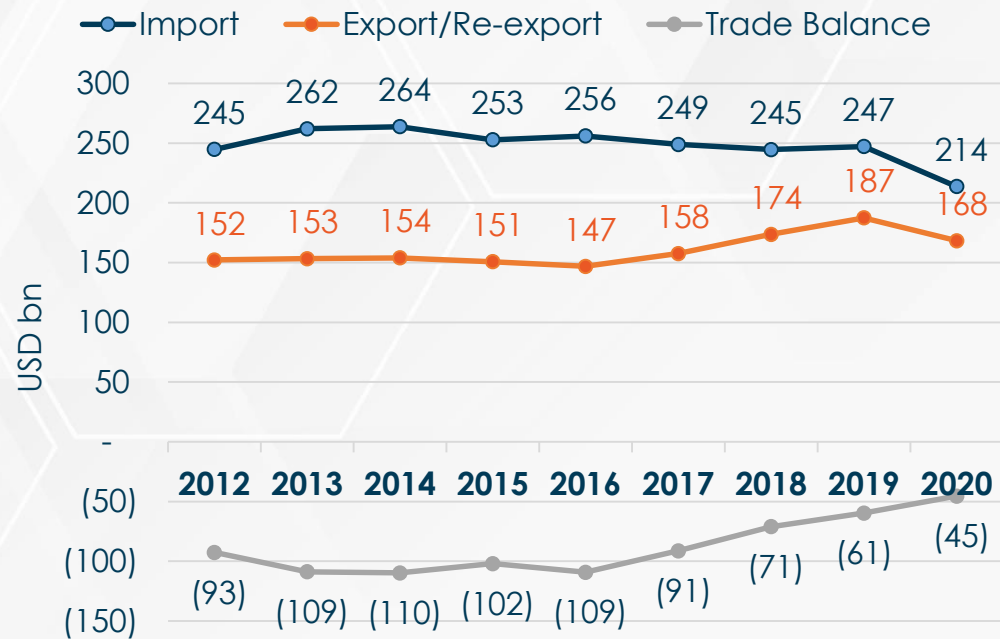
UAE Economic Sectors' Contribution, 2020



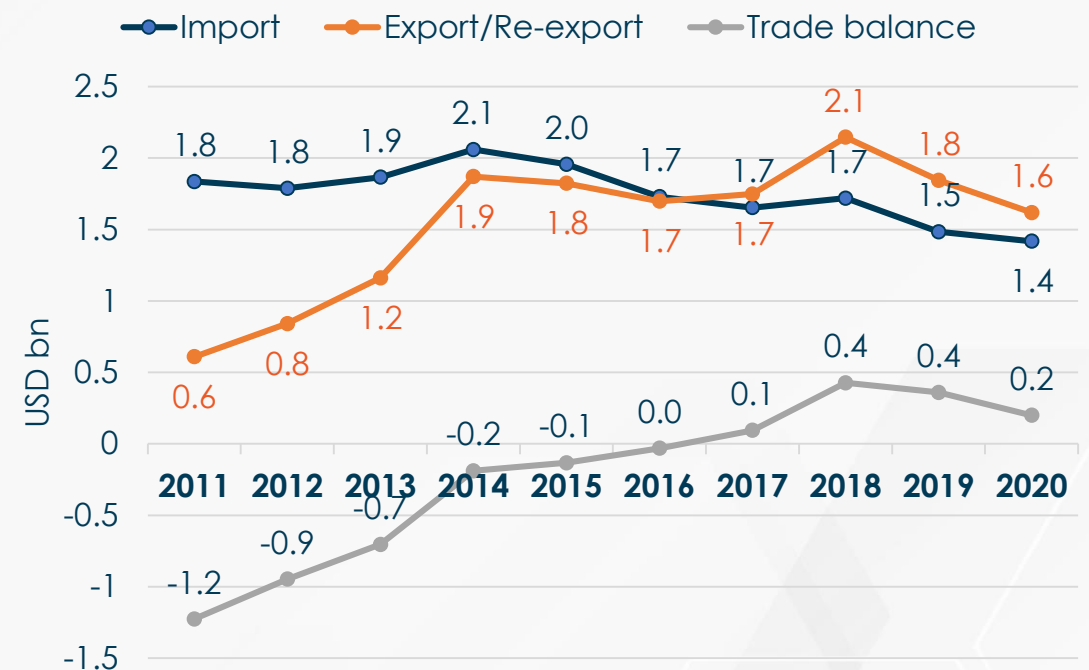
UAE Economy and Business

Trade

UAE Non-oil Trade with the World (USD bn)



UAE Non-oil Trade with the Netherlands (USD bn)

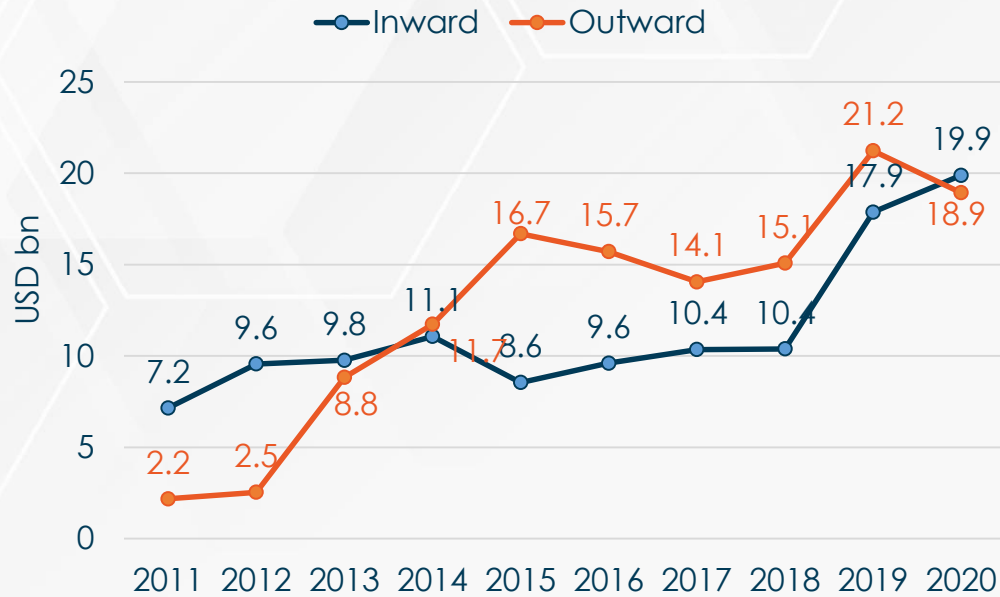


UAE Economy and Business

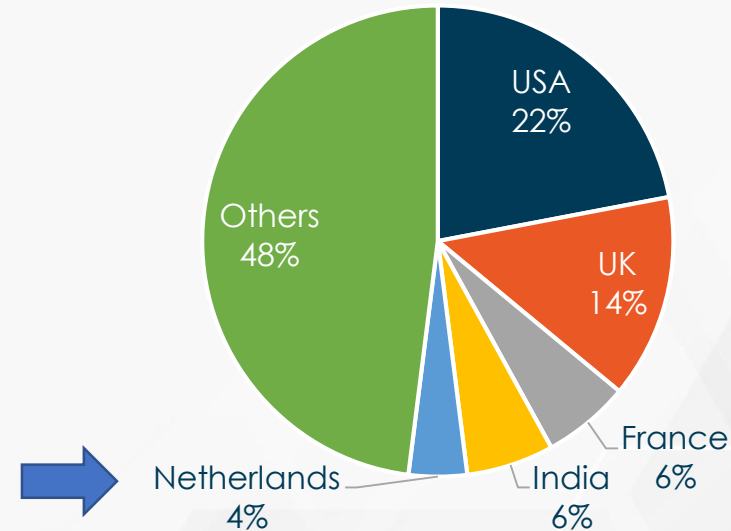
Foreign Direct Investment (FDI)

In 2020, UAE's FDI inward flow reached USD 19.9 bn, a 11.1% higher than 2019. According to Dubai FDI Monitor, in 2020, Netherlands ranked 5th with 4% share of all FDI projects into Dubai. Accommodation and food services sector had the largest share of 40% in FDI capital flows into Dubai in 2020, followed by electric power generation (13%), other information services (8%), healthcare (4%) and retail and wholesale trade (4%).

UAE FDI Flow (USD bn)



Top 5 source countries by number of FDI projects into Dubai, 2020 (% share)



UAE Economy and Business

Business Climate

Business Climate in UAE

World Bank Ease of Doing
Business Ranking 2020

16th

World Bank Starting a
Business Ranking 2020

17th

IMD World Competitiveness
Ranking 2021

9th

Global Competitiveness Index
Ranking 2019

25th

Taxation in UAE

Corporate Tax

0%

Income Tax

0%

Value Added Tax

5%

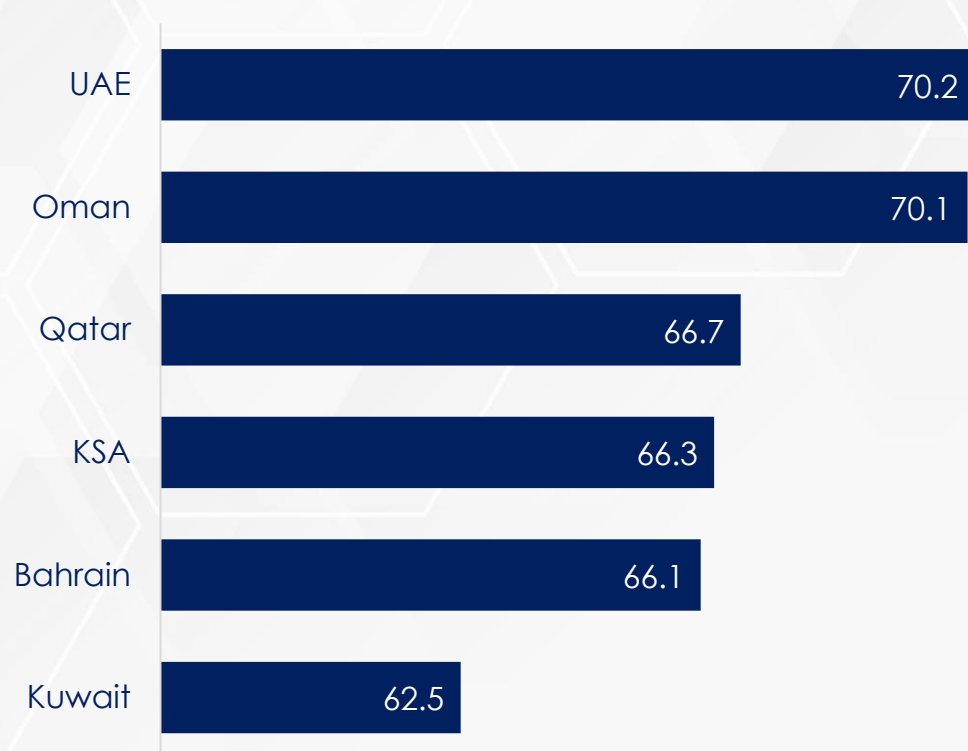
Import Duty

5%

Sustainable Development Goals in UAE

Sustainable Development Goal Index

Sustainable Development Goal (SDG) Index Score and Ranking in GCC, 2021



Note: Worst 0-100 Best

UAE's Improved Sustainable Development Goals, 2021




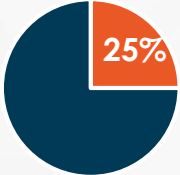

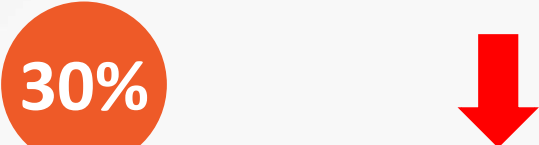

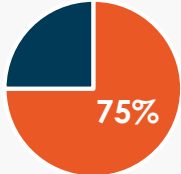



↑ On track or Maintaining SDG achievement by 2030

↗ Moderately improving (50% achieved)

Sustainable Development Goals in Dubai

Policies

Policies for Sustainable Development in Dubai

Policies	Target
Dubai Integrated Energy Strategy 2030 	 <p>Clean Energy by 2030</p> <ul style="list-style-type: none"> • Uninterrupted energy supply • Moderate growth of energy & water demand in Dubai
Dubai Demand Side Management Strategy 2030 	 <p>Reduce water and electricity consumption by 30% by 2030</p>
Dubai Clean Energy Strategy 2050 	 <p>Produce 75% of Dubai's energy from clean sources by 2050</p>
Dubai Green Mobility Strategy 2030 	 <p>2% of all vehicles in Dubai to be hybrid and electric by 2020 and 10% by 2030</p>
Dubai Urban Master Plan 2040 	<ul style="list-style-type: none"> • Green and recreational spaces will double in size • Nature reserves and rural natural areas will constitute 60% of the Dubai's area • The movement of pedestrians, bicycles, and sustainable mobility means across the city will be facilitated

Sustainable Development Goals in Dubai

Green Buildings in Dubai



Leadership in Energy and Environmental Design (LEED) is one of the most popular green building certification programs used worldwide, given by US Green Building Council (USGBC).



In 2019, Dubai received the Platinum Rating in the LEED for Cities certification.



In 2014, Dubai Municipality has issued the Green Building Regulations and Specifications (GBR&S) for all new buildings in the emirate.

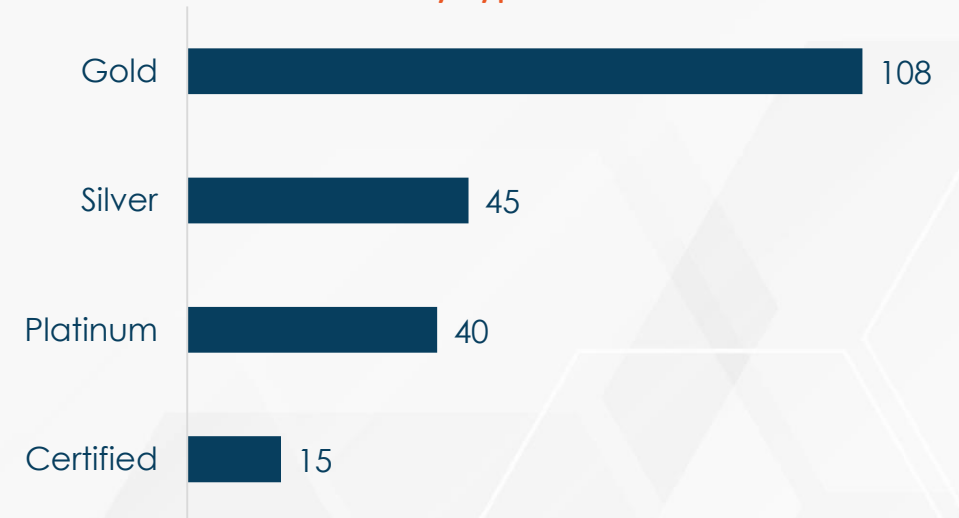


In 2016, Dubai Municipality issued Dubai Green Building Rating System Al Safat.

Number of Buildings with LEED certificate in Dubai as of March 2021



Number of LEED certificate by type in Dubai as of March 2021



Opportunities in Water-Food-Energy

Water

Overview



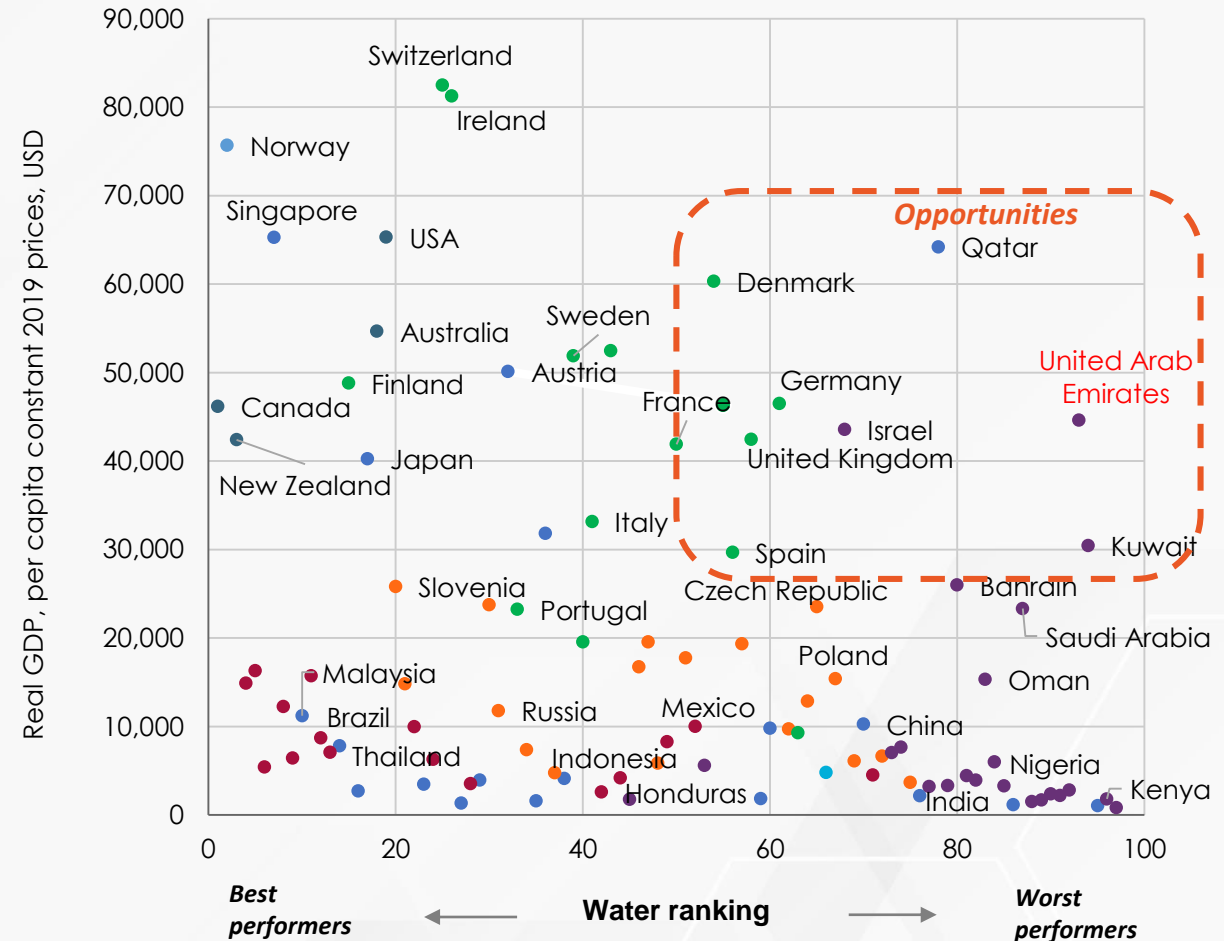
- UAE water consumption per capita per day is 550 liters.
- All drinking water used in Dubai is produced through thermal desalination.
- High cost of producing drinking water (desalination).
- UAE Water Security Strategy 2036.

The Opportunity



- Renewable energy in desalination.
- Solutions for storage of water.
- Wastewater recycling technology.
- Water monitoring equipment.
- Cropping through hydroponic systems.
- Water efficient pipes.

Water ranking versus GDP per capita, 2019



Note: The Water pillar ranks the performance of 97 markets using seven indicators condensed into four categories: Equity, Availability, Security and Efficiency.

Opportunities in Water-Food-Energy

Food

Overview



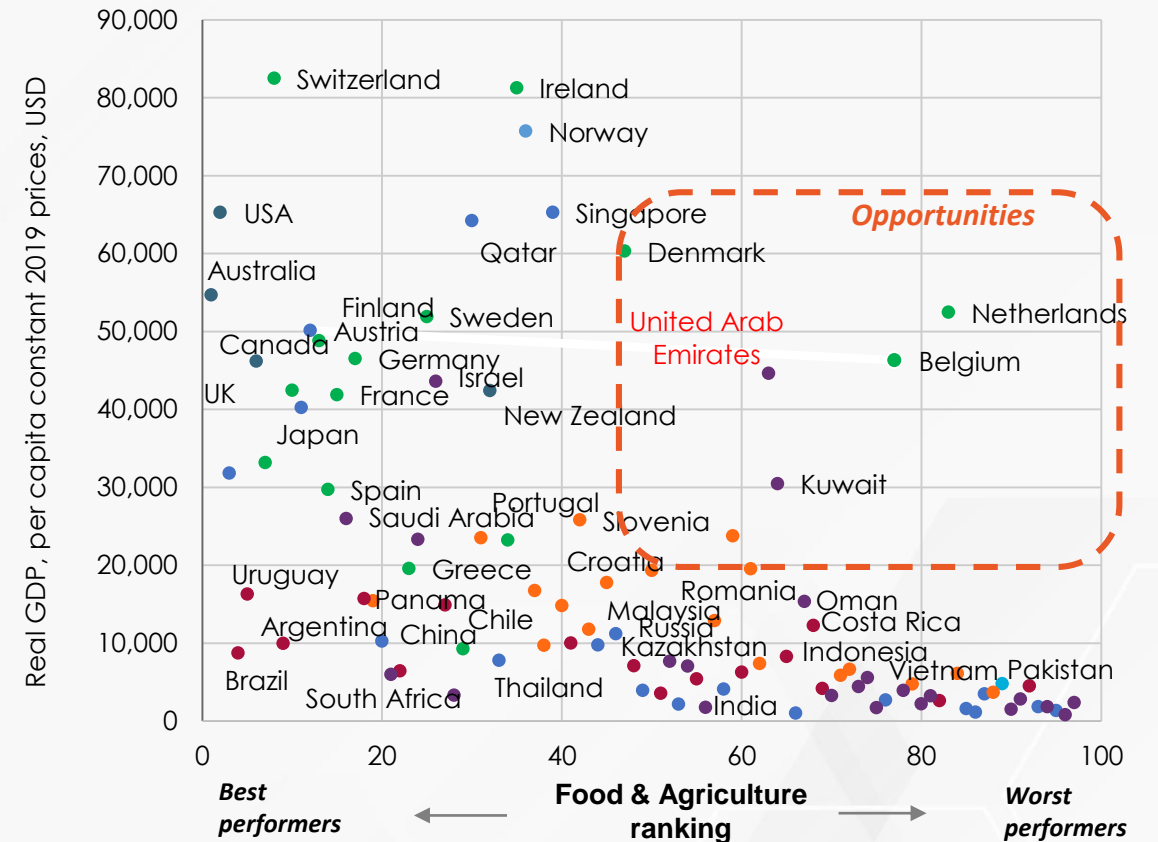
- Food security is big concern for UAE and it is highly dependent on food imports.
- In 2020, UAE imported USD 17.1 bn F&B products from the world, and around one-third of it was re-exported.
- There are around 1,000 hydroponic projects in UAE.
- National Food Security Strategy 2051.

The Opportunity



- Technology to increase crop productivity.
- Developing drought, heat, and salt-tolerant crops.
- High demand for hydroponics system.
- Vertical farming.
- Gateway to 1.5 Billion African and Middle East markets

Food and agriculture ranking versus GDP per capita, 2019



Note: The Food and Agriculture pillar ranks the performance of 97 markets using six indicators condensed into three categories: Availability, Security and Health Indicators are expressed either on a per capita basis, or per total land area.

Opportunities in Water-Food-Energy

Pollution

Overview



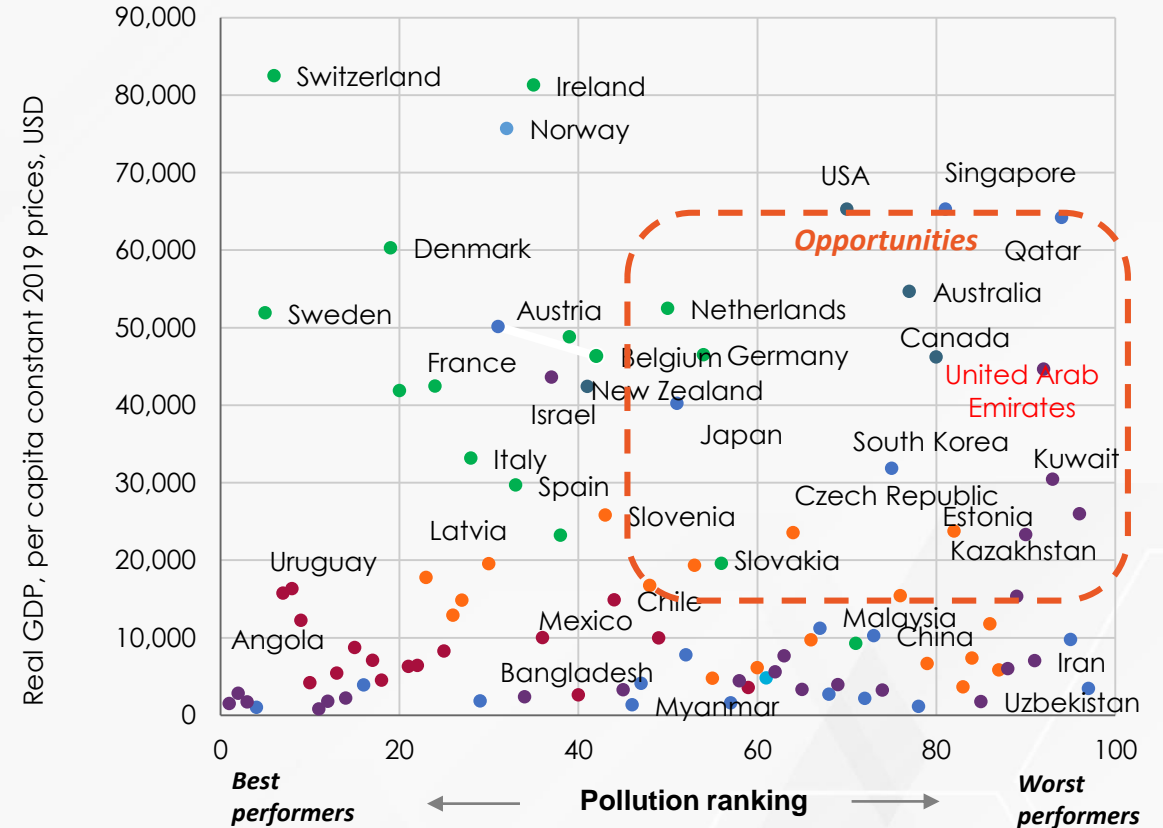
- In 2019, UAE's CO2 emissions per capita was 19.5 metric tons.
- Dubai wants to become a Recycling Hub for electronic waste.
- World's largest energy-from-waste plant will be built in Dubai.
- Plants will be able to process around 60% of the waste currently generated by the UAE.

The Opportunity



- Large investment opportunities in low-carbon projects (e.g. electricity and water production).
- Growing demand for charging stations for electric cars.
- Technology to reduce plastic pollution.
- Waste treatment solutions.

Pollution ranking versus GDP per capita, 2019

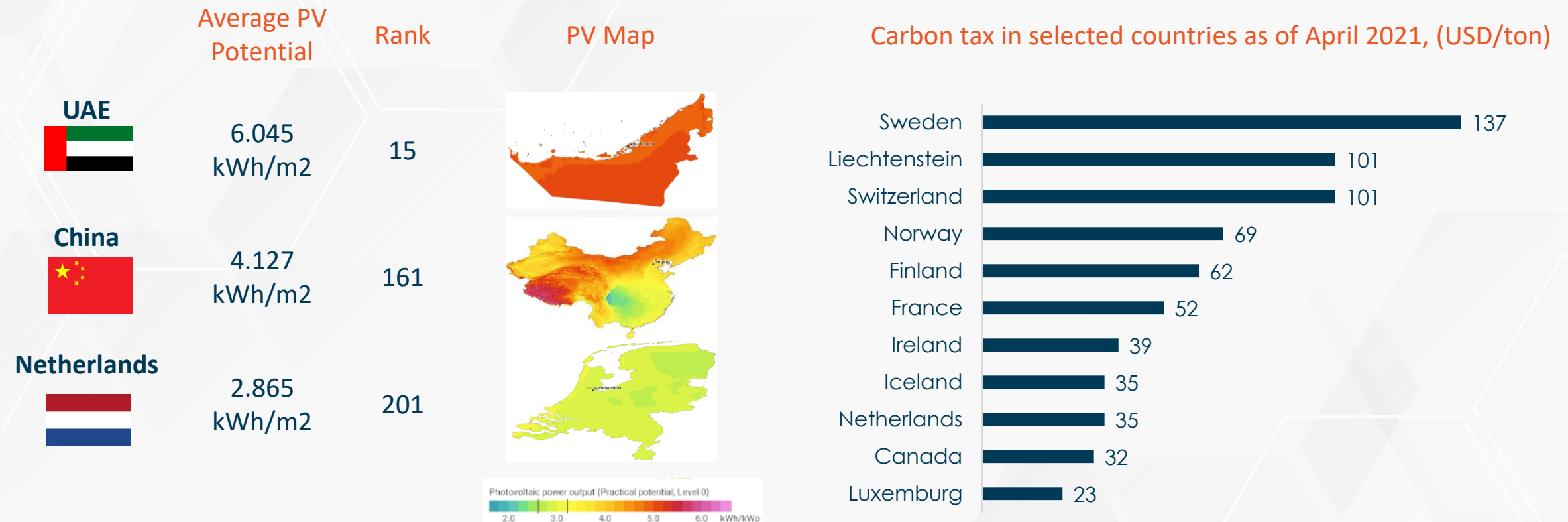


Note: The Pollution pillar ranks the performance of 97 markets using six indicators condensed into three categories: Air, Water and Land Indicators are expressed either on a per capita basis, or per total land area.

Opportunities in Water-Food-Energy

Energy – Climate Smart Investment

Many countries have introduced CO2 taxes to meet their Paris agreement mitigation pledges, which may force large energy intensive companies to move to countries with more green energy potential. According to Global Solar Atlas, UAE ranked 15th in average Photovoltaic (PV) potential in the world. With its green energy potential UAE offers large investment opportunities for Dutch renewable energy companies and energy intensive companies in Metallurgy, Chemicals and Machinery sectors.

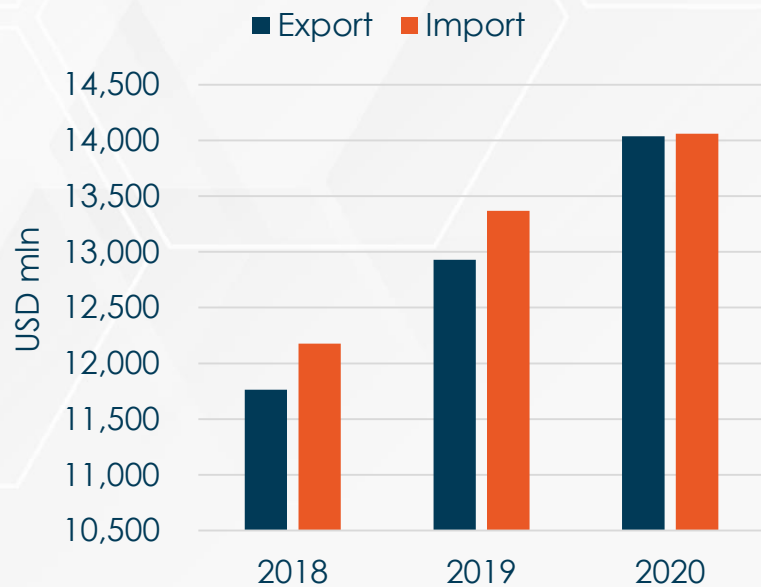


Trade Opportunities in Climate Smart Products

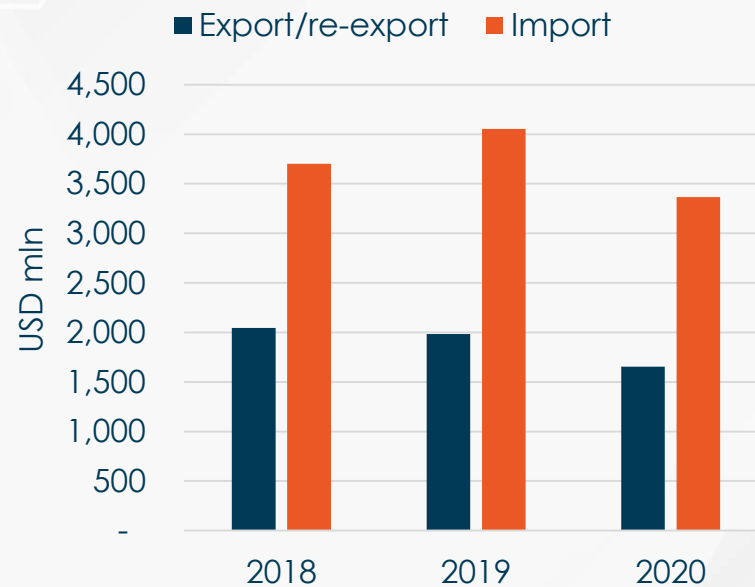
General Trend

Climate Smart Products (CSPs) are “friendly” to the climate (e.g. reduces GHG emissions) and also contribute to fostering “climate-smart” development by improving adaptive capacity such as by conserving water. The list of climate smart products is proposed by UNESCAP and includes 64 climate-friendly environmental goods at HS 6 digit code level. The trade data show that between 2019 and 2020 Netherlands’s exports of CSPs to the world and Dubai grew by 9% and 27%, respectively. Although Dubai exports of CSPs to the world went down in 2020 compared to 2019, its total exports to the Netherlands grew by 10%.

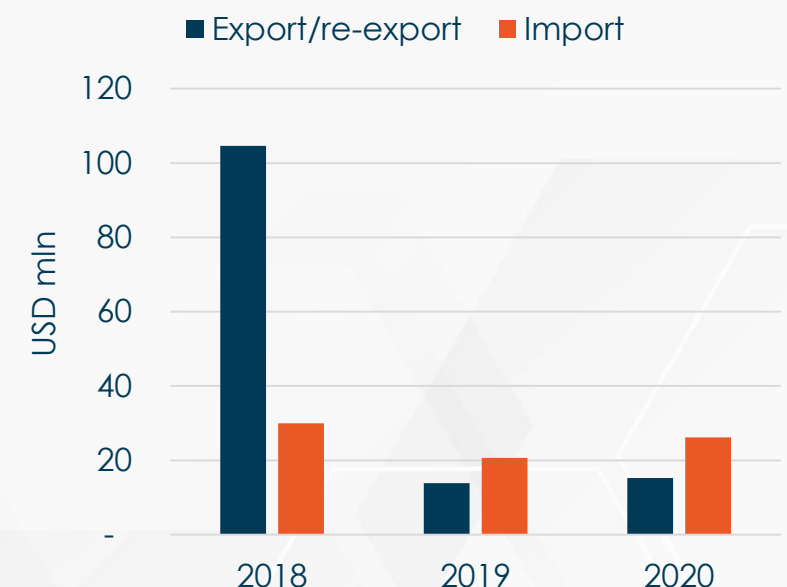
Netherlands’s trade of climate smart products with the world, USD mln



Dubai’s trade of climate smart products with the world, USD mln



Dubai’s trade of climate smart products with the Netherlands, USD mln

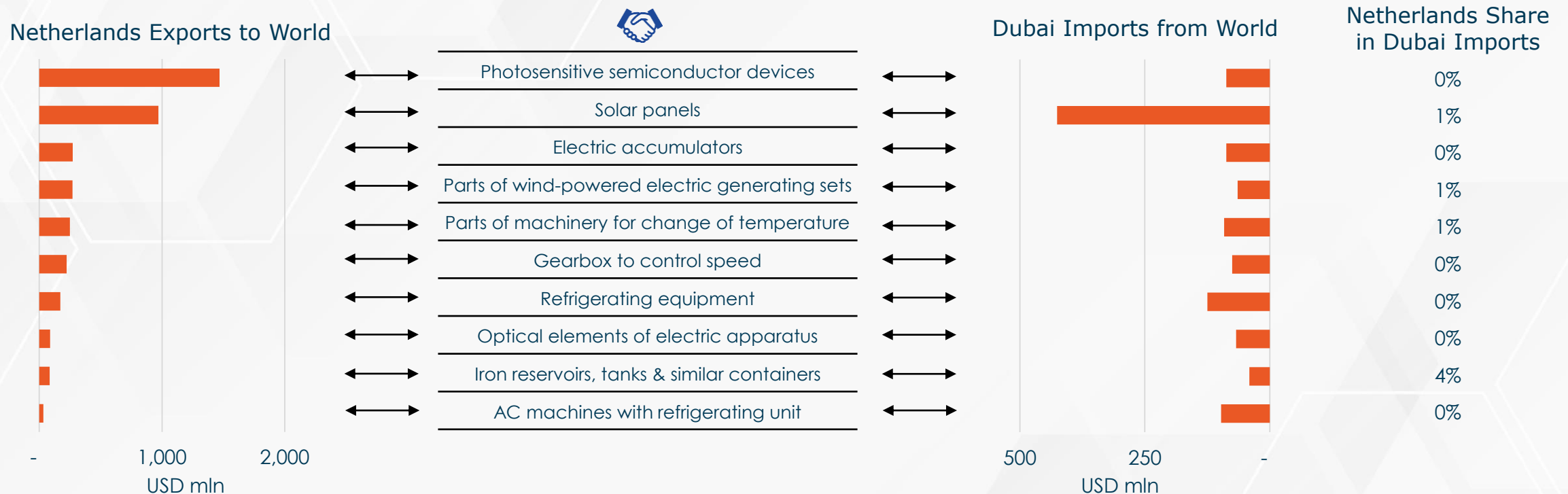


Trade Opportunities in Climate Smart Products

Netherlands's Export Opportunities to Dubai

Trade analyses show that there are 10 potential CSPs that Dutch traders may increase exports to Dubai. These products are one of the top 20 largest exported CSPs of the Netherlands to the world. Moreover, Dubai imports for these products were more than USD 40 million in 2020, but the share of Netherlands in Dubai imports in these products was less than 4%, which creates export opportunities for Dutch traders.

Netherlands's Export Opportunities in Climate Smart Products to Dubai, 2020

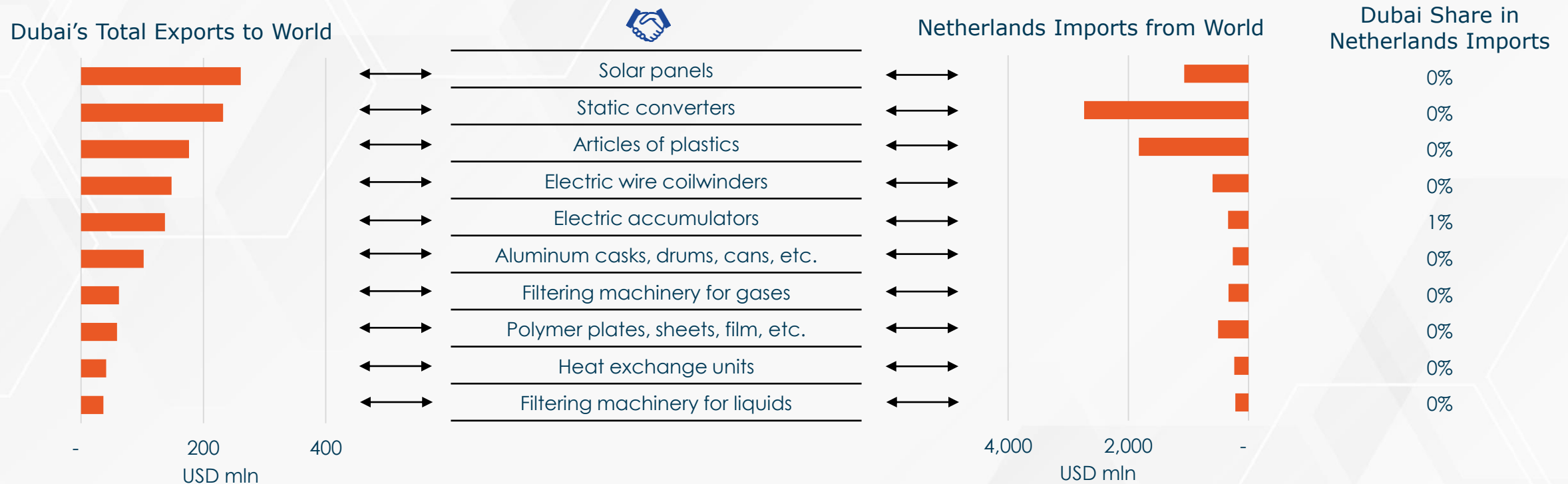


Trade Opportunities in Climate Smart Products

Dubai's Export Opportunities to the Netherlands

In 2020, Dubai's total exports of CSPs to the world reached USD 1.6 bn and it re-exported 34% of its imported CSPs. Trade analyses show that there are 10 potential CSPs that Dubai traders may increase exports to the Netherlands. These products are one of the top 20 largest exported CSPs of Dubai to the world. Moreover, Netherlands imports of these products were more than USD 222 million in 2020, but the share of Dubai in Netherlands imports in these products was less than 1%, which creates export opportunities for Dubai traders.

Dubai's Export Opportunities in Climate Smart Products to the Netherlands, 2020



Conclusions

- UAE economy shows promising growth in 2021 and EXPO 2020 will boost the recovery for UAE's non-oil economy.
- UAE ranked 16th in World Bank Ease of Doing Business 2020 and there are no taxation on personal income and capital gains.
- In 2021, UAE ranked 1st in GCC (2nd in the Middle East) in achieving UN Sustainable Development Goals.
- Many policies of Dubai Government support the development of Renewable Energy and the reduction of waste and CO2 emission.
- Dubai offers large investment opportunities in food, energy and water sectors.
- There are also large trade opportunities in at least ten Climate Smart Products between Dubai and Netherlands.

Thank you