

حكومة أبوظبي
THE GOVERNMENT OF ABU DHABI



The Abu Dhabi Economic Vision 2030

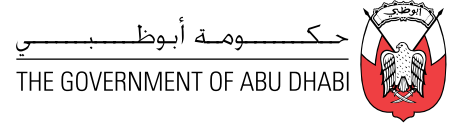
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ABU DHABI COUNCIL FOR ECONOMIC DEVELOPMENT





The Abu Dhabi Economic Vision 2030



His Highness Sheikh Khalifa bin Zayed Al Nahyan
President of the United Arab Emirates and Ruler of Abu Dhabi

Summary of Mandate

In 2006, His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Executive Council, mandated the General Secretariat of the Executive Council, the Abu Dhabi Council for Economic Development and the Department of Planning and Economy to develop a long-term economic vision for the Emirate. This mandate was given in order to deliver upon the vision of His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE, Ruler of Abu Dhabi, for the ongoing economic success of Abu Dhabi.

The expectation was the creation of a long-term roadmap for economic progress for the Emirate through the establishment of a common framework aligning all policies and plans and fully engaging the private sector in their implementation.

The initiative builds upon the foundations set by the Abu Dhabi Policy Agenda 2007/2008 and was produced by a taskforce joining stakeholders from the public sector and private sector. The taskforce received extensive expert support from internationally renowned institutions. This taskforce was mandated with two key tasks:

1. To conduct an exhaustive assessment of the key enablers for economic growth,
2. To create a comprehensive long-term economic vision, with explicit targets, to guide the evolution of the Abu Dhabi economy through to the year 2030.

The year 2030 represents an important milestone for the Emirate of Abu Dhabi. Baseline growth assumptions reveal that Abu Dhabi could achieve tangible levels of economic diversification by that time.

This document therefore contains the “Abu Dhabi Economic Vision 2030” and associated targets, prepared by the Economic Vision Taskforce and approved by the Abu Dhabi Executive Council.

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Context and Executive Summary



The Abu Dhabi Economic Vision 2030

Context and Executive Summary

Based on the principles laid out in the Government's Policy Agenda published in August 2007, the Abu Dhabi Economic Vision 2030 is a roadmap for the Emirate's economic progress.

Seeking to ensure the continued success of the Emirate's development, the Government of Abu Dhabi has set guidelines and priorities for the Emirate's socio-economic progress in its Policy Agenda. Taking these guidelines as its parameters, the Abu Dhabi Economic Vision 2030 has been developed by the Government, in consultation with the private sector, as a 22-year strategy to achieve these aims, and to ensure that all stakeholders in the economy are moving in concert, with a clear view of the long-term goals.

The Abu Dhabi Policy Agenda 2007/2008 defines the priorities for public policy in the Emirate. These priorities have been set to achieve what the Government of Abu Dhabi sees as its primary goals: a safe and secure society and a dynamic, open economy.

The Government has identified nine pillars that will form the architecture of the Emirate's social, political and economic future:

- A large empowered private sector
- A sustainable knowledge-based economy
- An optimal, transparent regulatory environment
- A continuation of strong and diverse international relationships
- The optimisation of the Emirate's resources
- Premium education, healthcare and infrastructure assets
- Complete international and domestic security
- Maintaining Abu Dhabi's values, culture and heritage

- A significant and ongoing contribution to the federation of the UAE

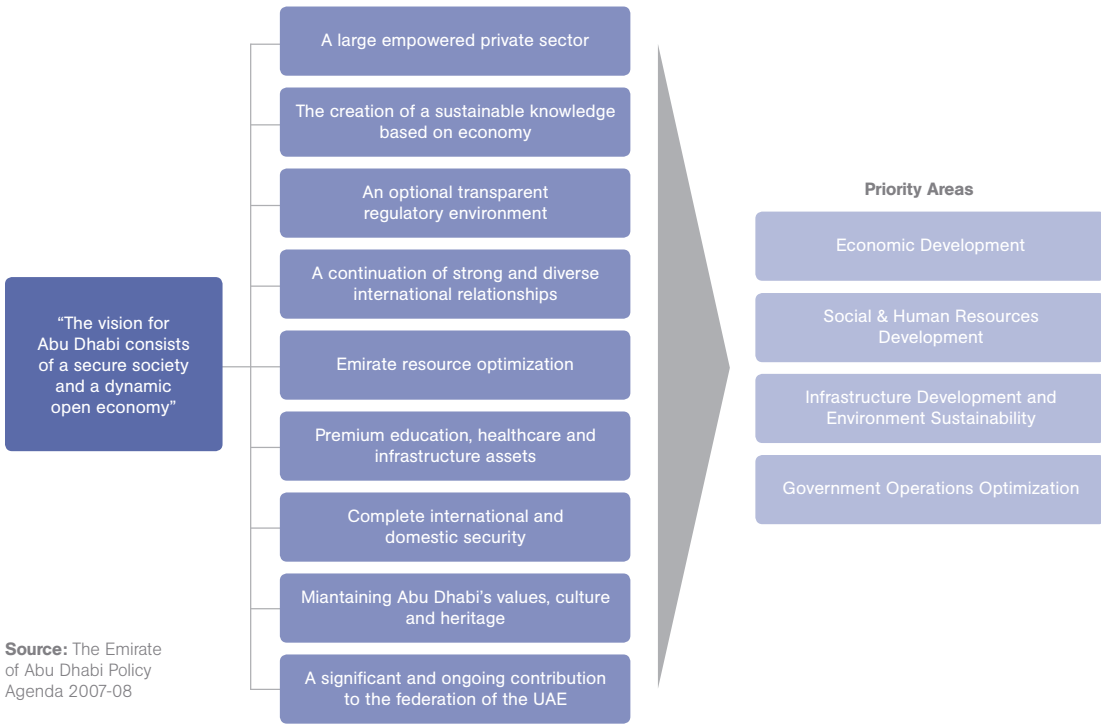
Having established these pillars, the Government has committed itself to direct public policy to strengthen and develop them. This involves focusing on four key priority areas:

- Economic development
- Social and human resources development
- Infrastructure development and environmental sustainability
- Optimisation of Government operations.

Economic Development

Economic diversification is common and fundamental to the Government's other stated priority areas and the policy agenda as a whole. The Government wishes to see the creation of higher-value employment opportunities, especially for Nationals, and maximising participation of women in the workforce. To encourage investment and entrepreneurial activity, the Government plans to contribute to enhancing the business environment through further legislative reform and by ensuring that all economic policy is formulated with reference to rigorous data sources and statistical information. Enhancing the economy and business climate will also help to integrate Abu Dhabi further into the global economy by attracting foreign as well as local investment, and by facilitating export of capital through targeted investments with international partners.

Pillars of the Abu Dhabi Policy Agenda Vision



Abu Dhabi government's Policy Agenda is built around nine pillars that are meant to shape the Emirate's future.

Social and Human Resources Development

According to the Policy Agenda, social and human development represents the pre-eminent objective and driving motivation behind all policies and initiatives. Ensuring that high quality education and health services are available to residents is therefore of the highest priority. When it comes to developing the workforce, the Government aims to ensure the availability of a stable supply of high quality labour to staff the economy, and especially to encourage full employment among Nationals. At the same time, Abu Dhabi wishes to maintain ethical and safe management of its labour resources, through the thorough implementation of Federal labour laws and the meeting of commitments made through the UAE's signature of international labour arrangements.

Infrastructure Development and Environmental Sustainability

Developing appropriate infrastructure, while preserving the environment, forms the third priority area. The Government will ensure the development of a professionally designed and well-managed urban environment in the Emirate's towns and cities, complete with world-class traffic and transport systems. The simultaneous development of the Regions to keep pace with that of the Capital is also an important policy priority in order to achieve an Emirate-wide distribution of economic activity and associated benefits. For its part, the Government will also ensure that Abu Dhabi's security is maintained and that its towns and cities remain a safe place in which to live and work. In order to ensure that the urban infrastructure is able to cope with the envisioned

growth without stresses, the Emirate has already developed and published a comprehensive 2030 urban structure framework plan for the Capital. The initiative will be expanded to cover all the regions of the Emirate.

Optimisation of Government Operations

Finally, the Policy Agenda sets out guidelines for optimising the Government's own role in the future of the Emirate, by improving the efficiency and accountability of government departments. The Government has already embarked on an extensive review of its processes and structures. Many services are being delivered electronically through e-government initiatives, and departments are being streamlined and non-core services outsourced to the private sector. These initiatives will be continued and enhanced. At the same time, the Government will review and enhance the legislative framework and the law-making processes themselves to ensure maximum efficiency.

Economic Vision Imperatives

The Abu Dhabi Policy Agenda has a heavy emphasis on the economy and on ensuring the economic wellbeing of all of Abu Dhabi's citizens and residents. This Agenda came in response to a number of opportunities and challenges facing Abu Dhabi.

The Emirate's drive for a more sustainable and diversified economy is intended to reduce the relatively high dependence on oil and the cyclical swings which accompany it. Moreover, the young National population presents the opportunity, as well as the challenge, to create attractive, high value-added employment opportunities for the emerging generation. The drive for diversification as well as the challenge of a burgeoning population delivers a greater need for Abu Dhabi to upgrade the quality of its education system, and to increase the educational attainment rates of Nationals and the overall workforce to move

the economy up the value chain. Moreover, a better educated workforce will be a key enabler to address the relatively low productivity rates found in much of the Emirate's enterprise base.

Faced with the prospects of a more globalised economy, the Emirate can rely on its established network of international relationships and friendships to respond to the many challenges of increasing globalisation. Moreover Abu Dhabi's geo-political status can help the Emirate to respond to the pace of technological change and harness the capabilities of research and development for future competitiveness. However, in order to unlock the potential of these relationships, Abu Dhabi needs to achieve higher global rankings in terms of global competitiveness and ease of doing business. Moreover, the Emirate's business environment needs to become better equipped to understand and benefit from new business models and to participate in the global growth of trade in services and the servicisation of many manufactured products. This should be coupled with an effective programme to stimulate research and development, and local innovation, and to facilitate the integration with global innovation centres.

The Abu Dhabi Economic Vision 2030 Taskforce

This Abu Dhabi Economic Vision 2030 is the result of a concerted effort between a number of public sector and joint public-private sector entities. In particular, three entities have played an important role in the development of this Vision:

- The Department of Planning and Economy
- The Abu Dhabi Council for Economic Development (ADCED)
- The General Secretariat of the Executive Council

The Department of Planning and Economy:

The Department is charged with providing for a dynamic, open and successful economy. In what is an evolving and new role, the Department is

expected to become more of a policy maker, facilitator and monitor. To that end, it is undergoing a major transformation in order to build the required capabilities. The setup of a world-class statistics bureau is one of the key initiatives being undertaken in order to provide for fact-based decision making and policy formulation.

Abu Dhabi Council for Economic Development (ADCED):

The Government established ADCED as a joint public-private advisory body to support the Department of Planning and Economy in developing a comprehensive economic strategy that will fulfil the Emirate's economic needs and work towards the realisation of the goals laid out in the Government's Policy Agenda. ADCED is uniquely placed to participate in the development of such a strategy. Its Board consists of members of both the Government and the private sector, including representatives from the Department of Planning and Economy, the Abu Dhabi Chamber of Commerce and Industry (ADCCI) and foreign and domestic business councils.

This joint public-private structure for economic policy advice therefore includes representatives of all the major stakeholders in the economy and, as a result ADCED plays an important role in creating an open channel for collaboration on economic matters. ADCED is organised into four Board committees: Economy and Trade Committee, Social Development Committee, Construction and Infrastructure Committee, and Business Environment Committee.

General Secretariat of the Executive Council:

Among its many tasks, the General Secretariat is responsible for coordinating the development of departmental strategic plans across all Government entities and for establishing an effective performance management system. The General Secretariat will play a key role in the coming phases to ensure that the Government-wide and departmental strategic plans are congruent with the targets set in the Abu Dhabi

Economic Vision and the subsequent economic strategies.

Objectives and Framework

The Abu Dhabi Economic Vision 2030 sets out to establish the current economic environment and identify key areas for improvement in order to achieve the goals laid out in the Policy Agenda.

First, the current state of the economy has been ascertained through an analysis of macro-economic data. The Abu Dhabi Economic Vision 2030 examines which sectors and which types of enterprise are contributing most to economic output and growth, and in which regions most growth is taking place. Various opportunities are identified within these areas in order to bring about the desired economic diversification, sustainability and distribution throughout the regions.

Second, the Abu Dhabi Economic Vision 2030 examines the current business environment and identifies key strengths that can be enhanced and areas that might be improved to further the economic and competitive potential of the Emirate against its existing peers and international benchmarks. In particular, the Abu Dhabi Economic Vision 2030 looks at business legislation, labour policy, fiscal policy and monetary policy as key regulatory and policy levers that can be manipulated to improve the overall business environment.

Finally, the Abu Dhabi Economic Vision 2030 takes into account the Emirate's resources and the steps that need to be taken to ensure these can accommodate future economic growth. Infrastructure, including energy, transport and ICT, is a key area that requires continued investment to provide for a growing population and increased economic activity. The development of human capital and the workforce is another key area that is vital to the long-term success of the Emirate's economy. Ensuring that financial capital can be safely and confidently employed is also central to developing and expanding the economy.

Within each of its sections, the Abu Dhabi Economic Vision 2030 sets out long-term targets and goals and the processes by which the Emirate can attain them. The final result is a comprehensive roadmap for the economic direction of the Emirate, a clear set of goals and the path to attainment, and a set of measures by which the Emirate can judge its progress.

Approach

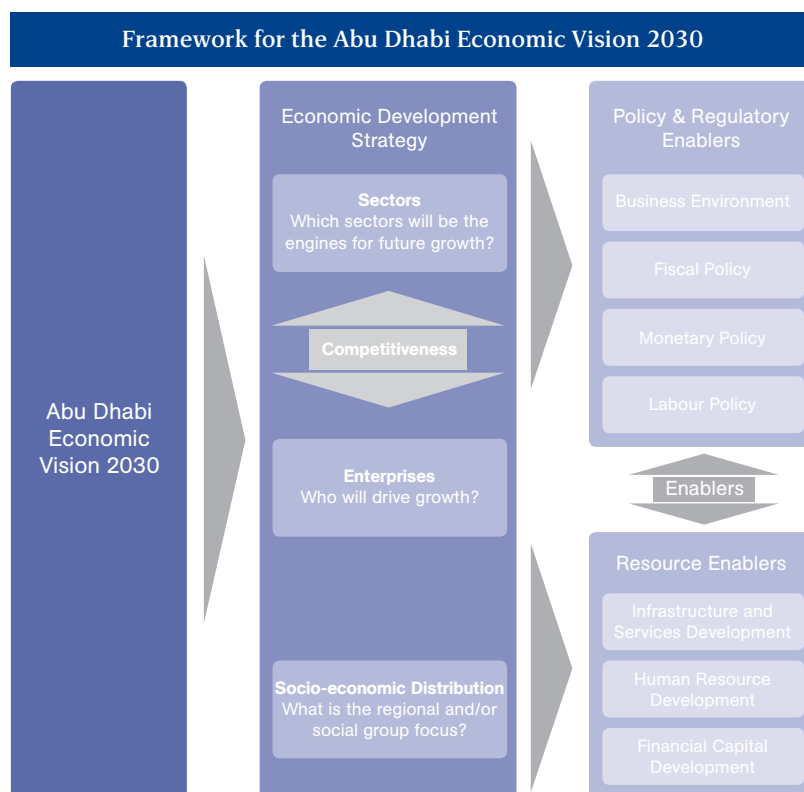
The Abu Dhabi Economic Vision 2030 is the result of an inclusive and cooperative approach, designed to ensure a strategy that is realistic, based on measurable trends and reflective of the aspirations of stakeholders in the Emirate's economy.

Thorough and rigorous analysis of Abu Dhabi's economic performance to date has been carried out to ensure that the strategy is not based on

false assumptions. Interviews with key individuals within both the public and private sectors have been vital to ascertaining the expectations and aspirations of stakeholders.

In parallel to the internal assessment, three benchmark countries were selected for key economic characteristics relevant to Abu Dhabi and for their success in establishing successful economic development models.

- Norway, which has comparable oil outputs to Abu Dhabi, presents a case of interest in channelling oil revenues for local economic development, nurturing a well-diversified economy and maintaining disciplined fiscal policies
- Ireland, the success of which in developing a diversified knowledge-based economy and experience in investment attraction is relevant to Abu Dhabi's drive for diversification.



Source: Abu Dhabi Economic Vision 2030 Team Analysis

The Abu Dhabi Economic Vision 2030 was designed with advice and opinion from development experts in Norway, Ireland and New Zealand.

- New Zealand, the success of which in developing a relatively large export base is also of interest for Abu Dhabi

Advice and opinion have been sought from economic development experts in each of these countries whose exemplary path of economic transformation Abu Dhabi wishes to emulate. They include representatives of Innovation Norway (IN), International Development Ireland (IDI), and New Zealand Trade and Enterprise (NZTE).

Leading International Status

Abu Dhabi is not just seeking to develop its economy. The aim is for the Emirate to take its place among the most successful economies of the world by 2030. The Abu Dhabi Government will judge the success of its economic performance against the performance of the most successful economies globally. In particular, it will look to benchmark against the experiences of flourishing 'transformation economies', such as Norway, Ireland, New Zealand and Singapore.

Long-term Targets and Five-Year Economic Development Strategies

The ultimate achievement of the Abu Dhabi Economic Vision 2030 is the identification of key priority areas for economic development and a realistic set of 22-year macroeconomic targets and socioeconomic goals. The Abu Dhabi Economic Vision 2030 sets targets for the Government as well as outlining the intended strategy for economic development, identifying key resources to be developed and core policy reforms to be implemented.

It also sets out the key measures of success by which the Emirate can be held to account and have its performance judged in relation to its peers.

The next phase will be to translate this long-term strategy into five-year economic plans to provide a more focused framework for economic policy in the medium term, and a more regular assessment period to judge the Emirate's progress and enable the necessary adjustments to be made. The economic strategies will be linked to the overall Government and Departmental strategies coordinated through the Abu Dhabi Executive Council General Secretariat.

The Abu Dhabi Economic Vision 2030 will eventually be split up into five-year programs.

Highlights of the Abu Dhabi Economic Vision 2030

The Abu Dhabi Economic Vision 2030 aims to achieve effective economic transformation of the Emirate's economic base and bring about global integration and enduring benefits to all. Abu Dhabi has a core commitment to build a sustainable and diversified, high value-added economy by 2030.

This will be achieved by broadening the sectors of economic activity, enlarging the enterprise base, and growing external markets. Furthermore, Abu Dhabi will also continuously enhance competitiveness and improve productivity. Delivering on such commitments will be translated, according to base case growth scenarios, into entrenched sustainable development and significant levels of economic diversification by 2030.

Moreover, to ensure that social and regional development equitably reaches the whole of society, Abu Dhabi will equip its youth to enter the workforce and maximise the participation of women, particularly Nationals, from across the Emirate. Abu Dhabi will also continue to attract a skilled workforce from abroad, and to stimulate faster economic growth in regional areas.

To achieve the Emirate's ambitious economic aspirations, the regulatory and legislative

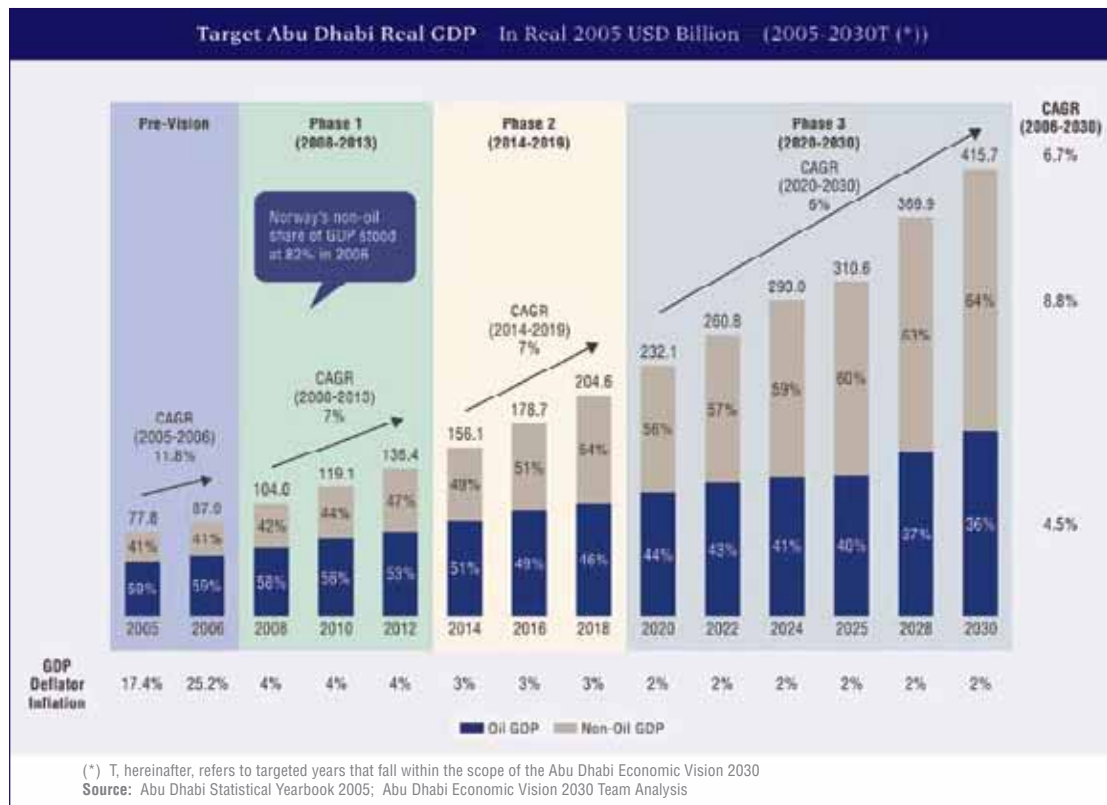
environment must be optimised, importing best practices from around the world and applying them within the local context. Various resources, from infrastructure to human and financial capital, must also be provided as a platform on which the economy can be built. Together, these will constitute the roots of the future economy and the climate in which it can thrive.

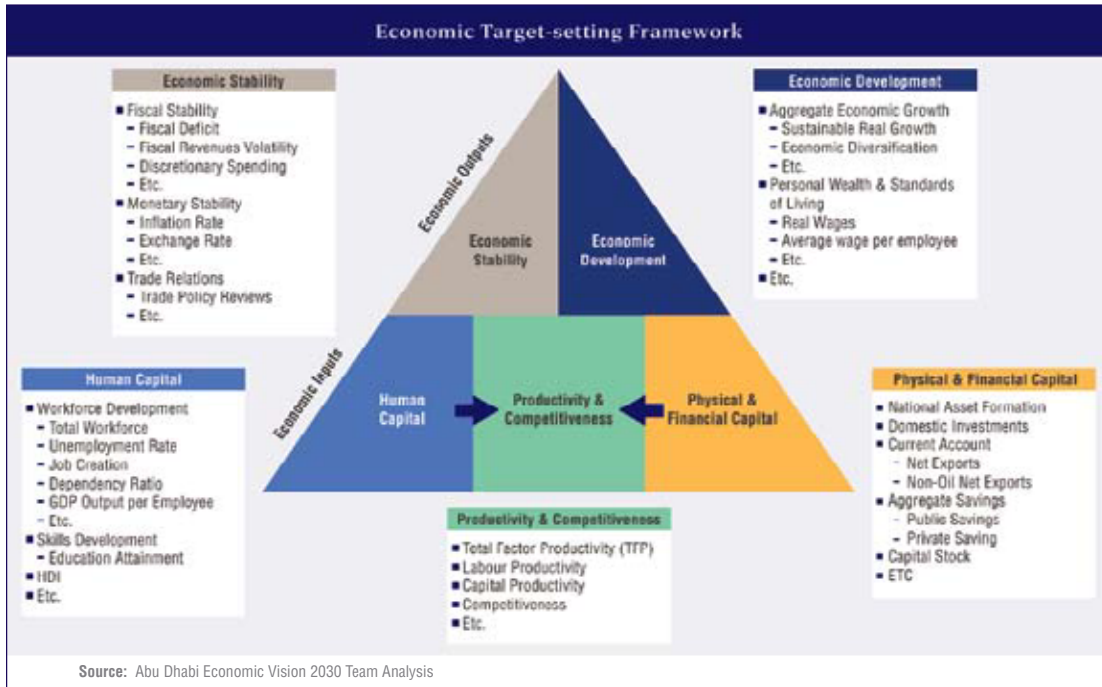
Abu Dhabi will therefore build an open, efficient, effective and globally integrated business environment, streamlining government processes and facilitating business and investment. It will also significantly improve the efficiency of the labour market and adopt both a fiscal policy that is responsive to economic cycles and a safe monetary and financial system with manageable levels of inflation.

When it comes to the Emirate's resources,

infrastructure will be further developed, with a focus on utilities, transport and ICT. Human capital will be enhanced through the improvement of education, training, and other methods to improve both the employability of Nationals and the productivity and competitiveness of the workforce in general. Finally, financial markets will be encouraged and further developed in such a way to become the key financiers of economic sectors, industries, and projects. An enabled economy will lead the way towards sustainable development and growth, which will be achieved, in the context of Abu Dhabi, through the effective expansion of a number of strategic economic sectors. These sectors are expected to form the Emirate's engines of economic growth and diversification:

- Energy – Oil & Gas
- Petrochemicals
- Metals





- Aviation, Aerospace, & Defence
- Pharmaceuticals, Biotechnology, & Life Sciences
- Tourism
- Healthcare Equipment & Services
- Transportation, Trade, & Logistics
- Education
- Media
- Financial Services
- Telecommunication Services

The realisation of Abu Dhabi's economic aspirations will be guided by a holistic set of measurable and ambitious targets. Abu Dhabi wishes to drive development to new highs, while at the same time ensuring economic stability. The need to safeguard the economy is vital to continue growing in a stable and sustainable manner. Through the harnessing of a combination of human, physical, and financial capital, Abu Dhabi will be able to generate the productivity and competitiveness it needs to drive economic growth forward. With these key factors operating in harmony, the twin targets of economic

development and stability will be met.

The targets Abu Dhabi seeks to meet will only be met and potentially exceeded if all stakeholders in Abu Dhabi strive together to achieve them. Economic development will involve the averaging of growth at 7% through to 2015, and thereafter at 6%. These growth rates will mean that Abu Dhabi will grow at a faster, yet still sustainable, rate than its chosen benchmark countries.

Within overall growth and as part of efforts to diversify, Abu Dhabi will seek to foster non-oil GDP growth at a higher rate than that of the oil sector. The aim is to reach equilibrium in non-oil trade by 2028, thus demonstrating the ability to instil extra depth within the structure of the economy. Economic stability will also be a prime consideration, with the non-oil fiscal deficit set to fall significantly over the target period, while at the same time installing policies that will keep inflation in check to ensure it does not negate the benefits of growth.

Summary of Selected Economic Targets for the Abu Dhabi Economic Vision 2030				
Economic Development				
	Current (2005-2007)	2015	2020	2030
Real GDP Y-o-Y Growth Rate (*) - In % -	16.4%	7.0%	6.0%	6.0%
Non-Oil Real GDP Y-o-Y Growth Rate - In % -	11.8%	9.5%	7.5%	7.5%
Total GDP - In Real 2005 USD Billions -	77.8	167.0	232.1	415.7
Non-Oil GDP to Real GDP - In % -	41%	50%	56%	64%
Non-Oil Net Exports to Real GDP - In % -	-23.6%	-10.8%	-6.8%	0.1%
Economic Concentration - In % of Real 2005 GDP -	37%	28%	24%	20%

(*) Real GDP growth targets are based on the embedded assumption that oil GDP would continue growing at its sustained historic rates. Thus, if this assumption holds going forward, achieving non-oil sector targeted real growth rates would ensure an oil/non-oil GDP split of respectively 36% and 64% by 2030
Source: Abu Dhabi Economic Vision 2030 Team Analysis

On the human capital side, Abu Dhabi will reduce unemployment among the national population to 5%, effectively achieving full employment. Through such stable and realistic growth targets, the Government aims to increase GDP by more than five times by the year 2030. Even with the expected rise in population, this will result in a healthy growth in income and wealth for all those residing in the Emirate of Abu Dhabi.

Physical and financial capital would be further expanded. National asset formation, involving both exports and investments, should grow more than five-fold over the target period. This growth will be mirrored by the development of consistently high

national savings levels from both the public and the private sectors.

All in all, reaching these ambitious targets will confirm and further enhance Abu Dhabi's status as a globally relevant destination. With its wealth and natural resources, Abu Dhabi can already claim a stake on such a title, yet this strength can be better asserted through improving business methods and economic competitiveness. Productivity and efficient business standards will further improve the reputation of Abu Dhabi, and in combination with the other targets being set for the Emirate at large, the Emirate should become a shining example on the international business stage.