



Make it in the Emirates Forum -The role of industrial zones in enabling the industrial sector.

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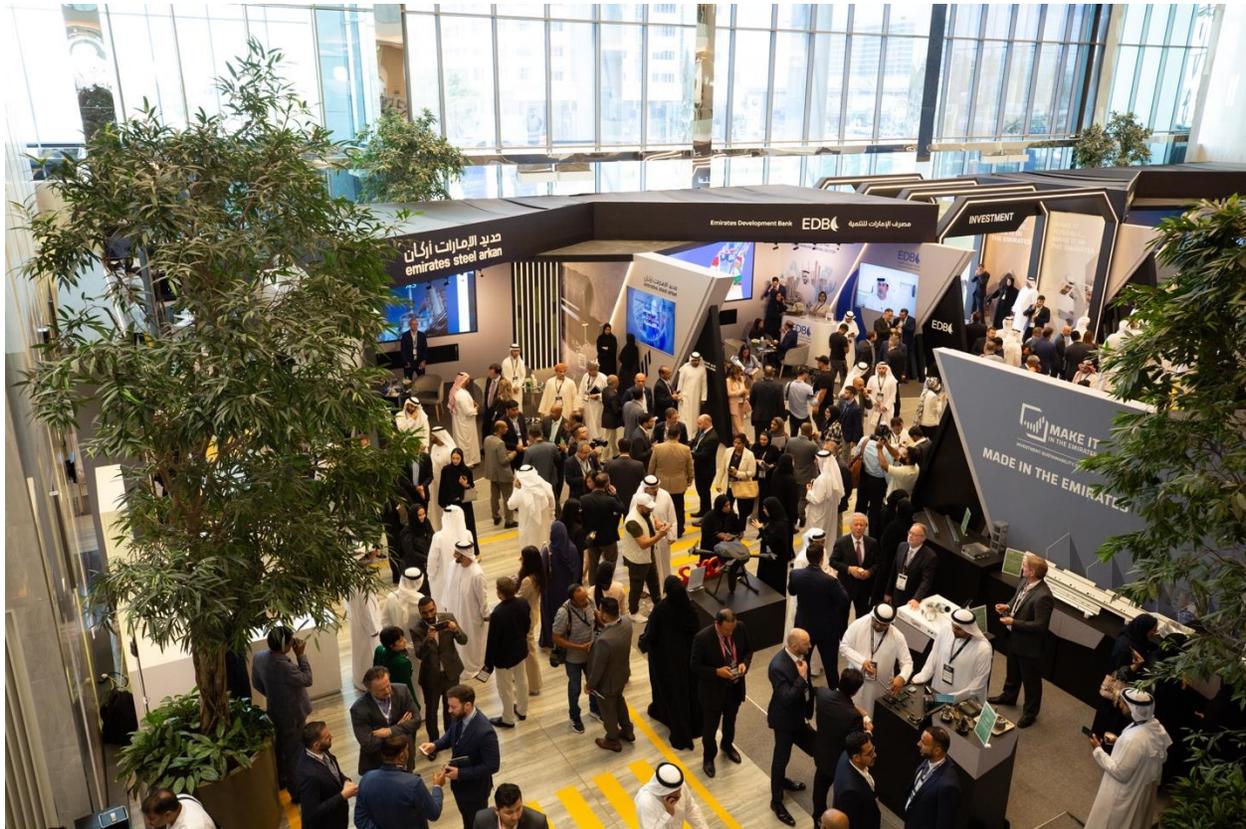
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Executive Summary

The conversation offered deep insights into the mechanisms driving growth in the UAE's industrial zones. Various strategies were highlighted that have led to successful business attraction, with an emphasis on creating a favorable business environment, adopting flexible approaches, and providing supportive ecosystems. The role of ports, particularly in Fujairah, was discussed as a crucial factor for economic growth. Furthermore, the commitment to sustainability was evident in the proactive measures taken by these zones, including promoting awareness, encouraging renewable energy use, leveraging advanced technologies, adopting sustainable building practices, and fostering a circular economy model.





Industrial growth and economic development are a top priority in the United Arab Emirates (UAE). With a focus on industrial zones and their influence on the overall economy, we held an insightful forum where industry leaders and government officials shared their thoughts and strategies. Covering a wide range of topics including the growth of industrial zones, business attraction strategies, the impact of ports, and crucial sustainability initiatives, the discussion provided comprehensive insights into the functioning and future of these zones in the UAE.

The Role of KIZAD in Enabling the Industrial Sector

Khalifa Industrial Zone Abu Dhabi (KIZAD) is one of the key industrial zones in the UAE, hosting more than 1,850 clients across 17 different zones. KIZAD caters to a variety of industrial sectors, including pharmaceuticals, F&B, and automotive, and provides essential services to its tenants such as land, utilities, storage, and logistics.



Beyond these services, KIZAD views its role as a facilitator of the

industrial sector, aiming to foster collaboration and enable synergy among its clients. This is achieved through the creation of enabling ecosystems that encompass the entire value chain of various industries. For example, in the polymers industry, KIZAD nurtures the value chain from the production of raw materials to the manufacturing of plastic products, and ultimately to the recycling of waste. This holistic approach stimulates collaboration between different entities in the value chain and supports the nation's ambition to establish a circular economy.

To further collaboration, KIZAD also initiated a program called Jusoor, which brings together customers from all 17 zones across Abu Dhabi on a common platform. Here, they can share services and participate in various marketplaces. This program paves the way for KIZAD's future initiatives to foster inter-zone collaboration, allowing businesses set up in one zone to operate in another without the need for a new license or company.

Through these efforts, KIZAD is creating a supportive and cooperative environment for industrial entities, contributing significantly to the diversification of the UAE's economy.

Dubai Industrial City:

Strategic Partnerships and a Sustainable Future

Dubai Industrial City stands out among industrial zones in the UAE, with its history, location, and strategic planning setting it apart. Established over 15 years ago, the city spans 55 square kilometers, efficiently designed with sustainability and environmental impact in mind. Its six main zones cater to food and beverage, machinery, equipment, transport, and chemical and mineral industries.

The strategic location of Dubai Industrial City provides excellent connectivity for its partners, situated 15 minutes from Jebel Ali Port, one of the busiest seaports globally, and 10 minutes from Al Maktoum Airport. Furthermore, the city houses the second-largest railway station in the UAE, thanks to a robust partnership with Etihad Railway. These transportation networks are bolstered by the close proximity of major highways.

Currently, the city boasts over 800 business partners, with more than 300 operational factories and another 100 under construction. By 2026, the aim is to have over 500



plan incorporates principles of the circular economy, with facilities ranging from building material production to recycling centers, fostering business collaborations and sustainability.

Moreover, Dubai Industrial City has formed numerous strategic partnerships that contribute to the growth of the industrial sector. In May 2023, the city signed three major partnerships with federal and local entities. The first, with the Ministry of Industry and Advanced Technology (MoIAT) and Emirates Development Bank (EDB), allocates an additional AED 1 billion to support Operation 300bn. This follows the previous year's success, where EDB financed over \$3 billion, half of which was generated through Dubai Industrial City.

The second Memorandum of Understanding (MoU) was signed with the Ministry of Climate Change and Environment, aligning the zone with the UAE's Net Zero by 2050 strategic initiative. This means that Dubai

Industrial City is committed to a sustainable and decarbonized industrial development. In 2022, more than 40 megawatts were generated from renewable energy through factories operating in the city.

The MoU also supports Food Security 2051 through initiatives such as vertical farming facilities within the food and beverage zone. The final agreement, signed with Dubai Economic and Tourism, is aimed at attracting foreign direct investment to grow the industrial sector in Dubai.

Combined with ease of doing business, these aspects create a highly favorable environment for producers operating out of Dubai Industrial City.

Ras Al Khaimah Economic Zone (RAKEZ): A Secret Sauce for Business Success

The impressive growth seen by RAKEZ in Q1 of 2023, attracting over 1,839 companies (a 100% increase compared to the same time in the previous year), is driven by a unique combination of factors. RAKEZ's secret to success, much like a secret sauce, comprises several ingredients, each contributing to the growth and appeal of the UAE as an attractive hub for business and industry.



1. Strong Global Presence:

RAKEZ has an aggressive stance

in global marketing, consistently participating in roadshows to showcase what the UAE offers to the worldwide manufacturing and industrial community. This active promotion has helped spotlight the UAE as an ideal destination for business.

2. **Ease of Doing Business:** The UAE has cultivated an environment that simplifies the process of setting up companies. Coupled with customized packages for SMEs and major manufacturers, it has made conducting business in the UAE an appealing proposition.

3. **Investor-friendly Environment:** With today's investors shopping around for the best opportunities, transparency, and ease of regulations are highly valued. RAKEZ provides a "plug-and-play" environment, letting businesses focus on their core operations while ensuring regulatory aspects are smoothly handled.

4. **Collaborative Ecosystem:** The interconnection and collaboration between different zones across the UAE create a supportive ecosystem for all types of businesses. This ecosystem demonstrates credibility to potential investors and companies, attracting them to the region.

5. **Robust Response to Challenges:** The UAE's effective handling of the COVID-19 pandemic underscored its resilience and strength, further enhancing its image as a safe and stable destination for business.

6. **Talent Attraction:** The UAE, a melting pot of global talent, has robust regulations in place that allow companies to attract and employ skilled individuals from across the world. This ease of access to talent makes it an appealing destination for businesses.

These elements combined make up RAKEZ's "secret sauce," the recipe that has made it a desirable destination for businesses and helped attract a vast number of companies. With the right mix of factors, RAKEZ and the UAE as a whole provide a fertile ground for businesses to thrive and prosper.



Port of Fujairah: The Oxygen to the Lung of the UAE

The Port of Fujairah is an integral contributor to the growth of the Fujairah Free Zone and the emirate as a whole, playing a pivotal role in driving its economy and enhancing its strategic importance within the UAE. It's likened to oxygen for the lung, with Fujairah itself often described as the "lung of the Emirates".

1. **A Global Hub:** Fujairah's port is a bustling global hub, with approximately 14,000 to 15,000 ships docking at its anchorage area within a span of just 10 days. This activity drives significant business for local activities, shipping agencies, and other community establishments, impacting the lives of over 50,000 people who pass through the port.
2. **Importance in the Container Sector:** During the 1980s and 1990s, the port played a major role as a container terminal. Today, it's preparing to enhance its container and general cargo capabilities even further, having recently entered into a concession agreement with Abu Dhabi Ports.
3. **Energy Hub:** Fujairah has been declared an energy hub by the federal government. It's home to one of the deepest ports in the world, with a 26-meter draft, able to accommodate over 300,000 tons of capacity. This designation has transformed Fujairah into the second-largest bunkering zone globally and a prominent area for oil storage.
4. **Beneficial to the Free Zone:** The port's extensive facilities have greatly benefited the Fujairah Free Zone. Celebrating the handling of almost 30 million tons of rock and aggregate, the port has positively impacted industries within the free zone.
5. **A Vital Asset:** While freight and logistics are crucial for success, an active port adds a significant level of comfort for businesses and industries. The Port of Fujairah is vital not only for the emirate but also for the wider UAE.

Looking to the future, the government of Fujairah plans to continually enhance the port's infrastructure, ensuring it remains an essential part of the UAE's industrial and economic growth. This is seen as a way to honor the vision of the UAE's founding father, the late Sheikh Zayed bin Sultan Al Nahyan, who chose the location and initiated



the development of the port in the early 1980s. The Port of Fujairah continues to play a key role in the emirate's growth and the broader UAE.

Policy Recommendations for Enhancing Sustainability within the UAE's Industrial Zones

Sustainability is an increasingly crucial factor in today's business and industrial practices. To help enhance sustainability within the industrial zones of the UAE, the following key initiatives and policy recommendations should be considered:

1. **Raising Awareness:** Before sustainability can be successfully implemented, a widespread understanding of its principles and benefits needs to be achieved. Businesses and individuals within the zones should be educated about the importance of sustainable practices, through comprehensive and engaging communication strategies.
2. **Promoting Renewable Energy:** The use of renewable energy resources, such as solar and hydrogen, should be encouraged. Industrial zones could offer incentives for businesses that switch to renewables, and significant areas of new infrastructure should be designated for these energy alternatives.
3. **Implementing Advanced Technologies:** The use of advanced technologies can improve product quality while reducing waste and supply chain disruptions. Companies should be encouraged to adopt these technologies, which will contribute to greener operations and the broader goal of sustainability.
4. **Adopting Sustainable Building Practices:** As industrial zones expand their infrastructure, they should adopt sustainable building practices. This could include the use of sustainable materials and construction techniques that minimize environmental impact. Incentives could be offered to businesses that implement these practices in their own operations.
5. **Encouraging Circular Economy Practices:** The circular economy model, which prioritizes resource efficiency and waste reduction, should be promoted within the zones. Companies could be incentivized to adopt circular economy practices, which would help to reduce their environmental footprint.
6. **Leading by Example:** Government entities and authorities should demonstrate their commitment to sustainability by implementing these initiatives in their own



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operations. This will set a strong example for businesses within the zones and help to foster a culture of sustainability.

In conclusion, these recommendations would not only foster sustainability within the UAE's industrial zones but also contribute to the country's broader sustainability goals. By adopting these measures, industrial zones can position themselves as leaders in sustainable industrial practices, attracting global businesses that value environmental responsibility and driving long-term, sustainable growth.

Conclusion

The forum provided a broad perspective on the role and future of industrial zones in the UAE's economic landscape. The strategies discussed represent a comprehensive approach to promoting business growth, leveraging logistical advantages, and championing sustainability. As these zones continue to evolve and grow, they will remain instrumental in shaping the UAE's economic trajectory. The focus on sustainability is particularly noteworthy, as it aligns with global trends and positions the UAE as a leader in sustainable industrial development. Through continuous efforts in these areas, the UAE's industrial zones are poised for a future of robust, sustainable growth.

