

<b>H.E. Sheikha Lubna Al Qasimi</b> <b>Minister of Economy</b>	<b>Date: 17 May 2007 @ 9:00AM</b> <b>@ Park Hayat Hotel / Dubai</b>
<b>Keynote address on Consumer 360 conference</b> <b>Topic: UAE – The Evolving Economic Epicentre</b>	



**Distinguished guests, ladies and gentlemen.**

Thank you for the warm reception. I always enjoy being given the opportunity to speak to such a distinguished group of business leaders. I hope that today leads to some interesting discussions – conversations that will help us better understand our consumers, our people, in order to fuel the astonishing upward path that the UAE is currently on.

I was in the International Arrivals hall at the airport the other day, and looking around I was reminded that I was seeing people from around **155 different countries**, speaking about an equal number of different languages and dialects. And I thought about what a unique challenge we have, as government and as marketers, in understanding the needs and the wants and the dreams of each person in this wonderfully diverse group of people.

Today, in the United Arab Emirates in 2007, we have reached an important threshold. We are poised to leapfrog to even greater economic heights, heights that we could barely have imagined a decade or two ago. And it reminds us to ponder a little the not so distant past, where we were, and where we are now.

The UAE has its modest roots in the tribal trading, ports, fishing and pearling economies of not so long ago. Today this country boasts a standard of living comparable to most of the leading industrialised nations on earth. As you know, the UAE's economy is currently booming, with an estimated **GDP of 163 billion US** dollars last year. This is an astonishing growth of close to **25%** over the previous year, 2005.

Oil revenues have certainly contributed to this reformation of the economy. But it is pleasing to note that the non-hydro-carbon sector's contribution to the GDP has been steadily increasing, up from around **46% in 1990 to close to 62.5% in 2006**. Many important industries – trade, manufacturing, telecommunications, transport, tourism, construction and finance – all contribute to this fascinating contemporary case study in diversification aimed at ensuring a sustainable future.

### **ladies and gentlemen**

The UAE has been successful in attracting high numbers of people and organisations from around the world to contribute their talent, products, ideas and money towards the economy. Why? A few reasons include a secure and freely convertible currency, unrestricted transfer of profits or capital repatriation, extremely low import duties, competitive labour costs, and exemption from corporate and personal taxes. Licensing and ownership policies are rapidly changing in favour of openness and transparency.

So where are we going? Given the current scenario, the prognosis for the future of the UAE is bright. GDP is expected to grow even faster. Per capita income, which is already on par with several leading economies, is expected to rise further. This will attract more foreign investment which in turn will continue to attract even larger and more diverse populations to live and work in this country. I say this with confidence, judging by the trends over the last decade. Compared to 1995, the population had grown by over **74% by 2005**, and this is likely to grow faster in the next decade.

The UAE is considered the regional hub in the Middle East for many industries. The vision of the UAE government is to transform the country from its current position as a regional hub into a global hub. To implement this vision, the government is committed to maintaining non-intrusive policies and an effective public-private partnership.

One example of the government's steps to contribute to this partnership is the reformation of many laws and the main objective is to further diversify the economy and maintaining our competitiveness globally.

### **Ladies and Gentlemen**

**So what does this all mean for us here today at the Consumer 360 Conference?**

To answer this it's important that we take the topic of consumerism very seriously. There are areas that concern the consumer where government and business are working together towards our shared goal of making the UAE truly a place where consumers are safe, happy and comfortable – to visit or live, to work or relax, to shop or play. I'm going to touch on three of these issues briefly – consumer confidence, consumer rights and consumer communication.

## 1. Consumer confidence

Firstly, **consumer confidence**. The UAE is riding high on a wave of strong consumer confidence. It gives me great pleasure to announce the results of the second Global Online Consumer Confidence Survey, a research project conducted by Nielsen in 46 countries around the world. The latest data shows that the UAE rates fourth globally in terms of consumer confidence. The only countries to score higher than the UAE are India, Norway and Denmark.

This high Confidence Index score affirms what the Ministry of Economy is working towards every day – the very solid performance of this country in terms of economic growth, job prospects and quality of life.

There is no doubt that we are riding the crest of a wave of economic well-being. Across industry sectors, businesses are showing high double-digit growth rates, and this boom is quickly having ripple effects.

The same Nielsen survey shows that **30 % of consumers** in the UAE go shopping 'at least once a week'. This figure is second only to Hong Kong, which stands **at 36%**. And the UAE ranks in the top ten for recreational shoppers! These are people who say they shop for 'something to do' or for 'entertainment'.

UAE is home to some of the largest shopping malls in the world, and retail spending is expected to cross the **7 billion dollar mark by 2010**.

## 2. Consumer rights

Secondly, **consumer rights**. A Consumer Protection Law has recently been passed that should reduce inflationary pressures by protecting the consumer against price

fraud. The Ministry of Economy is in the final stages of drafting a Competition Law that should provide further assistance in combating cartels and abuse of dominant market positions.

Another issue is intellectual property. By protecting your brands, your ideas and your innovations, we also contribute to ultimately protecting your consumer.

The UAE has been recognized by an independent annual software piracy study as having the lowest software piracy rates in the region with only **34% for 2005**. That's lower than most countries in the world.

In fact, in the UAE we believe that protecting intellectual property is a key factor to economic development. As government we have open lines of communication with organisations such as the International Trademark Association and the Brand Owners Protection Group. We are committed to protecting intellectual property. In the region we are a leader in that field and intend to stay just that.

### **3. Consumer communication**

Thirdly, I want to touch on the importance of two-way **consumer communication**. Coupled with a proliferation of products and services, we expect to see, and do see, a proliferation of marketing communication. The volume is increasing daily – in mainstream media such as television, print and outdoor as well as in the retail and services environments.

But at the same time, all of this communication would be a clatter of noisy monologues if we were to forget the importance of continually listening to what the consumer is saying to us in return. In the UAE enormous potential exists to harness data and information to understand more clearly the people that make up this evolutionary market.

#### **Distinguished guests**

The leadership of present-day UAE has approached our growth and development effort with the entrepreneurial spirit of our forefathers, who were remarkable traders and seafarers. In his recent book, *Al Awael* or *The Pioneers*, His Highness Sheikh Mohammad bin Rashid al Maktoum, UAE's Deputy President and Prime Minister and

Ruler of Dubai says: “*Everyone remembers number one. Being number one is a tall order, yet it is worth pursuing.*”

This goal drives our public sector and to a great degree it is the secret of our success.

So it is my pleasure to welcome you to the Consumer 360 conference this morning. It’s my heartfelt hope for each one of you here that at the end of the *next* decade of development in the UAE, you’ll look back with pride at the difference you made to your consumer, to your organisation and to the United Arab Emirates.

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