

Speech for Arab-Belgium Economic Forum 2006

Your Excellencies

Ladies and Gentlemen:



My delegation and I are deeply honored and fortunate to be here, in your beautiful and historical country. We, in the UAE in particular, and the Arab World at large, have identified your country as a role model for unity and pluralism. We referred to it as "Balgica" and we are familiar with your traditional uniforms, the industrial city of Antwerp, the vast milk farms and the tastiest chocolates as well as the famous Browning pistols. We are fond of the high quality Belgian glass sheets which adorn thousands of buildings in the UAE and the Gulf States. On top of that, we are here because of the pleasant demeanor and energetic industriousness of the Belgian people. No wonder, the fascinating city of Brussels (or Broxelle) has been chosen as the seat of Europe. It offers all the amenities of big cities and charms of a rural abode.

We are here in order to explore the potential economic opportunities for cooperation between us. My delegation and I are grateful for your hospitality and excellent arrangements to make this event a success. We are intent on getting positive results and on exploring every venue and turning every stone to expand and deepen our economic cooperation, for the mutual benefit of our respective people.

Your Excellencies

Ladies and Gentlemen:

Total trade between Belgium and the United Arab Emirates has almost doubled over the period 2002-2005. It increased from almost \$950 million in 2002 to about 1,800 in 2005. Our imports from Belgium increased by 140%, but our national exports which more than doubled as well remained only 0.35% of your exports. However, the

increase in the re-exports from the UAE witnessed a phenomenal jump from almost \$110 million in 2002 to \$ 520 million, on fivefold.

The trade deficit was improved as a result, but it is still very much in favor of Belgium. We certainly do not point out these numbers to express grudge or dissatisfaction. On the contrary, we are here to show you that there are profitable areas of interest in our country for our Belgian partners. Such opportunities are available in all sectors. It is our intention to open your eyes to them and to invite you to play a bigger part in our winning and robust economy.

Ladies and Gentlemen:

Our economy is going ahead in leaps and bounds. Growth for the U.A.E is projected to be 23% for 2006 and GDP is expected to be AED 597 billion for 2006. This is another record year for the U.A.E. Oil prices have been reaching record levels and are likely to remain there or even rise further with predictions of over USD 100 being made. These are good times for the U.A.E. The only minor glitch is high inflation rates at around 6%. We do not think that the current crude oil prices will seriously affect world economic growth, bearing in mind there has been global economic growth of 5.2% in 2004 and 4.4% in 2005. World economic growth currently is being driven by less oil dependent sectors such as services, technology, tourism and so on.

One of the most impressive achievements over the past decade is our ability to diversify our economy and to decrease our dependence on the income from hydro-carbon exports. While the real average growth in oil GDP was negative 1.3% over the period 1998-2002, and about 5% over the period 2002-2006, the non-oil GDP average annual rate of growth was 7% in real terms over the period 2002-2006. Moreover, the share of the oil sector in total GDP has declined to less than 40%- this is despite the recent upsurge in oil prices.

Such diversification has come as a result of deliberate planning which was executed jointly between the public and the private sectors. Among most successful examples is tourism. As you know, we are now attracting tourists from all over the world and throughout the year. It is not an exaggeration to say that we offer a radically

impressive tourist package at the highest achievable level. We receive guests from more than 200 countries, and our hotels operate at a capacity over 85 % the year over.

Although we traditionally depended on the foreign countries for higher education and advanced medical services, we have succeeded in achieving a turn around. We export such services from our universities and hospitals.

We also registered a remarkable success in the transportation sector. Thanks to the highly efficient ports and airport facilities we have managed to push passenger and shipping loads to the limit. As an example, cargo handling in Dubai has risen by around 11% a year for the last 14 years! Further work is on to expand these facilities.

We are now exporting our management models and experience to many countries in the Arab world – and beyond.

Ladies and Gentlemen:

We have also been successful in diversifying our industrial base whether in petrochemicals, construction materials, textiles and clothes, medicinal and chemical products, and others. The industrial zones of Dubai, Sharjah, Ras Al Khaima and others serve as a testimonial to our continuous expanding base.

Thanks to the ambitious plans of Abu Dhabi and Dubai in particular, we have succeeded in achieving far-reaching results in the information and communication technology (ICT). We are a truly technology and computer-friendly country, and our networks are very efficient. We have attracted major international companies to base their regional activities in the free zones of Dubai, and we boast the presence of more than 1000 TV and radio channels, 100 technical colleges and universities, and some of the most advanced technology shows and seminars.

Your excellencies

Ladies and Gentlemen

I do not want to bore you with the details. Yet, I want to emphasize that the UAE stands out regardless of the yardstick you use. We are proud of our open and business – friendly environment, on the efficiency and effectiveness of our infrastructure and major utilities, and of our laws and practices which reassure every investor and businessman that his equity and earnings are religiously safeguarded. We stand out as an infallibly credit worthy, and our justice system is fair and non-discriminating. We offer all the housing, recreational, educational, health and security requirements at the highest levels possible. We invite all of you to be a part of this unique and unparalleled setting.

Ladies and Gentlemen:

Your country and ours can benefit a great deal from interaction. While you are centrally located in Europe we are centrally located in the Gulf and in the Indian Ocean regions. The total trade between the EU and the Gulf states is continuously on the rise, and the Gulf is now the sixth largest trade partner of the EU. This status may look good, but it can be rapidly enhanced. Belgium and the UAE can help by being the conduit to promote trade and investment between Europe and the Gulf region. We both need to strengthen our shipment and transshipment ties, and we need to serve as the catalyst for bringing more quality investments between Europe and the Gulf.

Ladies and gentlemen, the MENA region faces significant employment challenges. It is becoming evident that domestic investments are not sufficient, on their own, to absorb our rapidly rising population. This partially explains why, in the last UNDP Human Development Report, around 40% of young Arabs expressed a desire to immigrate in order to find decent employment opportunities.

It is therefore clear that productive foreign investments (and I underline productive as opposed to speculative) are necessary to complement domestic investments in order to create an estimated 100 million new jobs by 2020!

It is unfortunate that, currently, foreign direct investment does not exceed 0.5% of collective GDP. Belgium, and Europe, can definitely help in this track. In terms of services, we can explore the areas of hotels, restaurants, tourist goods manufacturing,

and both airline and naval transportation. We can also look into banking and financial services where opportunities in the UAE are ample for our Belgian counterparts. We would like to enhance cooperation in the financial bourses and commodity futures markets.

In manufacturing, I believe that Belgian competitive industries should look at our free zones for branching out where such industries can benefit from Arab and Asian markets. The examples can go on and on. Our businessmen who are here today or those back home, would welcome any profitable opportunity for cooperation with their Belgian colleagues.

Ladies and Gentlemen:

The common ideals and political systems which we both share make us like-minded in more ways than we can count. The opportunities to bring our level of cooperation to new horizons are too many to be ignored. We extend our hand to you, and we are sure that we both stand to gain a lot. We can precede the actual finalization of any region-to-region agreement by actions on our part that will make the European-Gulf cooperation a reality before it is actually signed.

**May God bless you and
Thank you very much...**

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