

Inviting Possibilities

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OVERVIEW OF DUBAI'S LOGISTICS

Dubai is widely regarded as having some of the best logistic facilities in the world. Its location, both geographic and strategic, is a natural business gateway between East and West and has been an essential element of trade routes between Asia, Africa, Europe and beyond for centuries. And with the current booming economies of India and China in particular, Dubai is once again a focal point for global distribution.

Its low logistics costs and superb infrastructure (ranked number one in the Middle East by the World Bank) have led to massive foreign investment.

Dubai is the world's third largest re-export hub, and in 2011 the emirate reached new highs, with total exports and re-exports registering a record AED 431 billion (USD 117 billion), a 21 per cent increase on the previous year. A recent report from Frost & Sullivan predicts revenues from the UAE's logistics market alone will reach a staggering AED 34.5 billion (USD 9.4 billion) by 2014.

Investment Opportunities

With Dubai's premier facilities, including Jebel Ali Port, one of the top ten container ports in the world, and Al Maktoum Airport, the world's largest passenger and cargo hub, the opportunities for trade both to and from the Middle East are endless.

This unrivalled infrastructure is a business magnet for those logistics companies who want to either set up in Dubai or expand into the Middle East. As a rapidly increasing number of foreign investors will testify, there is no other location in the region which can match Dubai's efficiency, viability or profitability as a logistics hub.

Air

Thriving Middle Eastern carriers such as Emirates SkyCargo and Qatar Airways Cargo are among the many which have helped the Middle East's impressive year-on-year growth in freight movement, with instances of 19.8 per cent annual increases, far outpacing the global average of 11.3 per cent.

Emirates airlines, Etihad airlines and the other Middle Eastern carriers are also taking advantage of their location at the crossroads of three continents. Dubai International Airport handled nearly 900,000 tonnes of cargo up to June 2011, a figure which is predicted to rise 2.8 million tonnes by 2015, and a recently published Boeing report estimates total Middle Eastern air freight will continue post 4 per cent annual growth to 2029.

Not only are the airlines expanding, but airports are being developed to step into the global hub role, including Dubai's Al-Maktoum International Airport, the world's most ambitious logistics project. The airport currently operates 24 hours a day on an A380-compatible, 4.5 km runway with

the capacity to handle 600,000 tonnes of cargo. On completion, this is due to rise to a massive 12 million tonnes and 160 million passengers per year.

Among the prime air routes, the International Air Transport Association (IATA) estimates that freight between the Middle East and Asia will increase at 9.7 per cent compound annual growth rate by 2014.

With the fastest growing freight route now between the Middle East and the United States, the logistics and cargo movement opportunities are greater than ever – from January 2011 to January 2012, cargo tonnage at Al Maktoum International Airport increased by more than 400 per cent.

Maritime

Located on UAE's northern coast, Dubai's Jebel Ali port is the world's largest man-made harbour and the Middle East's biggest port, vital for international trade. In a time of ever increasing trade volumes between East and West, it provides essential access to the main shipping routes via the Strait of Hormuz, connecting it with major trade partners such as the US and China.

Serving five continents with a freighter network of 20 cities, Jebel Ali Port covers all major destinations, from the Americas and Mediterranean to Northern Europe and Oceania, opening new logistical opportunities for increased international imports and exports.

The port operates 150 shipping lines and 90 services per week, positioning it as the lifeblood for Middle East trade to the rest of the world. In 2010, Jebel Ali Port and Dubai's second port, Port Rashid handled 141 million tonnes of cargo, and by 2015, Business monitor International (BMI) forecasts that the total tonnage will rise to 188.5 million tonnes.

Land

Jebel Ali has direct transport links via road to Dubai and from there to the rest of the UAE and is also linked by an expressway to Dubai International Airport's cargo village. This vital rapid movement is a massive benefit to importers and exporters with perishable or time sensitive goods.

Expansion and Development

BMI estimates that throughput at the port will continue to grow at an average of 9.3 per cent from 2011 to 2015, when box throughput is expected to reach 18 million twenty-foot equivalent units (TEUs). And a joint initiative by DP World, Dubai Customs and Dubai municipality has been launched to provide faster cargo clearance through a dedicated inspection facility.

The initiative is part of a 14-stage AED 5.5 billion (USD 1.5 billion) project to be completed by 2030 to increase the terminal's capacity to 50 million TEUs.

SUMMARY

From the ancient spice and silk routes to modern air and shipping services, Dubai has traditionally been a part of one of history's most important international trading routes.

Its ideal location and world class infrastructure not only makes it a cost effective and efficient operation for importers and exporters, the logistics sector has become a huge business in its own right. The investment that has already been made has set benchmarks for the rest of the international industry. And that investment continues to grow at an enormous pace.

Al Maktoum Airport will set a precedent as to the level of distribution and capacity and Jebel Ali Port and Port Rashid will be better equipped than any other logistics facilities in the Middle East, North Africa and South Asia (MENASA) – the fastest growing emerging markets in the world.

Dubai's location in the MENASA region provides access to a combined GDP of AED 13.2 trillion (USD 3.6 trillion) in an economy which has tripled in size of the past decade. It is home to nearly a quarter of the world's entire population, who are beginning to emerge from a much more consumer-led environment.

Dubai's place in this unfolding story of growth, logistics and expansion is vital. Its geography is unrivalled, its opportunities are unprecedented and its vision for the future is inspirational.

ABOUT US

Vision

To become the preferred investment destination globally.

Mission

To develop and sustain a competitive investment environment to support, stimulate and grow key economic sectors, job creation, and community support in alignment with the Dubai Strategic Plan.

Responsibilities

Dubai FDI is the Foreign Investment Office of Dubai; part of the Dubai Department of Economic Development. Dubai FDI targets and attracts new foreign direct investment projects, facilitates growth of investments and looks after the retention of foreign investors in Dubai, while also working on enhancing the overall investment landscape.

Our team guides new investors through the various stages of the investment process, advising on the business location, the legal structure that best fits their needs, as well as linking them to government and non-government bodies as required.

Additionally the team offers on-going support for the growth and expansion of established companies in Dubai, and undertakes voicing investors' concerns that may be inhibiting growth or development and affecting the overall investment environment.