



## Content

- P. 3 **Arab-German Health Forum**
- P. 4 **Thales builds Cybersecurity Hub**
- P. 5 **News**



YEAR OF  
**ZAYED**

*“The real wealth is hard work that benefits the person and the community. It is immortal and eternal, and forms the value of the human and the nation”*

### Interview with Suhail Al Mazrouei UAE Minister of Energy and Industry

*Minister Al Mazrouei, the United Arab Emirates is living off oil, building the world's largest solar park and investing billions in nuclear power plants. How does this all come together? Germany closes its last nuclear power plant in 2022. Is that crazy in your view? You are currently entering nuclear power; last year the first large plant was put into operation.*

By 2050, we want to halve fossil energy production from almost one hundred to fifty percent. Half of our electricity needs will then come from clean energy sources with zero emissions, especially from renewables such as ...

**Read a full interview on page 6**



## Berlin Energy Transition Dialogue (BETD) 2018

*With a high-ranking delegation, headed by HE Suhail Al Mazrouei, Minister of Energy and Industry, the United Arab Emirates, took part at the Berlin Energy Transition Dialogue in Berlin to discuss their experiences of a successful diversification of the energy sector.*

This year's BETD was held for the fourth time in Berlin and was a huge success. The world-famous event has been organized by the German Ministry of Foreign Affairs in collaboration with the German Energy Agency, DENA. The UAE participated in the event for the third time with a high-ranking ministerial delegation. His Excellency Suhail Al Mazrouei, the UAE minister of Energy and Industry headed a delegation of roughly 15 members from the Ministry as well as members of the Abu Dhabi department of energy headed by its Chairman, His Excellency Eng. Awaida Morshed Al Marar.

During the two-day conference the Emirati delegation took part in several events which all started by the official Opening Ceremony. His Excellency Peter Altmaier, the German Federal Minister of Economic Affairs & Energy gave a keynote in which he reiterated the importance of the so-called 'Energiewende' or the energy transition which Germany has pioneered

for the last four decades and which is emulated around the world by countries who are also on the path of transforming their economies from fossil-fuel dependent to a green economy fueled by renewable and clean energy.

After his keynote, His Excellency Mr. Heiko Maas, the German Minister of Foreign Affairs gave another keynote in which he started off by reminding the audience of the milestone reached during the COP21 in Paris where most nations pledged a long-term goal to keep the rise of temperature well under two degrees Celsius. Maas urged nations to not be stiffened by American decision to opt out of the Paris climate agreement and said that energy diplomacy is and will continue to be a crucial lever for future bilateral relationships between nations as it will directly address important issues such as global migration due to climate change as well as the ever-changing geopolitical situation due to renewable energy becoming ubiquitous.

His Excellency Minister Suhail Al Mazrouei took part as the keynote speaker in a ministerial panel under the title “Structural change – Creative solutions for the exit of fossil” which shed light on the different circumstances and initial positions of countries and regions aiming for a decarbonization of the energy sector. It took a closer look on solution approaches of successful countries and regions as well as regions in transition and how these deals address the social and political implications. The ministerial panel, with the UAE as an example of such a successful transformation, united high ranked national and regional decision makers as well as experts from the scientific community to discuss the issue from various perspectives.

The panel started with His Excellency Minister Suhail Al Mazrouei giving a speech about the UAE experience of transformation,

highlighting what has been achieved so far and what are targets to be met in the mid- and long-term future as well as the mechanisms to achieve those targets. He talked about how the UAE was able to take the decision to invest in renewable energy projects despite the fact that it is one of the world’s leading oil exporting countries with huge oil reserves. In this regard he said that the UAE uses only gas which is the cleanest form of fossil fuels and has an ambitious target to cut emissions by 70% by 2050 bearing in mind that the fact that the UAE used only gas, already makes that target of 70% “rather rigid” and ambitious.

### The UAE strategy of power is targeting the 50/50 goal

#### - HE Minister Suhail Al Mazrouei

His Excellency also laid out UAE’s strategy of power generation which he called “50/50” referring to a 50% clean fossil fuels to 50% renewables. To achieve those targets the UAE is investing in large scale renewable energy projects; which are predominantly solar power: both PV and CSP. Solar power prices are generally falling rapidly, but economies of scale are indeed an important factor. The world’s largest solar thermal system Shams-1 - heated by parabolic mirrors, which drives a turbine - has an area of 2.5 square kilometers and supplies 20,000 households. The electricity price in 2013 was still well over \$ 20 per kilowatt-hour. Now we see prices that are only a fraction of that.

The UAE is building this park piece by piece. For the fourth construction phase, we recently awarded the contract for a solar thermal power plant with 700 megawatts, which is supposed to provide regenerative energy day and night thanks to its storage capacity. The price of the solar power will be 7.3 cents per kilowatt hour, which is a new price record for this technology. We will need many different types of storage. For new photovoltaic systems - which convert sunlight directly - we even only have to pay a bit more than two cents per kilowatt hour. The electricity is available only during the day.

On the second day His Excellency met the Head of the German Energy Agency who organized a small gathering with around 30 representatives of big German energy companies who had interest in investing in several projects in the UAE. His Excellency laid out the strategy of the UAE to the audience and answered their questions. The morning was concluded by signing a MoU between the German Energy Agency and UAE National Committee in the competition for hosting the World Energy Council.

In conclusion the participation of HE Minister Suhail Al Mazrouei summarised UAE’s strategy and ambition as follows. “As part of the international climate negoti-

ations, in 2016 the country has set itself the goal of achieving a 24 percent share of clean energy sources in the energy mix by 2021. However, concrete expansion targets for renewable technologies are generally formulated at the level of the individual emirates. In Abu Dhabi, a renewable share of 7 percent of electricity consumption is to be achieved by 2020. Dubai has spent a target of 5 percent on electricity consumption by 2030. Nationwide, solar energy is expected to account for a quarter of newly installed power generation capacity by 2030. In addition to photovoltaic and Concentrated Solar Power (CSP), the UAE also rely on other sustainable technologies, such as liquefied natural gas (LNG) and waste-to-energy solutions. Renewable energies are also increasingly being used to treat drinking water from salt.



## 11th Arab-German Health Forum offers high potentials



The Secretary General of Ghorfa, Abdulaziz Al-Mikhlaflafi, once again welcomed more than 250 decision-makers from business, politics and science to the German-Arab Health Forum. The event, which was organized in cooperation with VisitBerlin, took place for the 11th time. High-ranking guests from Arab countries as well as from Germany confirmed the good cooperation between Germany and the Arab countries in the health sector as well as the importance of this sector for the national economies. Abdulaziz Al-Mikhlaflafi reiterated, that „the health sector is one of the most important pillars of German-Arab economic relations.“

The sector is an important growth driver not only in the areas of knowledge transfer and trade, but also Health tourism is an important pillar of Arab-German cooperation. This applies in particular to the United Arab Emirates as His Excellency Ali Abdulla Al-Ahmed, UAE Ambassador to Germany representing this year's partner country, made clear in his keynote address. Last year alone, about 6,000 patients from the Emirates came to Germany for treatment, the ambassador said and he also made it clear, that the potential for German-Emirati cooperation in the sector will continue to increase within the framework of Vision 2030. According to recent objectives the healthcare market in the

United Arab Emirates will increase by 300 percent in the coming decade.

The Lebanese ambassador to Germany and Dean of the Arab diplomatic corps, His Excellency Mustapha Adib confirmed this assessment. In light of the rapidly growing population and the continuing increase in widespread diseases, the demand for medical care is growing, which is bringing enormous market growth in the whole region. According to the latest

### The health sector is one of the most important pillars of Arab-German economic relations

- Abdulaziz Al-Mikhlaflafi,  
Secretary General of Ghorfa

figures, spending in the GCC-states alone would increase from the current USD 76.1 billion to USD 104.6 billion in 2022. He also praised the relations as very friendly and cited cooperation in the education sector as a good example. Arab doctors in Germany are being trained as specialists in numerous programs.

Both sides would benefit from the good relations in the sector, explained Ralf Ostendorf, Director Market Management at VisitBerlin. After all, the healthcare industry is also one of the most important sectors in Germany. It contributes 12 percent to

the gross domestic product and employs seven million people. However, the health sector in Berlin is becoming increasingly international and has developed into a top destination with VisitBerlin's initiative „Health excellence - Medical Capital Berlin“. „The Berlin government specifically supports medical tourism and the health industry,“ he added.

In recent years, more tourists and guests from the Arab world have come to Berlin, as Boris Velter, State Secretary for Health in the Berlin Senate, confirmed. He pointed out that Berlin offers excellent conditions for international medical tourism, as well as for the health industry in general. A total of 130 hospitals and medical centres, 70 rehabilitation centres, 22,000 hospital beds, 9,200 doctors, 900 pharmacies and 35 research centres offer potential not only for medical tourism but also for training and cooperation. He explained: „The 11th Arab-German Health Forum will contribute to further expanding Arab-German cooperation in the health sector.“

In a total of six sessions, the participants of the forum discussed current developments in the market, as well as cooperation opportunities for Arab and German companies. While the first session discussed the market situation and future perspectives of the industry in the Emirates, the second

session dealt with medical tourism. On the second day of the forum, two sessions focused on the positive effects of sport. Under the title „Regeneration for Body and Soul“, the focus was on the promotion of popular sport and in a further discussion about innovations and modern diagnostic technologies in competitive sport, from which the wider society can also benefit. Most recently, the participants discussed „Medical Technology and Digitalization“ as well as education and knowledge transfer in the sector.



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## HE Ali Al Ahmed meets German Chambers of Industry & Commerce Network



HE Ali Abdullah Al Ahmed, UAE Ambassador to Germany met with Dr. Volker Treier, Deputy CEO of the German Chamber of Industry & Commerce over the morning get together with representatives from over 30 different state and city Chambers of Industry & Commerce from around Germany and the Secretary General of Ghorfa, Abdulaziz Al-Mikhlaifi, to discuss mutual cooperation.

In the meeting HE Al Ahmed talked about UAE's strength as Germany's largest trade partner in the Middle East and North Africa. He also reiterated the important bilateral relationship between countries which allows for such close cooperation economically as well as politically. His Excellency listened to the representatives about their experiences in working with the UAE as well as the challenges they face.

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## Thales launches a cybersecurity hub which will service the UAE and wider Middle East

The new hub will support customers and partners with best practice and consulting on cybersecurity. The centre is being established as businesses in the region embrace digitisation across the entire value chain, increasing their potential vulnerability and the attack surface. Thales says that organizations must take a more proactive and robust approach to secure critical data and futureproof businesses for success, and the centre will support that mission.

The hub will also partner with local start-ups and leading academics, to share best practices for customers and businesses in the region. Together, they will offer complementary capabilities to offer customers legal and technical audits and consultancy services as part of a comprehensive set of services. The Cyber Hub will harness Thales's local expertise and use established world-class methodologies as well as training, simulation and threat intelligence.

„GCC countries, and in particular the UAE, are at the heart of digital trans-

formation. As the value chain becomes increasingly digitised, the risk of cyberattacks is also on the rise. The stakes are high and cybersecurity is the critical component in the equation; it must be built into applications to protect businesses and critical infrastructure from the very beginning of the process. Through our Cyber Hub, we will work with our customers to bolster their organisations against vulnerabilities and deliver world-class digital transformation safely and securely,“ said Pascale Sourisse, Senior Executive Vice-President, International Development, Thales.

Thales has invested over €1 billion over the past three years in key digital technologies, including IoT, big data, artificial intelligence and cybersecurity. These competencies will be brought to bear at the Dubai Cyber Hub, where the group's expertise in safety and security critical markets, will be leveraged against Thales's region-specific expertise and footprint. The strategy aims at helping customers in the region deliver

successful business and digital transformation, both safely and securely. Through a consultancy-led approach, the Cyber Hub will utilise established methodologies developed by the group, including, cyber health checks, cyber vulnerability investigations, industrial control and SCADA specific risk assessment, as well as cyber training and simulation and threat intelligence. These methodologies, will be leveraged with the products and services from Thales's diverse portfolio, and tailored to local needs by using local expertise, with the ultimate aim of enabling local businesses to adopt a more agile and proactive response to customer needs.

The Hub will seek to improve customers' competitive advantage by providing them more robust cyber security protocols and develop opportunities to upskill and build strategic partnerships with other established cyber businesses across the Middle East. Thales will also build partnerships with SME's, start-ups, and leading academics in the cybersecurity field.

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## WORKFORCE

### UAE approves equal pay law plan

The UAE Cabinet has approved the issuance of legislation to ensure equal pay for men and women working in the country. According to state news agency WAM, the Law on Equal Wages and Salaries for Men and Women will ensure that women have equal opportunities as partners in the UAE's development, and to further empower women to lead future national strategies and ambitious projects. It added that the UAE Government has been consolidating efforts to narrow the gender gap. In 2015, the UAE Council for Gender Balance was established to position UAE among the leading countries in the world in terms of gender balance. The Cabinet's approval of the new law is in line with the government's objective to ensure the protection of women's rights and support their role in the national development process, WAM reported. The law is also part of the Strategy for the Empowerment of Emirati Women launched by Sheikha Fatima bint Mubarak, chairwoman of the General Women's Union, president of the Supreme Council for Motherhood and Childhood, and supreme chairwoman of the Family Development Foundation.

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## TAX REGULATION

### 100 Days of UAE VAT sees 98 per cent compliance

The first 100 days of VAT have seen 98.8 per cent of all businesses and groups registered for Value Added Tax (VAT) comply with submitting their Tax Returns on time, where the rate increased after follow-ups from the authority asserted HE Khalid Ali Al Bustani, Director General of the Federal Tax Authority (FTA). Al Bustani stated that this high level of commitment is due to the guidance provided by the FTA, as well as the clarity and simplicity of the procedures, which allow taxable persons to submit tax returns and pay their dues online, any time, using a number of flexible payment solutions. This system now has 275,000 registrants, allowing taxable persons or their representatives to complete all procedures without having to be physically present at the authority — from opening up an account on the portal, to registering for VAT, to paying due taxes.

Al Bustani added that the UAE is one of the first countries in the world that has implemented a full e-service system, and the compliance rate is one of the highest

globally. He pointed out that the results of the implementation reveal a steady increase in tax compliance rates, confirming the success of the model adopted by the Authority to encourage self-compliance and voluntary registration for tax purposes.

The Federal Tax Authority's call centre has addressed around 100,000 telephone enquiries in the period from 1 January to 8 April 2018, while our experts answered around 70,000 email queries in the same period. This brings the total number of queries and concerns addressed to more than 170,000, which clearly reflects the Authority's commitment to interacting with its partners from various business sectors, as well as society in general," said Al Bustani, noting that the number of stakeholders within the UAE tax system is consistently and rapidly expanding, with the FTA having accredited 85 clearance companies and 21 tax agents, with a further 56 agents currently under process.

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## ENERGY

### Abu Dhabi's utility folded into new energy department

Abu Dhabi has folded utility Abu Dhabi Water & Electricity Authority (Adwea) into the emirate's newly established department of energy as part of a consolidation of state-owned entities, a spokesman for the department said on Sunday. The Regulation & Supervision Bureau (RSB), which oversees water, waste water and electricity in Abu Dhabi, will also become part of the energy department.

Oil-rich Abu Dhabi has seen some of its largest firms merge in the last two years as part of a strategic review in response to an oil price slump. Two of the UAE's biggest banks, National Bank of Abu Dhabi and First Gulf Bank, were merged to create First Abu Dhabi Bank. International Petroleum Investment Company (IPIC) was merged with Mubadala. This month, Abu Dhabi Investment Council was taken over by Mubadala Investment Company.

Last month, President Sheikh Khalifa, in his capacity as ruler of Abu Dhabi, issued a series of laws establishing a number of government departments for the emirate, including the Department of Energy. "In accordance with the law, Adwea and the RSB will, effective February 20, 2018, be under the newly created department of energy," the spokesman of the Abu Dhabi Department of Energy told Reuters. All of

Adwea's assets, rights and obligations will be transferred to the Energy Department, which will be responsible for strategic plans for the entire energy sector in Abu Dhabi.

The state-owned utility owns 74.1 percent of Abu Dhabi National Energy Company (TAQA). With this move, Abu Dhabi-listed TAQA, effectively, comes under the department of energy. Adwea also owns 10 power and water desalination plants. Earlier this year, it invited bids to build one of the world's largest desalination plants. Adwea is building one of the world's largest solar power plants which is scheduled to be completed in the second quarter of 2019.

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## FINANCE

### UAE's investments balance abroad hits USD 1 trillion

The cumulative balance of UAE's investments abroad has increased by USD 3.67 trillion, according to the General Secretary of the UAE International Investors Council Jamal Al Jarwan, who emphasized the significant role played by these investments in enhancing cooperation and partnership between the UAE and many countries around the world. He told „Al Ittihad“ that these investments have gained over the past years a wide experience and prestigious reputation.

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## TRANSPORT

### Siemens and Dubai Airports seek to establish Data Hub

Siemens Postal, Parcel & Airport Logistics (SPPAL) and Dubai Airports signed a Memorandum of Understanding (MoU) to explore potential areas of collaboration that will enhance passenger experience and throughput, cost optimization and energy efficiency at Dubai International (DXB) and Dubai World Central (DWC). The MOU identifies the intent to explore potential areas of collaboration in the fields of data management, analytics and digitalization. As part of this agreement the companies aim at utilizing IoT technology and infrastructure as well as analytics capabilities, establishing a standardized and secure way to exchange quality-assured data across different stakeholders at the airports in real-time.

## Suhail Al Mazroui, UAE Minister of Energy & Industry

By 2050, we want to halve fossil energy production from almost one hundred to fifty percent. Half of our electricity needs will then come from clean energy sources with zero emissions, especially from renewables such as solar parks (44% targeted), but also nuclear power (6% targeted). That's how we defined it in the Dubai Clean Energy Strategy last year. Every five years we will adapt the strategy. For example, if prices for a particular technology are higher or lower than predicted.



No, what Germany is doing is not crazy. The population pays taxes to the state, they have a right to make decisions. If Germans do not feel comfortable with nuclear power, then that's the case. We in the Emirates asked the population, and more than 85 percent agreed with the use of nuclear power plants. Our systems also meet the highest safety standards and are located away from earthquake-prone areas.

*The solar parks in the Emirates break world records. Is size crucial to reduce costs?*

Solar power prices are generally falling rapidly, but economies of scale are indeed an important factor. The world's largest solar thermal system Shams-1 - heated by parabolic mirrors, which drives a turbine - has an area of 2.5 square kilometers and supplies 20,000 households. The electricity price in 2013 was still well over \$ 20 per kilowatt-hour. Now we see prices that are only a fraction of that.

*The largest billion-dollar project is the Rashid Al-Maktoum Solar Park, which is due to reach a capacity of 5,000 megawatts by 2030, which is fifty times that of Shams?*

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We build this park piece by piece. For the fourth construction phase, we recently awarded the contract for a solar thermal power plant with 700 megawatts, which is supposed to provide regenerative energy day and night thanks to its storage capacity. The price of the solar power will be 7.3 cents per kilowatt hour, which is a new price record for this technology. We will need many different types of storage. For new photovoltaic systems - which convert sunlight directly - we even only have to pay a bit more than two cents per kilowatt hour. The electricity is available only during the day.

*At these prices, nuclear power hardly appears to be competitive. Why do you still mix them with your future energy mix?*

You cannot provide enough base load for the grid with renewable energy sources alone. We need the electricity 24 hours a day for homes, hospitals, businesses, without a second interruption. 16 to 18 hours we can cover with solar power. For the rest, you can rely on gas or just nuclear power. That's expensive, yes, but we're protecting ourselves against rising gas prices for decades.

*As the current president of Opec, you have forged an alliance with ten non-OPEC countries, including Russia, to reduce oil production and reduce stocks. How far are you with that?*

OPEC stabilizes the market after unconventional US oil flooded the markets. We have come a long way on balancing markets, we are at 90 percent, I think. The stocks are approaching the five-year average again. It is likely that the cooperation between OPEC and the other oil producers will continue in the coming year.

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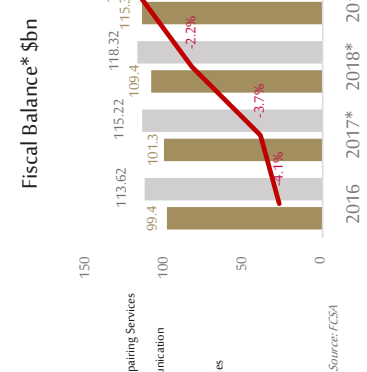
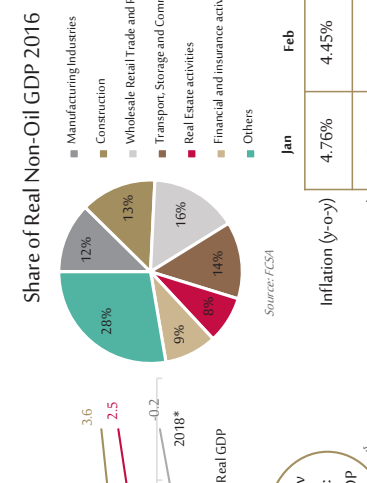
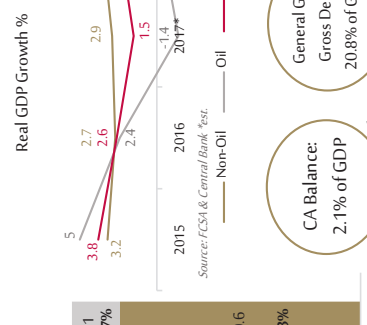
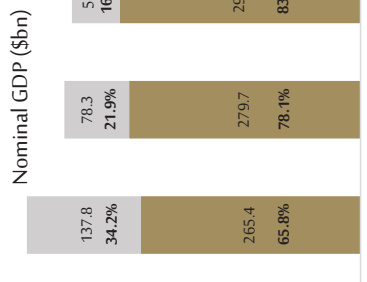
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# UAE Monthly Dashboard

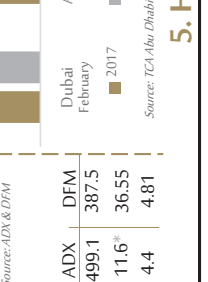
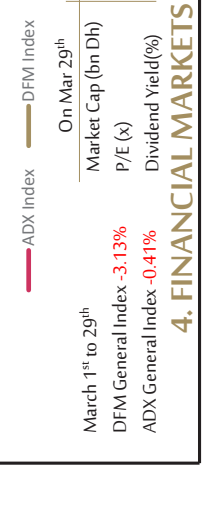
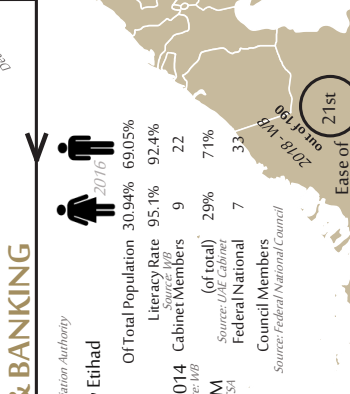
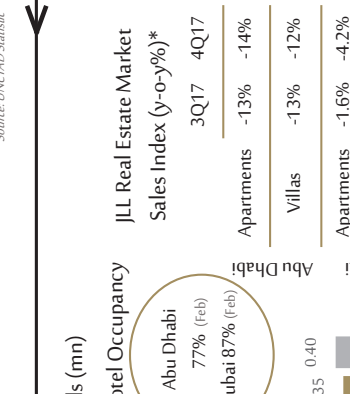
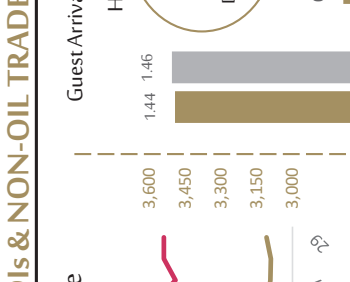
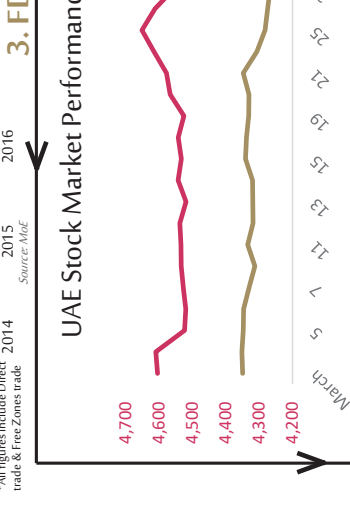
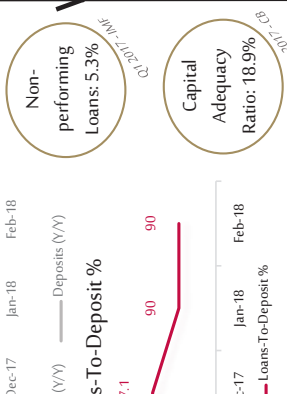
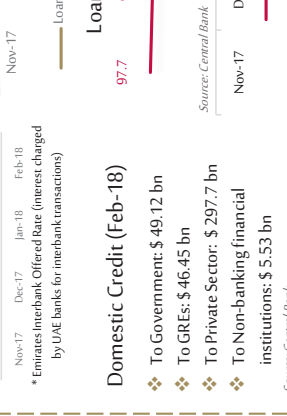
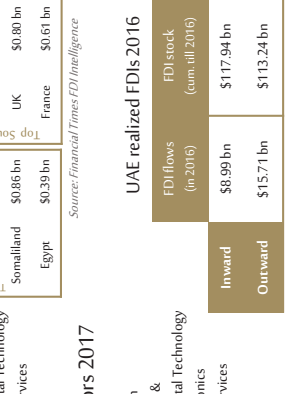
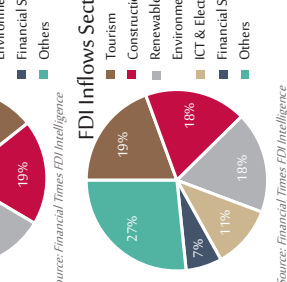
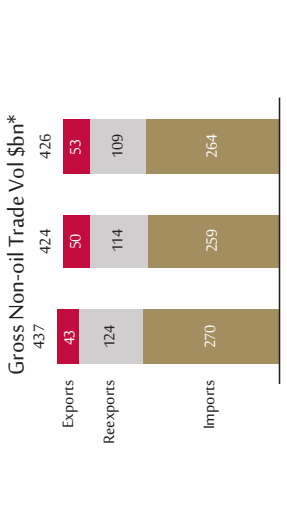
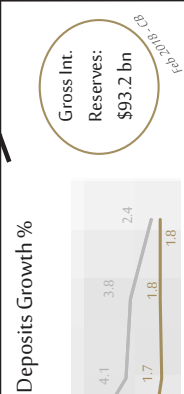
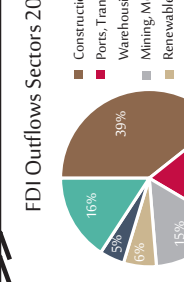
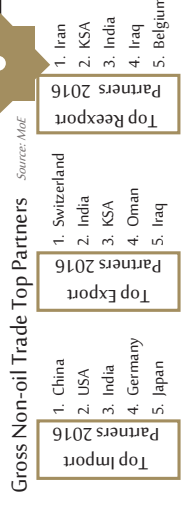
March 2018



CA Balance: 2.1% of GDP  
General Gov Gross Debt: 20.8% of GDP

3M EIBOR\*%  
Loans & Deposits Growth %

Gross Int. Reserves: \$93.2 bn  
Non-performing Loans: 5.3%  
Capital Adequacy Ratio: 18.9%



\*The latest available P/E ratio and Dividend yield for ADX were available for February

# UAE Monthly Dashboard

## News Updates

March 2018

