

Economic Development

Economic Development is a priority policy area of the Government of the Emirate of Abu Dhabi. Key elements of the Emirate's vision describe a dynamic open economy, characterized by a vibrant diversity and by transparency and sound governance.

Planning and Economy

Providing a Platform for Economic Prosperity

Objectives

In just 40 years, Abu Dhabi has developed from having no sealed roads and only a handful of permanent buildings to being one of the most important modern economic centres in the region and the world. This rapid growth has been thanks to the vision of the late Sheikh Zayed bin Sultan Al Nahyan who wisely invested the Emirate's oil and gas profits for the benefit and development of the country and its people. In 2005 the Abu Dhabi oil sector represented 67% of the Emirate's Gross Domestic Product (GDP).

Under the leadership of His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the United Arab Emirates and Ruler of Abu Dhabi, the Emirate has enjoyed rapid and sustainable growth that is expected to continue well into the years ahead.

While deeply appreciating the opportunities created by the oil and gas sector, the Government recognizes the need to broaden and diversify the Emirate's economic success, and actively work to reduce the degree to which the economy of Abu Dhabi relies upon the upstream hydrocarbon sector.

The Department of Planning and Economy-with support from the Abu Dhabi Council for Economic Development and the Abu Dhabi Chamber of Commerce and Industry-is charged with providing for a dynamic, open and successful economy.

As part of this responsibility, the Department has a central role in the restructuring of government to achieve efficiencies and improve the overall operation of the economy, including via the outsourcing of a range of government services to more efficient private sector service providers.

The Department, together with the Abu Dhabi Council for Economic Development, will seek to create an ideal environment for local and foreign investment aimed at making the private sector the main driver of economic growth. In 2005, the private sector represented 17.8% of GDP, and much more ambitious targets have been set for the future.

The Abu Dhabi Council for Economic Development was established in May 2006 by Law No. (9), issued by His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE and Ruler of Abu Dhabi. The Council's responsibilities include contributing to the planning of economic policy in the Emirate, developing its own public policies and plans, removing barriers for potential investors and businesses, reviewing economic legislation, creating greater economic awareness in the community and supporting activities to promote Abu Dhabi as a regional and international business hub. The Abu Dhabi Council for Economic Development will work closely with, and support, the Department for Planning and Economy.

In the delivery of a strong and diversified economy, policy priorities in the portfolio of planning and economy are to:

- Create a dynamic business environment characterized by economic diversity, transparency and sound governance.
- Establish Abu Dhabi's position as a globally preferred destinations for both local and Foreign Direct Investment through the adoption of progressive economic policies and stream-lined regulatory requirements, as well as the provision of guidance on critical infrastructure requirements needed to ensure Abu Dhabi's continued economic growth and competitive position.
- Build Abu Dhabi as a global city, complete with the best and most appropriate infrastructure and social characteristics of established leading global cities.
- Strategically expand the industrial sector as a tool to achieve diversification and increase the contribution of the manufacturing sector to Gross Domestic Product.
- Develop a sustainable system for the collection of economic and other statistics required for accurate, ongoing assessment of the performance of the Abu Dhabi economy.
- Build a system for monitoring key economic indicators to guide the use of monetary and fiscal tools in achieving macroeconomic growth and stabilization.
- Create productive employment opportunities for Emirati Nationals in the public and private sectors.
- Facilitate the export of capital, through targeted investments in partnership with other nations.
- Increase the role of women in the workforce, with a particular focus on Emirati women.

The Abu Dhabi Department of Planning and Economy operates within the Federated context of the United Arab Emirates, where fiscal and monetary decisions are made on behalf of the entire UAE, and the local currency (the Dirham) is tied to the US Dollar at a steady exchange rate.

Despite participation in the Federation and the accompanying constraints of an externally-pegged national currency, the Abu Dhabi Department of Planning and Economy, with the support of the Abu Dhabi Council for Economic Development and the Abu Dhabi Chamber of Commerce and Industry, has significant responsibilities to determine and set economic priorities to benefit the population of the Emirate.

Contribution to Abu Dhabi Vision

The Abu Dhabi Executive Council is the steward of efficient, inclusive and accountable government in the Emirate. Its mission is to develop and oversee economic and social policies for the strategic benefit of Abu Dhabi. The vision for Abu Dhabi consists of a secure society and a dynamic open economy based on the following pillars:

- Premium education, healthcare and infrastructure assets.
- A large empowered private sector.
- The creation of a sustainable knowledge based economy.
- An optimal transparent regulatory environment.
- Complete international and domestic security.
- A continuation of strong and diverse international relationships.
- Emirate resource optimization.
- The maintenance of Abu Dhabi's values, culture and heritage.
- A significant and ongoing contribution to the federation of the United Arab Emirates.

The Department of Planning and Economy will play a central role in implementing policies to achieve this vision for Abu Dhabi, and ensuring that economic growth and development is strategic and sustainable.

Policy Drivers

The rapid growth of the Abu Dhabi economy in the last 40 years has necessitated the establishment of a new system of current and reliable economic indicators, to enable intelligent and informed policy formulation and planning to accommodate economic growth to promote individual and collective prosperity. Intelligent and informed economic policy formulation and planning is crucial to diversifying the economy in a strategic and balanced way, and also central to the aim of achieving global city status. Globalization offers to Abu Dhabi the best opportunity to achieve its goals in economic diversification. For example, the removal of barriers to trade is already allowing the migration of industry into the Emirate. With additional regulatory reform and economic re-structuring, including special investment zones and favourable tax policies, Abu Dhabi will build a diversified industrial sector within the Emirate's areas of expertise and comparative advantage such as energy generation, and industrial segments requiring energy.

Yet within this context of globalization, inflation is a growing challenge for Abu Dhabi. High crude oil prices have led to a general rise in the prices of other commodities in the UAE, with the growing inflationary pressure exacerbated by other factors such as the fluctuation of currency, borrowed or imported inflation, and the effects of the perceived impact of regional instability.

Inflation, and the cost of living, is one of the economic challenges to be considered by the public entities responsible for economic policy and planning in Abu Dhabi. Outlining the current challenges:

- While the Abu Dhabi Chamber of Commerce and Industry estimated a 6 per cent inflation rate for Abu Dhabi in 2005/6, the true inflation rate is poorly understood, due to deficiencies in the formulation and weighting of inputs to the Consumer Price Index (CPI). Ongoing work to develop a more comprehensively weighted basket of goods and services used to determine the CPI will represent an important step in the effective management of inflation and its related challenges.
- Companies have expressed concern over the rising cost of doing business in the UAE and a number of small companies have indicated they are looking to move to cheaper regional countries due to rising costs. As such, the need to manage cost considerations for foreign companies investing in the Emirate will be monitored and measures will be taken to preserve and improve Abu Dhabi's competitive position.
- About 80 per cent of UAE imports are from Europe and Japan and their currencies have appreciated in recent times. The effect of international currency trends will be monitored and appropriate policy tools will be employed to achieve macroeconomic stabilization.
- The short supply of housing has caused rents to creep up but the increasing availability of more housing units in coming years will address this. Moreover, on the 30th of October 2006 the government passed legislation capping rent increases at seven per cent per annum.

Strategy

Abu Dhabi is evolving into a global city. The characteristics of similar cities are political stability, economic prosperity, vibrant culture, efficient infrastructures, and international connectivity fostering open trade. Abu Dhabi has long enjoyed political, economic and cultural vibrancy. It is also well advanced in building the infrastructure and connectivity to achieve global city status.

The Abu Dhabi Council for Economic Development

In May 2006 the Executive Council established a new vehicle designed to help stimulate economic development and the attainment of global city status. A law created a dedicated formal entity to support ongoing dialogue between government and the private sector. That dedicated entity is the Abu Dhabi Council for Economic Development. The Council will facilitate structured dialogue among the government, the private sector, and foreign business groups. This Council will help provide greater opportunities for private sector entities to participate in the process of economic policy formulation via dialogue with their government counterparts and joint cooperation in identifying potential solutions to those issues found to be constraining economic growth and diversification in the Emirate of Abu Dhabi.

Asset Clustering

The Executive Council has also adopted asset clustering strategies to help achieve its objective of an efficient, diversified economy. Industrial specialization programs based on sectors in which Abu Dhabi has a natural competitive advantage are being commenced to capitalize on existing skills and natural assets. The first phase will see cluster strategies developed around:

- Real estate and tourism
- Basic industries and petrochemicals
- Aviation
- Logistics

ZonesCorp

An additional new body was also established by Law No. (3) of 2004, to support the expansion of internationally competitive, strategic infrastructure in Abu Dhabi. The Higher Corporation for Specialized Economic Zones (ZonesCorp) promotes and manages specialized economic and industrial zones, and educates businesses and individuals on the importance of local economic issues. ZonesCorp:

- Provides infrastructure to stimulate and enable non-oil economic sectors.
- Provides services and land for the development of emerging industrial sectors.
- Creates new, skilled employment opportunities in Abu Dhabi.

ZonesCorp is responsible for the creation and oversight of the Industrial City of Abu Dhabi (ICAD). The total area of Abu Dhabi Industrial City is currently 14 square kilometres and an expansion of 60 square kilometres has been planned. The City is fitted with an administrative headquarters along with a range of public facilities including a hotel, cultural centre and a business support centre. Banks, shopping malls and a medical clinic also have been built.

The second part of the city contains a residential area which features the highest standards of facilities, catering for the full spectrum of work force needs.

Coordination

Economic leadership, in all jurisdictions, is central to the success of the economy. The coordination of the different entities able to influence economic planning and growth warrants a concerted focus in the Emirate. As such, the Department for Planning and Economy will work to closer coordinate with:

- UAE government entities and the Central Bank, to establish reliable economic indicators to give rise to a new ability to manage the economy of the Emirate and the Federation.

- The Department of Municipal Affairs and the Department of Transport, to plan for the infrastructure growth required providing for the achievement of global city status.
- The Council for Economic Development, to more effectively engage the private sector in the growth of the local economy.
- All of the above to pursue regulatory and organizational reforms that improve the business environment via increased transparency and stream-lined procedures.

Energy

Diversifying the Energy Sector and the Economy

Objectives

Abu Dhabi is blessed with abundant hydrocarbon resources that have driven the rapid growth and development of the Emirate's economy. These resources will continue to provide investment, employment and industrial development in the region for a long time to come.

Abu Dhabi is a proven and reliable provider of energy to the global community. This continuing responsibility is a cornerstone of government policy.

However, under the guidance of His Highness Sheikh Khalifa bin Zayed Al Nahyan, Ruler of Abu Dhabi, a key objective of the Abu Dhabi Executive Council is leveraging the Emirate's strong hydrocarbon sector to stimulate and support broader economic diversification at the following two levels:

1. At the level of the energy sector, strengthening downstream production capabilities and expanding the proportion of value-added exports; and
2. At the level of the Abu Dhabi economy, diversifying into new industries on the back of ongoing performance in the hydrocarbon sector.

Contribution to Abu Dhabi Vision

The vision for Abu Dhabi consists of a secure society and a dynamic open economy based on the following pillars:

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- An optimal transparent regulatory environment.
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- A continuation of strong and diverse international relationships.
- Emirate resource optimization.
- The maintenance of Abu Dhabi's values, culture and heritage.
- A significant and ongoing contribution to the federation of the United Arab Emirates.

The expansion of capacity and diversification of the local hydrocarbon sector will contribute towards the establishment of premium education, healthcare and infrastructure assets, a large empowered private sector and a significant contribution to the Federation. In addition, successful expansion and diversification of the local energy sector will enable and drive diversification and growth across the Abu Dhabi economy.

Policy Drivers

Energy sector policy in Abu Dhabi is being driven by a range of opportunities, challenges and wider ambitions:

Economic diversification

To achieve its broader vision for the Emirate, the Government of Abu Dhabi is embarking on a program to diversify the economy into a raft of new areas. The ability of Abu Dhabi's hydrocarbon sector to support and drive that diversification process is an opportunity that energy policy seeks to leverage.

Downstream opportunities

With its significant hydrocarbon reserves and relatively low production costs, Abu Dhabi has a natural advantage in a range of downstream industries. Opportunities in base oil and petrochemicals will be leveraged to enhance the value of energy exports and support diversification and growth across the economy.

Human capital as an enabler

Expansion of the local hydrocarbon sector relies on skilled human capital to deliver on the Emirate's strategy. From the perspective of the Government, people are Abu Dhabi's most valuable resource and will continue to drive growth in the energy sector. However, the hydrocarbon sector also has a role to play in the attraction and development of the skilled human capital that is required across all other areas of the economy.

Human capital will drive the hydrocarbon sector, and a successful hydrocarbon sector will attract and develop the human capital required to support growth and diversification in other sectors.

Technology and international expertise

Abu Dhabi is a partner of choice in the international oil and gas sector. As a result, the Emirate has strong and diverse relationships with leaders in their respective fields. This enables Abu Dhabi to leverage the latest technology and the highest level international expertise in the ongoing growth and expansion of its hydrocarbon sector. This represents a significant opportunity and policy direction.

Strategy

Raising capacity in phases

Abu Dhabi is adding oil and gas and natural gas liquids production capacity each year, through the application of better processes, products and technology. The phased approach is a deliberate strategy, to ensure the Emirate continues to provide the highest quality while steadily raising capacity.

Current targets are to expand oil and gas production capacity significantly. This will include increasing oil production capacity up to 4m barrels of oil per day, as well as increasing domestic gas supplies via the development of sour gas reserves and the optimization of existing sweet gas production.

Continued expansion of the Abu Dhabi economy will also hinge upon the availability of sufficient energy resources for domestic use. As such, a key priority in Abu Dhabi's capacity expansion will be the timely development and delivery of energy resources to meet growing domestic demand.

Diversification at the sector level

Abu Dhabi will continue to export raw materials, but the proportion of more valuable exports including refined and semi-refined products will steadily increase as the Abu Dhabi economy along the entire hydrocarbon value chain. This will involve coordination with the Department of Planning and Economy to stimulate the strategic downstream investment required to drive this expansion. For example, over US\$3bn will be invested to expand the capacity of the Borouge petrochemicals facility to 2m tonnes per year (polyethylene and polyolefin).

Importantly, a key component of the downstream strategy is building on Abu Dhabi's natural advantages and playing to traditional strengths. For example, abundant hydrocarbon resources and relatively low costs of production provide a strong foundation for a petrochemicals sector - more so than many other alternative sectors for potential investment. Recognising and leveraging Abu Dhabi's strengths in areas such as this are the immediate priority.

Additionally, investment entities affiliated with the Abu Dhabi government will also continue to pursue geographical diversification of Abu Dhabi's energy interests via strategic investments in upstream and downstream hydrocarbon assets outside of Abu Dhabi and the UAE.

Diversification of the broader economy

A successful hydrocarbon sector has a key role to play in the broader diversification of the Abu Dhabi economy. The local sector provides a range of benefits including international investment, the attraction and development of skilled human capital and the provision of affordable energy to local industry.

It is very important that the approach to economic diversification taken by the Abu Dhabi Government is not misunderstood as simply 'moving away from oil and gas'. The ongoing significance of hydrocarbons to the economy is the means by which broader diversification will be achieved and supported, and not the reason it is necessary. As such, the energy sector will be expected to continue increasing its contribution to an ever more diverse Abu Dhabi economy, not only via increased production capacity, but also via increased efficiency and productivity realized through continuous technological and managerial innovation.

Partnerships with leaders in their respective fields

Through key organisations such as the Abu Dhabi National Oil Company (ADNOC), the Emirate partners with a number of international firms in the energy sector. Specifically, ADNOC seeks to identify partners that demonstrate technological know-how, organisational professionalism and transparent business practices.

In addition, Abu Dhabi seeks to partner with the leaders in individual fields. By working with industry leaders to develop and expand local production, the Emirate can operate at the cutting edge of these sectors from the outset.

Fostering education and a professional culture

The ambitious plans to expand and diversify the local energy sector will rely on educated, skilled and professional human resources. As such, the Supreme Petroleum Council and the Abu Dhabi National Oil Company (ADNOC) are making a concerted effort to promote the highest levels of education and training in Abu Dhabi.

Key initiatives include the:

- ADNOC Oasis which promotes education and encourages Abu Dhabi students in their studies.
- ADNOC Technical Institute, which produces entry-level technicians for the oil and gas industry and contributes to the Emirate by providing an alternative to conventional academic education for young UAE Nationals.
- Petroleum Institute, which focuses on engineering and applied sciences taught at the highest possible standards.
- Facilitation of opportunities for students wishing to study abroad.

Petroleum Institute

The Petroleum Institute (PI) was founded by Law No. (9), of 2000. It admitted its first class in fall 2001.

The Petroleum Institute is financed and governed by Abu Dhabi National Oil Company (ADNOC) and its international partners. The objective in founding the PI was to provide the UAE and its oil and gas industry with engineers educated and trained to the highest standards. To this end, an agreement was signed by which the Colorado School of Mines would provide academic guidance and support, and assist in the process of achieving international accreditation.

The campus is situated in the Sas Al Nakhl area of Abu Dhabi. It consists of five buildings devoted to academic and administrative affairs, with additional buildings providing recreation and dining facilities and student accommodation. The teaching facilities contain the best and most modern equipment available. A separate facility for women has been constructed nearby and the first group of female students has enrolled in 2006.

Currently there are nearly 850 undergraduate students (748 men and 96 women) studying at The Petroleum Institute, divided between the Foundation Program and the engineering programs. It is projected that the PI will ultimately cater to more than 2,500 students, of whom some 750 will be female. June 2006 was a major milestone, with PI's first 44 graduates emerging from the engineering programs and going on to start their careers within the ADNOC group of companies.

The 2006-07 academic year saw the launch of the first post-graduate programs. The Petroleum Institute plans to offer a complete suite of Master of Science, Master of Engineering, and Doctor of Philosophy (PhD) degrees in the near future. As the post-graduate program grows, so does the research program with the commitment to excellence in undergraduate education supplemented by a strong commitment to excellence in research and technology development. Research is being leveraged by close cooperation with industry through the ADNOC group operating companies, the international partners, and with participation from selected foreign universities.

Coordination

Successful implementation of the Abu Dhabi Government's plans in the energy and hydrocarbon sector will rely on effective coordination between a range of public and private entities:

The Department of Planning and Economy, to ensure the necessary investment is made to stimulate the expansion of downstream industry.

International partners in the hydrocarbon sector, with whom the Emirate works to expand production capacity, to develop local human capital and to apply the most effective technology and processes to its oil and gas operations.

The Abu Dhabi Education Council, Federal Ministry of Education, Education Zones and individual educational institutions in the UAE and internationally, to promote the highest possible standards and effective pathways for students. International partnerships such as those demonstrated by the Petroleum Institute set a fine example of coordination supporting the development of quality human capital for the local economy and energy sector.

Abu Dhabi Tourism

Realizing Our Potential as a World Class Destination

Objectives

Under the leadership of His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the United Arab Emirates and Ruler of Abu Dhabi, the Emirate is embarking on an ambitious strategy to attract 3 million visitors per year by 2015.

Tourism is a critical element in the overall development of Abu Dhabi. It will stimulate and diversify the economy, generate new private sector opportunities, and elevate the Emirate's international standing.

To bring effect to this decision, the Abu Dhabi Tourism Authority (ADTA) was established by Law No. (7) of 2004. A statutory body, the ADTA has a wide range of responsibilities to execute and oversee the Emirate's bold strategy for the tourism industry.

Under the strategy, visitors will be drawn by what will be the region's most distinctive and comprehensive set of cultural institutions, by a large and diverse selection of luxury hotels, by its world-class airport and airline, by easy access to a complete range of convention and business services, by the serenity of its desert, by the beauty of its beaches, by its unique heritage and by the warm hospitality of the Arabian Peninsula.

Every aspect of the Emirate's tourism strategy and its implementation works towards the reputation of Abu Dhabi as an exclusive, high-end tourist destination: an idyllic place where the visitor can engage in world-class business and relax. Delivering the highest quality in travel, accommodation, tourist attractions and importantly, business facilities, is central to achieving that vision.

Contribution to Abu Dhabi Vision

Tourism has significant cultural and economic impacts for a location such as Abu Dhabi. Specifically, successful execution of the Abu Dhabi tourism strategy will contribute to the international reputation of the Emirate, create significant business opportunities and stimulate the growth of an empowered private sector and the creation of a sustainable knowledge based economy. Fundamental to the strategy is the maintenance of Abu Dhabi's values, culture and heritage.

Policy Drivers

Abu Dhabi is well placed to develop a profitable and successful tourist industry. There is the obvious appeal of its location, climate, culture and existing tourism infrastructure. But significantly, the Emirate also possesses the political will, financial resources and leadership to manage challenges and deliver a dedicated and effective tourism strategy. A range of opportunities and challenges are driving the development of policy in this area:

a) A strong foundation for growth

- The direct tourism industry, which includes those sectors directly in contact with visitors, generated AED3.7bn, or 1.2 percent of GDP in 2005. Tourism directly generated 32,028 jobs in 2005, or 3.3 percent of all employment. When indirect contributions are considered, tourism generated 73,494 jobs or 7.6 percent of all employment in the Emirate in 2005.
- The total economic impact of tourism was AED8.7bn in 2005, or 2.9 percent of the economy. Excluding the oil sector, the tourism sector makes up 7.1 percent of the Emirate's remaining GDP.
- Tourism GDP has grown 62 percent over the past five years and over 17 percent in the past two years.

b) Stunning natural, man-made and cultural assets

The Emirate is characterized by a hospitable, welcoming culture combined with traditional Arabian and historical attractions. Abu Dhabi offers year round sunshine, extensive beaches, spectacular desert scenery, rugged mountains, green oases and more than 200 islands. The Abu Dhabi tourism policy seeks to leverage these natural assets in a targeted and sustainable way.

In addition, Abu Dhabi offers high-quality luxury hotels, a first class airport, golf courses, sport and recreation facilities and infrastructure for the Meetings, Incentives, Conventions and Exhibitions (MICE) sector.

c) The right place at the right time

Demographic and travel trends point to opportunity for Abu Dhabi. There is a growing acceptance of the Gulf as a holiday location and an increasing number of Europeans with time and money to spend on leisure travel. The climate is also aligned with the travel patterns of Europe and Asia.

d) The need for differentiation

Abu Dhabi must provide a unique and distinctive offering that complements other regional destinations. Consumer research has demonstrated a lack of awareness of Abu Dhabi as an international destination, both generally and in comparison with other tourist destinations in the region. In addition, there are widespread misperceptions among western audiences relating to security, politics and the Emirate's location.

e) Local and private sector opportunity

A key part of the tourist experience of many successful markets is local hospitality and an awareness of the destination's history and culture. With few UAE citizens directly working in visitor-facing positions, it is difficult to convey a genuine sense of Emirati hospitality through a professional and service-oriented, but largely expatriate, work force. In addition, there is a lack of private sector involvement in the tourism industry, including tour operators and attraction management providers.

Historically, efforts to promote tourism in Abu Dhabi have been uncoordinated and developed in a partially ad hoc way. To achieve a targeted vision for the Emirate as a destination-in terms of image, atmosphere and numbers-an integrated, coordinated strategy is essential.

Strategy

a) The Abu Dhabi Tourism Strategy

The Abu Dhabi Tourism Strategy provides an integrated, evidence-based plan for the management and growth of an internationally competitive tourism industry in the Emirate. Informed by the challenges and opportunities outlined above, key targets for 2015 are:

- Leisure tourist numbers to reach up to 1,200,000 visitors per year.
- Business tourist arrivals to reach 1.55 million people per year.
- In the MICE segment, by focusing on few but large exhibitions, Abu Dhabi would reach up to 240,000 visitors (in terms of hotel guests) per year.
- 60 new hotels to be constructed in Abu Dhabi.
- Hotel receipts should increase fourfold by 2015, from around AED1bn in 2005 to around AED4bn.
- Cumulative investment in accommodation will reach AED11bn.
- Around 21,000 employment opportunities will be created in the hotel industry.
- An expanded tourism industry is projected to generate AED26bn of investment opportunities and an estimated 43,000 new jobs.

b) A Phased Approach to Implementation

It is a key priority of the Government to ensure that the development of a local tourism industry is controlled, and that demand is managed effectively. To achieve the Government's objectives in a targeted and controllable way, the strategy outlines nine distinct phases for its implementation:

1. Creation of the Abu Dhabi Tourism Authority.
2. Development of a brand and image, to reinforce Abu Dhabi's tourism promise.
3. Development of distinct tourism areas, such as the islands, coastline and oases.
4. Promotion of Abu Dhabi, to raise awareness of the Emirate as an exclusive 'Sun and Beach' destination for leisure and MICE tourists.
5. Establishment of international offices, initially in UK, Germany and Saudi Arabia.

6. Improvement and profiling of existing attractions.
7. Development of new attractions and events.
8. Coordination with Etihad Airlines in developing and offering new products.
9. Improvement of tourism services, through hospitality training, updated hotel classification and associated initiatives.

c) Destination Marketing and Promotion

The Government intends to invest heavily and consistently in destination marketing and promotion. This includes building a professional, international marketing capability and ensuring it has the necessary resources to support the Emirate's broader tourism strategy.

Estimates suggest an initial promotional budget of around \$20-25 million per year to achieve the targets outlined in the strategy, although this is expected to expand in the future. In line with this component, the Abu Dhabi Tourism Authority has recently opened its first international offices in London and Frankfurt, directly targeting two of its key markets.

d) The Exhibitions Strategy

The Government believes the MICE segment will be central to the future of tourism in Abu Dhabi. To drive the development of an internationally competitive convention and exhibition offering, the Government created the Abu Dhabi National Exhibitions Company (ADNEC), in 2005.

The ADNEC is the chief Government regulator of exhibitions and conferences in Abu Dhabi, and the lead body for the organization of these events. It is expected to act as a catalyst for the ongoing development of the exhibitions industry in terms of both facilities and support services, and in the number, diversity and prestige of events staged in Abu Dhabi.

The key objectives of the ADNEC are as follows:

- Organise highly specialized and distinguished international exhibitions and conferences in Abu Dhabi.
- Build strong strategic alliances with leading exhibition and conference organisers.
- Contribute to the development of a highly skilled and well trained, UAE National workforce.
- Promote the image of Abu Dhabi as an international business hub and centre of excellence in the field of exhibitions and conferences.
- Facilitate and strengthen communication between relevant Government entities in the development, promotion and management of events.

- To direct the work of the ADNEC, the Government of Abu Dhabi has recently announced a dedicated Exhibitions Strategy that will refine the Emirate's exhibition and conference offering and ensure it succeeds into the future.

e) The Tourism Development and Investment Company (TDIC)

The Government is taking deliberate steps to ensure that assets and attractions of the highest quality are in place to meet expected tourist demand. The Tourism Development and Investment Company (TDIC) has been established to oversee the development of many of these assets.

The TDIC was established by Law No. (2) of 2005 as decreed by His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE and Ruler of Abu Dhabi. An independent organization, the TDIC is mandated to manage the Emirate's tourism investment zones to deliver on the strategy of the Abu Dhabi Tourism Authority.

The TDIC is equipped to act as a master developer for large scale tourism projects, and works closely with private sector developers, whose involvement is a key priority of the Government's broader tourism strategy. Joint-ventures with the private sector to develop hotels and residential sites are an immediate priority, as are the development of cultural and tourist attractions.

The TDIC is overseeing the development of Saadiyat Island and with it, its cultural district, one of Abu Dhabi's flagship tourism developments. As a cultural gateway for national, regional and global benefit, the cultural district will play an integral role in Abu Dhabi's vision to become a world-class cultural destination. It will feature a classical museum, a performing arts centre, the Sheikh Zayed National Museum, a modern and contemporary art museum, a maritime museum and a Biennale Park with 19 pavilions.

The government of Abu Dhabi has already entered into two agreements; to bring to fruition the modern and contemporary art museum and the classical museum respectively.

On the 8th July 2006, a Memorandum of Understanding was signed with the New York-based Guggenheim Foundation to establish a world-class museum devoted to modern and contemporary art in the Saadiyat Island Cultural District. To be called the Guggenheim Abu Dhabi, the museum will be designed by internationally-acclaimed architect Frank Gehry.

At 30,000 square metres, the Abu Dhabi museum will be the only Guggenheim museum in Middle East and North Africa region and will be larger than any existing Guggenheim worldwide. It is expected that the museum will be constructed within five years. The museum will form its own major collection of contemporary art and will also exhibit masterworks from the Guggenheim Foundation's global collections.

On the 6th March 2007, the Government of Abu Dhabi and the Government of France entered into a historic 30-year cultural agreement to establish the Louvre Abu Dhabi museum in the Saadiyat Island Cultural District. The Louvre Abu Dhabi will be designed by Jean Nouvel. The agreement provides for long term loans from the Louvre and major French museums including the Musee du Quai Branley, Centre Georges Pompidou, Musee d'Orsay, Versailles, Guimet, Rodin and the Reunion des Musees Nationaux (RMN).

Temporary exhibitions will also be organized annually in the Louvre Abu Dhabi and will be included in the programme of international exhibitions exchanged between major international museums. The Louvre Abu Dhabi will exhibit major artefacts and works in archaeology, fine and decorative arts from all historical periods, but will focus

on the classical.

French expertise will also be available to Abu Dhabi in the establishment of a local art collection, educational programmes and specialized art conferences in the Emirate.

Coordination

Successful establishment of Abu Dhabi as a world-class tourist destination relies on coordination between the ADTA and a diverse collection of agencies across a range of portfolios. For example:

- **Transport:** Development strategies for the tourist sector-including projected numbers, the location of attractions and plans to develop property in Abu Dhabi-will be shared with key decision makers in the transport sector. Key components of the ADTA strategy include improving bus networks to reach tourist destinations more regularly and regulation to raise overall standards in the taxi sector.
- **Airport and Aviation Industry:** The ADTA will work closely with Etihad to ensure capacity is increased to meet strategic projections. Similarly, plans to develop Abu Dhabi International Airport will have a significant impact on tourist capacity during and after the current redevelopment project.
- **Culture and Heritage:** To successfully position Abu Dhabi as a differentiated, Arabian destination with a range of cultural assets and attractions, the ADTA will work closely with the Abu Dhabi Authority for Culture and Heritage on its Culture and Heritage Management Strategy.
- **Visas/Immigration:** To facilitate a convenient experience for tourists, coordination may enable the streamlining of visa processes. Other components of the strategy include the training of immigration agents to be friendly and helpful and the provision of stamp-less entry for travel between bordering countries.
- **Municipalities:** The ADTA strategy seeks to improve the cleanliness of the city, improve congestion, provide more indoor parking and ensure clear tourist signage in the city. This requires coordination with the Department of Municipal Affairs, as well as private sector providers of municipal services. In addition, coordination will take place with local municipal authorities.
- **Education and Training:** Also included in the ADTA strategy is the creation of a hospitality training institution to develop staff for the tourism industry and the development of training programs in collaboration with advanced, international tourism bodies. Initiatives to encourage Emirati Nationals to participate in the tourism sector must also be developed.

- **Health:** Ensuring the Emirate provides world-class, reliable and accessible healthcare is critical if the destination is to attract international visitors. As development takes place in the healthcare sector-including an increasing role for the private sector-coordination will be important to ensure appropriate mechanisms are put in place to accommodate the expected population of tourists in years to come.
- **Food and Public Safety:** Similarly, ensuring reliable practices exist in the regulation of food safety and preparation, and general safety on the streets is maintained are both critical to developing the reputation of Abu Dhabi as an attractive tourist destination as planned in the ADTA strategy. As such, the Emirate has expanded its food control capabilities and the Abu Dhabi Police have developed a comprehensive, five year plan to ensure the Emirate's attractive social environment is maintained.

