

In conversation with Sultan Ahmed bin Sulayem, Group Chairman and CEO, DP World



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DP World plays a protagonist role in the UAE's trade and logistics sector. What is the UAE vision for trade and where does DP World see itself involved in achieving this vision?

DP World has been taking big strides on its journey of transformation into a global provider of end-to-end logistics solutions, backed by one of the world's largest networks of ports, economic zones, feeders and inland transportation assets operating in 60 countries across six continents. Our vision revolves around 'Smarter Trade. Better Future'. One of our strategic objectives has been to develop innovative logistics solutions, and this involves making supply chains more efficient by lowering costs, increasing speed and transparency, and mitigating the environmental impact. Innovation is at the core of our business, as we adopt innovative ways to enhance efficiency and help keep trade flowing. The company is now geared up to help build the next phase of the global economy to accelerate growth. We believe digitalisation is the way forward for ports, logistics and supply chain industry in the region and the world to overcome the challenges in a post-pandemic world. Innovative digital platforms making the movement of cargo more efficient is an inseparable part of our strategy.

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How do you think global freight transport will evolve over the next 50 years considering the shift in both consumer and business behaviour?

There have been shifts in business behaviour during the COVID-19 pandemic from which the industry as a whole has derived lessons for the future. We have always been planning ahead, as we operate an extensive and geographically diverse network in both developed and emerging economies. We have multiple trade-enabling businesses, from deep seaports and marine terminals to industrial parks, and logistics and economic zones to maritime services. DP World is always determined to find solutions to solve the challenges of our customers and partners, and our focus is on enabling the most efficient movement of cargo globally, through the access we provide to production and consumption centres. We offer digital end-to-end supply chain solutions, and we have been developing innovative digital platforms to make the movement of cargo more efficient from the point of origin to the point of consumption. We believe digitalisation is the way forward for ports, logistics and supply chain industry in the region and the world to overcome the challenges in a post-pandemic world.

How is DP World digitalising the supply chain? What does this mean for the future?

DP World has been adopting an innovative approach to enhance efficiency and help keep trade flowing. The company is now geared up to help build the next phase of the global economy to accelerate growth. As part of its strategy to become the world's leading end-to-end logistics provider, DP World has launched cutting-edge online logistics tools and services, covering sea, land and air shipping around the world. The connected ecosystem of platforms enables freight forwarders and any business, to book shipments of cargo from and to anywhere in the world, by any combination of sea, land and air. The initiative represents a major step forward in digitising the management of logistics to increase the efficiency, visibility and the resilience of global supply chains. DP World has accelerated the already planned roll-out of the platforms to help companies meet the challenge of the COVID-19 crisis and keep trade flowing including vital food and medical supplies.

Do you think that the demand for digital supply chains will increase?

Digitising trade will help companies do more business, more efficiently. It will also support the global imperative to keep trade moving during crises to help meet the demand of world markets. Modernising the processes by which logistics operate is critical to building more robust and more efficient supply chains which will help economic development and generate more prosperity. To elaborate, the acceleration of the already planned roll-out of the platforms followed DP World's acquisition of SeaRates.com, a digital platform that enables customers to transport cargo worldwide at the click of a mouse, along with LandRates.com and AirRates.com. DP World has also created the Digital Freight Alliance which is an online association that brings freight forwarders globally onto one platform, giving them access to new tools, routes and services, and enabling them to do more business anytime, anywhere. Our new platforms, including the Digital Freight Alliance, will contribute to opening new commercial opportunities for our customers, even during the sudden economic downturn. This technology is a direct business enabler.

Do you think that innovation will meet the evolution of on-demand logistics?

Innovation has always been the key driver for growth in international logistics, and DP World is at the forefront of tech innovation in the transport and logistics industry. DP World is a data-driven global logistics provider, creating end-to-end supply chains, backed by innovative digital platforms. DP World's vision is to digitalise supply chains leveraging our worldwide infrastructure of ports, terminals, economic zones and other assets. As we seek to develop futuristic means to boost trade, and evidence of this is our investment in hyperloop technology. DP World has been a key enabler of developing this technology for deployment. Hyperloop systems would not only support passengers, but also high-priority, on-demand goods, allowing deliveries to be completed in hours versus days with greater reliability and fewer delays. It will expand freight transportation capacity by connecting with existing modes of road, rail, ports, and air transport, and will provide greater connectivity with manufacturing parks, economic zones, distribution centres, and regional urban centres.

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Is it necessary to expand the ports and terminals' investment platforms considering the new era of digitalisation?

Real-world infrastructure remains an indispensable asset. Our new platforms are moving the management of moving cargo online. It will enable our customers to be more efficient and increase the visibility and predictability of supply chains. This will help them to grow their businesses, and ultimately keep countries supplied with the vital goods they need. DP World's growing global network of ports, terminals and economic zones is the bedrock of the business with 128 units in 60 countries. The digital trade and logistics' platforms will leverage this vast network of real-world infrastructure to offer end-to-end supply chain services. An example of our efforts is the recent inauguration of the expansion of the main berth at the DP World Caucedo port terminal. The project is part of the company's plan for growth in the Dominican Republic, with the objective of directly contributing to the transformation of the country into the principal logistics' hub of the Americas. The expansion adds 450 metres of berth.

What opportunities are there for further maritime development and expansion and is there any region in focus for the future?

We continue to seek opportunities in this area wherever they may be. A recent example is Drydocks World joining a consortium of superyacht marina development in Montenegro. The consortium and operating Group Adriatic Marinas ('ADM' - fully owned by the Investment Corporation of Dubai ('ICD') and Damen, the Dutch shipbuilding Group, have agreed that Damen's role in the redevelopment of the former Bijela Shipyard, Boka Bay, Montenegro should now be taken up by a new consortium member, Drydocks World - Dubai, a leading provider of yacht service, maintenance, repair and refit as well as marine and offshore services to the shipping, oil, gas and energy sectors. By forging a consortium of this nature between Adriatic Marinas and Drydocks World, we are bringing together the considerable combined resources and expertise to develop a world-class facility in Montenegro which will support the economy of the country.

Another example is the development of Dubai Maritime City. In early November 2020, we announced the overall completion of 70 per cent of the road and infrastructure works within Phase I of the residential and commercial development at Dubai Maritime City. The completion is expected in the first quarter of 2021. It

will provide DMC with an efficient and sustainable infrastructure to support a modern business community, and enable the vision of sub-developers. The development consolidates DMC's status as a leading maritime services provider.

With increasing economic diversification and shifts to digitalised services, will the maritime industry remain a key element of the UAE's economy?

The maritime industry is part of the history and heritage of Dubai and the UAE, and will always remain a key element in UAE's economy. DP World and Free Zones, including Jebel Ali Port and JAFZA, contribute some 33 per cent to Dubai's GDP. DP World has played an instrumental part in Dubai's emergence as one of the most connected cities both in the region and the world and the emirate's diversification and growth strategy.

In November 2020, you went to Nevada in the US to witness the testing of the first new mode of mass transportation; the Virgin Hyperloop. Do you believe this technology will prove to be a game changer for the movement of people and goods?

It's a game changer, being the first new mode of mass transportation in over 100 years. We have made a multi-million-dollar investment for the research and development of hyperloop technology, leading to the historic milestone. We are one step closer to ushering in a new era of ultra-fast, sustainable movement of people and goods. DP World and Dubai are at the forefront of technological innovation in the transport and logistics industry. The world has been changing quickly and we wanted to be involved in the potential this mode of mass transportation presents, to connect markets and economies, keep trade flowing and help build the global economy's next phase to accelerate growth. This historic testing milestone will pave the way for the certification of hyperloop systems around the world - a key step towards commercial projects, including those in Saudi Arabia and United Arab Emirates.

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Following the Peace Treaties between Israel and the UAE and Bahrain, do you believe that trade in the Middle East region is set for a significant boost with the routes becoming shorter and trade easier?

We are confident that the Abraham Accords will yield great results for trade in the region. We estimate at least US\$5 billion trade in the beginning between the UAE and Israel and it will increase as there are many opportunities. From the technology side, we see huge opportunities. We never looked at it earlier, but port facilities will allow us to link our ports in Europe to the Middle East. Israel is a very well-established market with traders.

The geographical proximity of Israel and the UAE offers significant advantages for fresh agricultural products, which can now be transported directly from Israel to markets in the UAE and beyond. What will the UAE investigate to develop more rapid means of delivery in the future?

People can look at the UAE as an important place to reach bigger markets. Within three hours of a flight from Dubai, you can reach two billion people. And you find several flights from Dubai and other emirates daily to access these markets. You can fly and ship anything at any time of the day from the UAE to anywhere in the world. The Fresh Market in Dubai's Ras Al Khor area opened the first-ever display of Israeli produce recently. The introduction of Israeli produce adds to Dubai's drive to diversify the sources of imported produce in the UAE. The geographical closeness and the speed with which the products can be transported directly to markets in the UAE is a great advantage.

Jebel Ali Port is already one of the most significant shipping hubs in the world. How do you see the ports in the UAE evolving over the next 50 years to help meet the UAE's Centennial objectives, whether this is in relation to sustainability, innovation or trade security?

Innovation has always been the key driver for growth in international logistics, and DP World is at the forefront of tech innovation in the transport and logistics industry. For example, at DP World, we invested US\$4 billion over four years in digital technology and – in a contrast to the decline in the rest of the industry. Today we are well prepared to emerge stronger from the COVID-19 crisis, but we need to continue to keep ahead of the curve. That approach covers all our disciplines.

Sustainability is an obvious focus of the UAE's strategic vision. What methods will DP World and other global shipping companies use to help reduce the global carbon footprint of the industry?

As an industry leader, DP World has committed to a zero-carbon future by 2050. Our approach is to decarbonise our operations through implementing applicable and future reduction measures, which are grouped into five pillars: 1) equipment electrification and efficiency; 2) process efficiency & digitalisation; 3) renewable energy supply 4) Low carbon fuel supply; and 5) carbon compensation through blue carbon initiative under DP World Ocean Enhancement Programme. DP World's current operations are heavily reliant on fuels, particularly in the maritime division, decarbonising the fuel supply is essential to achieve the organisation's zero-carbon future. Part of our long-term approach, we see hydrogen as both an energy source and a maritime fuel. Hydrogen can be used in fuel cells to power electric vehicles and vessels in the long term. Also, Hydrogen Electrolysis have an opportunity to capture surplus renewable energy and store it for long durations for reuse when needed.

Expanding the perspective beyond the UAE, shipping and logistics are the ties that connect countries and continents across the world. Which region or countries do you expect to be leading and innovating the industry in the coming decades?

DP World has been at the forefront of efforts to connect countries and continents. DP World's growing global network of ports, terminals and economic zones are the bedrock of the business, and we deliver our

services through an interconnected global network of 128 business units in 60 countries across six continents, with a significant presence both in high-growth and mature markets. Wherever we operate, we integrate sustainability and responsible corporate citizenship into our activities, striving for a positive contribution to the economies and communities where we live and work. The digital trade and logistics platforms will leverage this vast network of real-world infrastructure to offer end-to-end supply chain services.

The Centennial plan is a sweeping plan with the kind of optimistic and blue-sky vision that has become emblematic of the UAE's national spirit, but what is your personal hope for the UAE's success over the new 50 years?

We are determined to make our presence felt in 'Designing the Next 50' project and shaping the future of the UAE. Our aim is to be active participants in the unification of minds and visions to achieve innovation and to be in ship-shape to meet the requirements of a new phase of development in the UAE.

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