

Expo 2020 marks the beginning, not the end

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December 2014 – January 2015

Expo 2020's announcement confirms Dubai's position as an international hub for the region, as well as its continued appeal as a place for foreign investment and businesses. The announcement has already strengthened the UAE's robust economy which is currently experiencing high growth in all sectors.

Over the past 20 years Dubai has developed state of the art infrastructure in areas such as ports, airports, roads, public transport, safety, hotels, tourism, schooling, housing and healthcare. This solid infrastructure has enabled Dubai to recover from the global financial crisis and bounce back into a growth phase. The UAE economy has been steadily growing by 4 – 4.5% each year, including real estate and banking which suffered a significant hit in 2008 and 2009.

The UAE's advanced recovery is not due to the Arab Spring (although this may have helped marginally) but instead credited to its infrastructure which is the best in the region. Expo 2020's announcement will promote Dubai's status as a truly global city with world class infrastructure and a hub for global business. Dubai will continue to invest in its roads, public transport and airports in preparation for Expo 2020. Increased confidence in the construction and real estate industries is also anticipated as a result of the win.

It is envisaged that between 2018 and 2020, the growth of the UAE's economy may shoot up to 8% per annum. This takes into account the expected USD 7-8 billion investment for the Expo's preparation; the additional USD 7-8 billion investment for hotels and tourism; the growth of the private and government sectors; and the hike in salaries. Government and private sectors are planning their investments and are setting their sights on 2020 as the target year of growth. It is predicted that more than 250,000 jobs will be created between 2013 and 2020. It is also expected that the Expo will cause a rise in living costs and employers should expect annual salary increases to rise further.

It is imperative for the government and private sector to view 2020 as the beginning and a platform for Dubai and the UAE to soar to new heights, rather than limiting the focus of that year to the culmination of economic growth. It is important that the UAE does not experience a slump after Expo 2020. Anticipating and planning for these patterns of fluctuation is critical. Previous host countries such as China (Expo 2010) reached their ultimate point in terms of tourism, hotel capacity and visitors during their Expo and experienced a sudden vacuum due to the drop of hotel occupancy, visitors and growth in the years that followed. This experience serves as a learning opportunity and one must steer away from a similar experience by planning ahead.

If Dubai and the UAE can learn from the experience of previous Expo's, it could move the country into a different level internationally and allow it to serve a wider community than what it is currently catering for. Potential areas of expansion include the areas of trade, manufacturing and service industries, including tourism.

The UAE needs to attract and secure foreign investment to continue serving as a hub. In order to do this there must be a well established investment law and a carefully planned company law that clearly deals

with a number of long standing issues, such as ownership restrictions. There are also a number of regulations which require amendment and improvement in the banking and finance sector throughout the UAE, including in the free zone areas such as the DIFC. Now is the time to focus on our regulations and ensure our legislation is in line with international business needs.

The UAE can easily emerge as a great arbitration centre and there are already signs that such a hub is required by the international community. We therefore need to put in place modern arbitration centers based on the UNCITRAL rules, along with training and development of the local arbitration community.

The judicial system's legislation will be meaningless unless it is very advanced and in line with international business needs. These legislative amendments need to be backed up by extensive training. Changes must also be made to the procedural law in providing the support required for businesses and the kind of stability that investors would like to see.

If the UAE can do this - as I believe it can - it will not only experience a very successful 2020, but it will also sustain its growth thereafter.