UAE-UK 2024|2025

PARTNERSHIP OF THE FUTURE

مجلس الأعمال الإماراتي البريطاني
UAE - UK Business Council

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UAE Minister of State for Foreign Trade

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It is tempting to regard change as an obstacle to navigate or, at worst, a threat to sidestep completely. At the beginning of 2024, change seems to be the watchword of the global economy, with new technologies, new means of exchange, new markets and new alliances challenging our assumptions and redrawing our plans. Governments and businesses around the world are working hard to find that most precious of commodities: certainty.

The UAE, however, is excited by the opportunities such changes can bring. Our national vision is centred on not only trying to anticipate them but to accelerate and, where possible, shape them. Nothing exemplifies this better than the arrival of the Fourth Industrial Revolution and the disruptive force of tools such as artificial intelligence, blockchain, digital assets, robotics and data analytics. Not only have we revised our industrial strategy to harness their potential in critical sectors such as manufacturing, food production and energy, we have now launched the Trade Tech Global initiative to promote their use across global supply chains and catalyse a new era of trade – with the UAE at its heart.

The emergence of new economic poles is similarly welcome. Our Comprehensive Economic Partnership Agreement program, launched in 2021, is connecting our market to new centres of growth in Asia, Africa, South America and Eastern and Central Europe, establishing corridors of opportunity with high-potential economies that offer a range of sectors ripe for investment and development.

We are also leading the transition to new energy sources, innovating means of food production and delivering a new generation of smart cities that are rewriting the rules on how, and where, we live.

Of course, the UAE can only embrace these transformations because of the solidity of the foundations on which they will be built. Our international partnerships, for instance, are a constant source of strength and inspiration – a wellspring of knowledge, experience and talent.

The UAE has few better or more long-standing friends in the global community than the United Kingdom. Indeed, no country has been as supportive of our economic vision that seeks to develop new industries and new sources of competitive advantage, and we are currently combining our resources and our skills to drive forward future-focused sectors such as renewable energy, life sciences, fin-tech and space exploration.

The UAE-UK Business Council remains an essential component of this relationship. Since 2011, it has facilitated opportunity, created networks and, perhaps most importantly, established trust between our business leaders, investors and entrepreneurs. It has helped showcase the unrivalled dynamism of the UAE market and opened the door to ever greater bilateral trade and investment flows.

In a world of change, UAE-UK relations are an invaluable constant. We have now shared more than five decades of success and prosperity – and are well placed to embark on many more.

Lord Dominic Johnson

Minister for Investment at the Department for Business and Trade

Lord Dominic Johnson

Since the last UAE-UK Business Council report in 2021, the UAE has cemented its position as a major economic centre of the world. 2022-2023 saw successes across the board for the UAE, from a hugely successful COP28 Presidency in November 2023 to impressive advancements in space exploration and a growing track record in renewable energy. This was demonstrated by the UK Prime Minister's announcement on 1st December 2023 of a new deal between Masdar and RWE, representing a commitment to jointly invest up to £11 billion into the UK's new windfarm at Dogger Bank – set to be the largest offshore windfarm in the world.

As the UK's Minister for Investment, I am responsible for encouraging and supporting investment into the UK, which lays the foundations for the prosperity and future growth of the UK. The UAE-UK investment relationship – underpinned by the £10 billion UAE-UK Sovereign Investment Partnership (SIP) signed in 2021 – is recognised across the UK Government as an incredible achievement. I am determined to boost the UAE-UK investment partnership into a bedrock of economic growth and international friendship, based on our shared belief in the importance of free markets and free trade.

2024 brings with it a new, exciting chapter for our trade and investment relationship, and I look forward to seeing economic cooperation between our two countries grow further. In February 2024, the UAE hosted the Thirteenth World Trade Organisation Ministerial Conference. The UAE's successful diversification policies, promoting openness to trade and taking advantage of the Digital Economy and the shift to the Green Economy are precisely the type of initiatives that will pave the way to reinvigorate the World Trade Organisation. In the longer term, the next few years will be critical for bringing our bilateral ambitions to fruition. The rewards will be tremendous for both nations: better jobs, healthier lives, and renewed prosperity.

HE Ambassador Mansoor Abulhoul

UAE Ambassador to the UK

HE Ambassador Mansoor Abulhoul

As we begin 2024, I look to what we achieved at COP28 as a beacon of hope in these challenging times. Despite seemingly insurmountable differences between parties, the world came together in Dubai in a remarkable display of solidarity that signals the beginning of the end of the fossil fuel era.

While I am immensely proud of what the UAE achieved, it would not have been possible without the support of our friends and allies, of which the UK is among our oldest and dearest. Indeed, it was HRH King Charles III who set the tone of the entire summit through his opening speech, when he spoke of his hope that COP28 would be a “turning point”.

Our respective leaderships recognised the threats posed by climate change long before others. They also saw the energy transition as inevitable, and as the greatest opportunity for human and economic development since the Industrial Revolution. Now, as we rapidly move away from fossil fuels towards a sustainable and knowledge-based economy, even more avenues for collaboration between the UK and UAE are emerging – be they clean tech, green finance, AI or quantum computing.

As seafaring traders, the success of our nations has always stemmed from our inherent openness and willingness to work with others. To my mind, it is this shared attitude that has made us such natural partners over the decades. Fast forward to today and annual bilateral trade has just surpassed £25 billion. This is a record high – making the UAE the UK’s largest trading partner in the GCC and its 19th largest trading partner globally. I have no doubt that this upward trajectory will continue into 2024, supported by the excellent work of the Business Council. Indeed, the completion of a Free Trade Agreement with the UK would take our bond to another level still.

Our long-term confidence in one another is evident in the strong investment component of our relationship. Signed in September 2021, the UAE-UK Sovereign Investment Partnership (SIP) saw the UAE pledge to invest £10 billion in UK life sciences, energy transition, technology, and infrastructure over a five-year period. In less than three years, the SIP has already achieved results way beyond its targets. These investments, in sectors vital to the future, serve to strengthen our bilateral relationship for years to come.

For me, COP28 marks the beginning of a new phase in UK-UAE relations: the deep roots are bearing fruit. While the UAE-UK Business Council is going to have its work cut out in 2024, it is more than up to the task.

Oliver Christian

HM Trade Commissioner for the Middle East and Pakistan, and HM Consul General to Dubai and the Northern Emirates

Oliver Christian

The UAE-UK Business Council has continued to go from strength to strength, thanks in large part to the engagement and leadership from government and business in both nations.

The Partnership for the Future, signed in 2021, signalled the government to government commitment to strengthen the deep and historic ties between our nations, to tackle shared global challenges such as climate change, as well as promoting prosperity and expanding the exchange of knowledge, skills and ideas between the UK and the UAE.

This created a framework from which business success could grow and flourish.

Before the pandemic, UAE-UK bilateral trade reached a high of £19 billion, before global travel and trade slowed as borders closed and governments reacted to Covid. Thanks to the resilience of our trading relationship, our bilateral trade has rebounded and indeed surpassed pre-pandemic levels to reach £25 billion.

The UK-UAE Sovereign Investment Partnership has already deployed over £16 billion into the UK since its inception in 2021, demonstrating the attractiveness of the UK as a leading inward investment destination.

In 2023, our governments also signed a Clean Energy Memorandum of Understanding, confirming our joint ambitions for clean energy investment and cooperation.

As a result of these commitments, renewable energy pioneer Masdar is, alongside RWE, jointly investing into the Dogger Bank South windfarm off the Scottish coast, which when complete will power up to 3 million UK homes.

Since the UUBC celebrated its 10th anniversary, the UAE continued to make its mark on the global stage, successfully bringing the world together at Expo 2020 Dubai and hosting the UN Climate Change Conference, COP28 in 2023 which resulted in the UAE Consensus, an agreement that signals the beginning of the end of the fossil fuel era.

These achievements are truly things to celebrate.

From the AI Safety Summit held in Bletchley Park – resulting in the Bletchley Declaration signed by 28 countries, to the Global Investment Summit at Hampton Court Palace which brought together the most influential business and thought leaders from across the world, the UK also has much to laud. In both these events and across myriad sectors, the UAE continues to be a vital and strategic partner to the UK.

There are global challenges to face in the months and years to come, but I am confident that as partners, the UK and the UAE will stand shoulder to shoulder in our endeavours to create economic growth, drive innovation, break down barriers and build opportunities for increased trade and investment between our two great nations.

HE Ahmed Al Sayegh

UAE Co-Chair, UAE-UK Business Council

HE Ahmed Al Sayegh

The trade and investment relationship between the UAE and the UK is going from strength to strength. In 2023 the value of this relationship surpassed £25 billion. The UAE is now the UK's 19th biggest trading partner, and the UAE's exports to the UK are worth over £9 billion per year.

The UAE's strong reputation for ease of doing business, and its commitment to investing in technology, sustainability, innovation and skills, means we have helped to create significant new and emerging opportunities for British companies that did not exist in the past. This economic transformation is happening in all industry sectors – from energy transition to life sciences to financial services – and across all seven Emirates that make up our Nation.

The UK shares our passion for investing in new technologies that will shape the industries of the future. The Sovereign Investment Partnership between the two countries, signed in 2021, has seen well in excess of £10 billion invested by Mubadala into UK businesses that are harnessing this capacity for transformation in sectors such as life sciences, clean energy and digital infrastructure.

CoP28, which the UAE hosted at the end of 2023, unlocked significant opportunities for commercial engagement between our two countries in sustainability and decarbonisation. The UAE-UK Business Council has focused its efforts in recent months on energy transition, decarbonising the built environment and impact investment, but there are opportunities for bilateral collaboration in sustainability across every sector. This will continue to be a priority for the UAE-UK Business Council over the year ahead.

The UAE is developing new trading relationships with the world and launching new initiatives to realign our economy with emerging trends and strengthen our position as a global trading hub. We have recently signed Comprehensive Economic Partnership Agreements with countries such as India and Indonesia and are negotiating a Free Trade Agreement between the GCC and the UK. We have relaxed restrictions on the foreign ownership of UAE-based companies and introduced new visa categories designed to attract the world's best entrepreneurs to grow their businesses from the UAE.

The role of the UAE-UK Business Council, which is to facilitate knowledge exchange between the two countries on commercial and economic matters, is more important than ever before. Through our campaigns, events and policy papers, we aim to close the information gap and foster new commercial partnerships. We look forward to supporting you over the year ahead.

Rt Hon Lord Udny-Lister

UK Co-Chair, UAE-UK Business Council

Rt Hon Lord Udny-Lister

Over the last year we have seen significant new partnerships established between the UAE and the UK that reflects the new direction our commercial relationship is taking – with a stronger emphasis on knowledge exchange in both directions and a focus on innovative new technologies such as electric vehicles and battery storage, precision medicine, waste to energy and sustainability solutions across every industry.

Our mandate as a Business Council is to provide thought leadership input into the efforts of both countries to foster new collaborations by harnessing the expertise of business leaders, academics and entrepreneurs. In addition to identifying new opportunities for commercial engagement, our role is also to identify the barriers that might prevent these from coming to fruition, and we work closely with both Governments to address such barriers.

With the team well established in both the UAE and the UK, we have increased our membership and delivered a strong programme of campaigns and events over the past year. In 2024, we will be issuing several policy papers reflecting key areas of opportunity for collaboration and building on our participation at CoP28 in 2023, to foster new partnerships in sustainability and decarbonisation.

2024 will also see the negotiations for the UK-GCC Free Trade Agreement reach their conclusion. It has been estimated that this deal could add as much as £1.6 billion to the UK economy and boost the UK's trade with the region by 16%, so this is a significant game changer in terms of our trade with the region. The removal of both tariff and non-tariff barriers will make it easier for UK businesses to not only capture new business opportunities in the UAE but also use the market as a springboard into other markets across the Middle East, Africa and Asia. Around 13,500 UK companies export their goods to the UAE, and over 5,000 British companies are based there, and they will all benefit from an ambitious and wide-ranging Free Trade Agreement coming into force in the near future.

The UAE-UK Business Council works closely in partnership with both Governments, and with other stakeholders such as the British Chambers of Commerce and investment agencies across the UAE and the UK. This joined-up approach is helping us to optimise the opportunities for future partnerships, and I am confident the value of our trading relationship will surpass the current figure of £25 billion, which is itself the culmination of several years of sustained growth in trade and investment flows in both directions.

Bradley Jones

Executive Director, UAE-UK Business Council

Bradley Jones

The UAE-UK Business Council has grown significantly over the last year. We now have a permanent presence in both countries, and our membership has grown to include a diverse range of corporates, SMEs, investment organisations and academic institutions.

Our programme over the last year was centred primarily around sustainability and decarbonisation and, as part of our CoP28 programme, we ran campaigns and hosted events on the decarbonisation of the built environment, private wealth and impact investment and energy transition. During 2024, we will publish policy papers and continue our work on these themes, identifying areas for closer collaboration between UK and UAE companies. In parallel we are building on our campaign on UK-UAE collaboration in cancer care, focusing on screening and diagnostics, data sharing and palliative care – all areas where new technologies such as AI are creating opportunities for commercial partnerships.

We will also be launching several new campaigns in 2024, centred around education and skills, tech and other priority sectors. We are planning an exciting programme of events in both countries, including the English Regions and Devolved Administrations, and the Northern Emirates, as well as the main hubs of London, Abu Dhabi and Dubai.

2024 will be a milestone year for trade and investment relations between the UK and the GCC. The UK-GCC Free Trade Agreement negotiations are nearing their conclusion, and, in addition to reducing tariffs on the trade in goods and services, many non-tariff market access barriers will be lifted in both directions once the Agreement comes into force.

Trade between the UK and the UAE has increased by nearly 50% over the past year, to over £25 billion, and the UAE is now the UK's 19th largest trading partner and 12th largest export market. As the UAE's programme of economic diversification, and its investment in skills, sustainability and technology continues, new opportunities for UK companies will emerge in early-stage, high-growth industries. In parallel, the dismantling of market access barriers will improve the ease of doing business in both directions.

The UAE-UK Business Council acts as an advocate for companies in ensuring their views and concerns on barriers to doing business are raised with both Governments, and we will continue to be a voice for all businesses as the bilateral trade and investment relationship evolves further over the years ahead.

UAE

Unlocking opportunities: The UAE's economic evolution

The case for doing business with the UAE is stronger than ever. The country continues to look outwards for expertise and investment while taking an increasingly prominent place internationally. UK investors and businesses enjoy a head start compared to many other countries as English is not only widely spoken but also the international language of business, UK education qualifications are highly regarded and the commercial legal framework is based on English law.

In March 2021, both the UK and UAE governments began a Sovereign Investment Partnership, signalling a strong intention to drive investment in key industries. This partnership, initially focusing on life sciences and later expanding to sectors such as infrastructure, technology, and energy transition, is a testament to the UAE's open approach to global collaboration and its aspiration to diversify beyond its traditional oil-based economy. Mubadala Investment Company's commitment of more than £10 billion to vital UK industries under this partnership underscores the mutual benefits and deepening economic ties between the two nations.

Growing bilateral trade

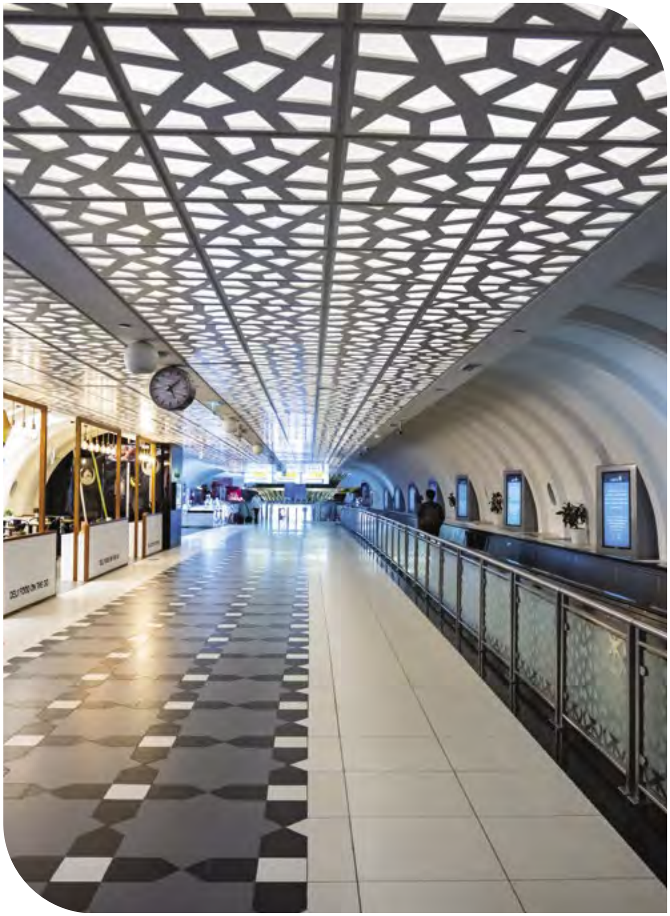
Building upon this foundation of strong bilateral relations, trade between the UK and the UAE has continued to strongly increase in recent years. In the four quarters prior to the end of Q2 2023, the total trade between the two nations reached £25.5 billion[1]. This represents a significant increase of 47.3%, or £8.2 billion from the previous year. Of this, UK exports to the UAE were valued at £16.1 billion, marking an increase of 57.3% or £5.9 billion. Similarly, UK imports from the UAE amounted to £9.3 billion, growing by 32.8% or £2.3 billion. These figures not only show the UAE as the UK's 19th largest trading partner, accounting for 1.4% of total UK trade, but also emphasise the deepening economic interconnections between the countries.

In terms of FDI, outward investment from the UK to the UAE was valued at £5.2 billion in 2021, representing 0.3% of UK outward FDI. Conversely, inward FDI into the UK from the UAE stood at £7.4 billion, accounting for 0.4% of the UK's total inward FDI. These numbers further illustrate the growing financial integration and mutual investment interests between the countries, reinforcing their mutual position as key economic partners.

Strong British presence

There are already 5,000 UK companies established in the UAE, including major corporations such as BP, Shell, and Rolls-Royce. There is room for many more because the country is still investing heavily to diversify its economy away from oil and gas and – most importantly of all – encouraging the private sector to invest.

The UAE offers some of the most generous incentives for business investment. The country's 46 free zones, for instance, offer complete foreign company ownership, full repatriation of capital and profits, and exemptions from corporate and personal income taxes.



This has encouraged rapid growth in some sectors, such as finance, professional services, insurance and tech. But its strategy for the economy is not just a schedule of sectors that can offer growth. The UAE recognises that its economy is an eco-system in which progress in one area can generate activity in several others.

Its growing confidence as a global commercial centre is shown by its hosting of the COP28 UN Climate Change Conference in Dubai in 2023. This event, attended by over 85,000 participants and more than 150 heads of state and government, demonstrated the UAE's position as an increasingly forward-thinking and responsible global player.

Globally connected

The UAE's strategic position as a regional commercial and trading hub is a key factor in its appeal to international businesses. Its robust transport and logistics infrastructure, characterised by world-class airports and ports, positions the country as an excellent gateway to the wider Middle East region. This advantage is particularly beneficial for UK businesses looking to not only establish a foothold in the UAE, but also to expand their reach into neighbouring markets.

These same characteristics also benefit other sectors, such as hospitality and tourism. Some 80% of the world's population lives within an eight-hour flight of the UAE. So the same airports that service a global freight industry are also crucial to its flagship airlines – Dubai-based Emirates Airlines and Abu Dhabi-based Etihad Airways – and its fast-growing tourism industry.

The UAE is keen to attract the investment and specialist knowledge which the UK can provide because it wants its own citizens to have the fulfilling and highly skilled jobs that are essential to a 21st century economy. So there is a special welcome for those investors who can aid this process of 'Emiratisation' and provide the training and expertise required to the population.

As the country drives forward its economic transformation, the synergy between UAE and UK business interests is increasingly evident. The convergence of these two economies is not only about trade and investment figures; it represents a shared vision for a future built on innovation, sustainability, and mutual growth. For UK businesses looking at international expansion, the UAE is not just a market, it's a gateway to the future.

[1]https://assets.publishing.service.gov.uk/media/65a7e10eed27ca000d27b147/united-arab-emirates-trade-and-investment-factsheet-2024-01-19.pdf

Some recent legal updates in the UAE

BLK Partners

Corporation Tax:
The United Arab Emirates introduced Corporation Tax in 2023 at a rate of 9% on the net profits of a business and it applies to all businesses and individuals conducting business activities in the UAE. The first AED 375,000 of net profits is exempt, and net profits above this figure will be subject to 9% tax. Corporation Tax will apply to businesses operating under both mainland and freezone licences unless they qualify as a Free Zone Person for which there are strict requirements. Exemptions include businesses extracting natural resources, dividends and capital gains earned by shareholders, personal investments and foreign investor income.

Real Estate and Construction:
The Dubai Real Estate market continues to boom and 2023 saw double digit growth in both sales and rental markets. The number of units entering the market reached a level not seen in Dubai since the Global Financial Crisis and growth is expected to continue into 2024.

In September 2023, the UAE created the General Commercial Gaming Regulatory Authority to oversee casinos and gambling across the Country. Currently outlawed under Sharia and Federal Law, this new development suggests that the UAE may legalise gaming to expand the tourism sector and further diversify the economy away from oil dependency. It is currently expected that gaming licences will be limited to particular areas.

Wynn Resorts has begun construction of the Al-Marjan casino, an anticipated US$3.9 billion venture, being built in Ras Al Khaimah (RAK). The project will be a hotel/casino with 1,500 rooms, fine dining and lounge options. Wynn is still awaiting approval for their license to operate a casino, but this new possibility could be a huge financial boost to the UAE.

As a result, the RAK property market is currently booming and multiple major developments are planned including an upgraded airport and vertiport.

Maritime Law:
The UAE recently enacted a new Maritime Law to address liability of ship owners and the functions and responsibilities of Protection and Indemnity (P&I) clubs, recognising their crucial role in offering financial protection and indemnification to ship owners. The new law aims to fortify the position and functions of P&I clubs in key areas including provisional seizure and guarantee for maritime debts. The new law authorises entities like P&I clubs to establish branches in the UAE and also requires ships within state ports or waters to carry insurance documents covering liability for maritime risks. The law also introduces a mandatory Liability Insurance for Passenger Transport Ships.

Our team is based across the Region and we would be delighted to discuss any relevant legal issues with you. For more information on any of the above or any legal matters, please reach out to Scott Hutton, whose contact details are listed below.

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Financial & Professional Services: Growing a global presence

Due to the success of its financial centres in Dubai and Abu Dhabi, the UAE is now a key contributor to the regional financial and legal services sector. It has attracted a significant number of UK-based financial and professional services firms and attracts global talent. It has the largest group of English and Welsh solicitors outside the UK and 30 UK law firms[1] have a presence in the market.

The financial sector is well-positioned to welcome an increased presence of UK-based companies. This includes an expansion in areas such as banking, legal services, consultancy, and insurance.

Financial regulation

The two main authorities in the financial services framework are the Central Bank of the United Arab Emirates (CBUAE) and the Securities and Commodities Authority (SCA)[2]. The former is the primary monetary authority overseeing financial institutions outside of the financial free zones, which have their own regulations and laws (see below).

The SCA plays a crucial role in regulating and overseeing the UAE's financial markets, ensuring compliance and stability.

Financial free zones

Two prominent financial free zones – both aligned with English law – play key roles in attracting foreign expertise: the Dubai International Financial Centre[3] (DIFC) and the Abu Dhabi Global Market[4] (ADGM). These zones not only attract foreign expertise but also compete closely with each other, sharing several key features.

Their legal framework is conducive to cross-border activities, offering benefits such as 100% foreign ownership, no restrictions on capital repatriation, and freedom to employ foreign staff. Moreover, both zones offer attractive tax incentives, including no tax on profits, capital, or assets for 50 years, and zero personal income tax, making them appealing destinations for international financial operations.

Dubai International Financial Centre

Established in 2004, the DIFC specialises in banking, capital markets, asset management, fund registration, insurance and reinsurance, Islamic finance, and professional services. The Dubai Financial Services Authority (DFSA) is responsible for regulating the financial services sector within the DIFC.

The DIFC operates as the financial centre of the Middle East, Africa and South Asia regions. Its most recent report[5] shows that the number of active companies grew to 4,377 in 2022, a 20% year-on-year increase, while combined revenues rose 18%. The DIFC houses 17 of the world's top banks, five of the top insurance firms and five of the top asset managers. Insurance and reinsurance have been particularly strong in the five years from 2018[6]. 2023 saw a 20% compound increase in the number of licences granted and an 18% rise in gross premiums to £984 million.

Abu Dhabi Global Market

The ADGM is particularly strong in private banking, wealth management, and asset management, and has grown rapidly in recent years. The most recent results show a 35% increase in assets under management in the first half of 2023, and the zone has so far attracted 102 asset managers, overseeing 128 funds[7]. 2023 marked the entry into ADGM of global firms such as Brevan Howard, Ardian, Goldman Sachs, Tikehau Capital, Blackstone, SBI Capital, Asian Infrastructure Investment Bank, Apollo, Fifth Wall, Fidera, and Vibrant Capital.

The Office of Data Protection (ODP) serves as the main data authority for the zone. Additionally, the ADGM Financial Services Regulatory Authority (FSRA) operates to maintain a fair, stable, and robust financial services sector within the ADGM.

As with Dubai, Abu Dhabi is continually adapting itself to expand its appeal. For instance, recent changes to the FSRA regulatory framework now allow ADGM-based investment funds to engage in credit facilities, thereby increasing alternative financing options, especially for the SME sector.

Fintech growth

The UAE's fintech industry is particularly robust, reaching a record £2 billion market value in 2022[8]. It is the region's #1 fintech hotspot, and Dubai in particular is ready to compete with global digital hubs such as Berlin, London and Singapore[9].

The World Economic Forum's Global Competitiveness Report 2020 ranks the UAE in the top 10 for its ICT adoption and digital legal framework, and strong cyber security has helped to position its fintech-friendly status[10]. The UAE is ranked #5 in the Global Cybersecurity Index 2020, developed by the United Nations' International Telecommunication Union.

Fintech is also the fastest growing element within the UAE's financial services sector, with 291 new fintech clients moving into the DIFC alone – an increase of 36% – and attracting more than £480 million in 2022[11].

The growing dominance in fintech is helped by the DIFC's Innovation Hub[12] which is designed to help FinTech, InsurTech, RegTech, or Islamic FinTech start-ups by offering accelerator programmes, licensing, and a supportive and comprehensive regulatory framework. It has a three month accelerator programme for fintech and another, the Metaverse Accelerator Programme, for start-ups developing blockchain technology.

This all fits within the strategy to embrace innovation and support developments in digital currency, blockchain, artificial intelligence, and big data. To facilitate this technological shift, it is establishing a supportive regulatory framework, with several recent changes helping to ensure it is in step with fintech-focused regulatory developments elsewhere. For instance, ADGM now has data protection regulations modelled on the EU's General Data Protection Regulation (GDPR) and there is a new law encouraging all types of electronic transactions. Meanwhile the CBUAE has plans to create a digital currency and a digital identity system.

UK financial and professional services companies have had a long and successful history of expanding into the UAE. This sector is accelerating and now offers opportunities for more niche expertise. While these might be in emerging technologies such as fintech, there is also a strong market for the supporting services which these dynamic businesses require. ■

[1]https://www.lawsociety.org.uk/topics/international/doing-legal-business-in-dubai
[2]https://www.onespan.com/resources/financial-regulations/united-arab-emirates#:~:text=Financial%20Regulatory%20Authorities,their%20own%20regulations%20and%20laws
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[11]https://www.difc.ae/whats-on/news/difc-achieves-record-breaking-growth-2022-driven-fintech-and-innovation
[12]https://www.difc.ae/ecosystem/innovation-hub

AI in cybersecurity: A double-edged sword

Michael Mossad, Cyber Emerging Technologies Director and Tamer Charife, Cyber Emerging Technologies Leader, Cyber Risk Services, Deloitte Middle East

In a fast-evolving digital era, security is paramount as our interconnected world brings both innovation and cyber threats. As reliance on digital technologies grows, cybersecurity becomes crucial. Picture a digital frontier blurring the line between the physical and digital realms, where security battles exploitation, defining our digital era.

Enter AI, a marvel promising to revolutionise cybersecurity by processing data rapidly, recognising patterns, and making split-second decisions. While AI enhances security, it also poses new cyber threat risks, making it a double-edged sword.

This article navigates the paradoxical realm of AI in cybersecurity, exploring its promises from supercharging threat detection to automating tasks. Yet, it delves into the darker side where AI empowers cybercriminals, raising ethical dilemmas and challenging regulations. AI in cybersecurity emerges as a potent force capable of safeguarding and endangering our digital world.

AI emerges as a promising force, transforming our approach to digital protection. Highlighting its potential benefits, AI excels in swift threat detection and response times. Leveraging machine learning to analyse real-time data, it enables proactive measures crucial for preventing data breaches and minimising the impact of cyberattacks.

69% of enterprises believe AI is necessary for cybersecurity due to increasing number of threats that cybersecurity analysts can handle[1].

15% average decrease in the median dwell time - the time between an attacker accessing their victim's systems and the attack being detected or executed[2].

AI-driven cybersecurity brings a transformative edge through enhanced automation of routine security tasks. Formerly labour-intensive activities like continuous network monitoring, vulnerability identification, and security patch applications are now efficiently managed by AI tools. This not only lightens the workload on cybersecurity teams but also reduces the risk of human error in repetitive processes.

Scalability and adaptability are crucial in the face of evolving cyber threats, and AI-driven security systems excel in these areas. They effortlessly scale to handle increasing data volumes and connected devices while continuously learning and adapting to new threat patterns. This adaptability is vital in an environment where cyber threats constantly mutate.

A real-life case study showcases a leading technology company assisting a global industrial supplier in deploying AI-based managed security services. Facing challenges such as complex cyber threats, lack of visibility and control, and high management costs, the industrial supplier implemented a comprehensive security solution using AI. This solution, leveraging cognitive computing and orchestration, demonstrated improved detection and prevention of cyberattacks, reduced response times, enhanced infrastructure visibility and control, optimised operations, and increased analyst efficiency.

The benefits of AI in cybersecurity are evident in the forecasted global market size, reaching US$17.4 billion in 2022 and projected to hit approximately US$102.78 billion by 2032, with a CAGR of 19.43% between 2023 and 2032. This growth signifies the profound impact and increasing adoption of AI in shaping the future of cybersecurity.

AI-powered threats: The dark side

Delving into the shadowy realm of AI-powered cyber threats, advancements in AI technology have birthed a new wave of sophisticated attacks. Attackers leverage AI to create adaptive malware, making detection and mitigation arduous. AI is also weaponised in social engineering, producing convincing deepfake phishing messages tailored to exploit individual vulnerabilities.

Real-life instances underscore the potency of AI in malicious hands:

• In a recent breach, hackers used AI to manipulate Bitfinex's biometric authentication, stealing US$150 million in digital assets.

• Operation Diànxùn, a 2021 cyber espionage campaign, employed AI-generated phishing emails targeting global telecommunications companies.

• A 2020 voice-spoofing attack, powered by AI, impersonated a CEO's voice, deceiving an employee into transferring US$243,000 to a fraudulent account.

These examples illuminate the alarming reality of AI-driven threats, representing a growing trend in cybersecurity. Statistics further amplify concerns; over 90% of cybersecurity professionals fear sophisticated AI cyberattacks, while 93% expect AI-enabled threats to impact their organisations. Weekly cyberattacks per organisation show a significant rise in 2022, underscoring the escalating worry within the cybersecurity community about the potential impact of AI-powered threats.

The regulatory landscape

The regulatory landscape surrounding AI in cybersecurity is a critical aspect of ensuring responsible and secure AI implementation.

Examination of current regulations

Governments worldwide are increasingly recognising the necessity of regulating AI in cybersecurity to address ethical, privacy, and security concerns. The evolving global landscape has seen various countries and regions introduce AI-related laws and regulations. Notable examples include the EU's Artificial Intelligence Act, categorising AI systems by risk level, and the US's National Artificial Intelligence Initiative Act, fostering research, development, and ethical AI. In the Middle East, Saudi Arabia's SDAIA oversees national AI regulations, encompassing data management, personal data protection, and AI use in medical devices. In the UAE, a softer regulatory approach involves non-binding guidelines from entities like the Ministry of AI and Smart Dubai, encouraging ethical and responsible AI development.

Industry standards and compliance

Influencing the role of AI in cybersecurity extends beyond government regulations; industry-specific standards and compliance frameworks play a vital role. Evolving guidelines, like the NIST AI Risk Management Framework (AI RMF) launched in January 2023, contribute to trustworthy AI systems through public-private collaboration. Another significant standard, ISO/IEC AWI 27090, addresses security threats in AI systems, providing strategies for detection and mitigation. With the growing integration of AI in cybersecurity, experts stress the urgent need for robust, enforceable policies, emphasising a delicate balance between innovation and necessary regulations in our advancing digital future.

Striking the right balance: Mitigating risks

Balancing the transformative potential and risks of AI in cybersecurity is akin to walking a tightrope. While AI promises revolutionary protection, misuse can amplify threats. Organisations must adopt a proactive, dynamic approach, staying informed and addressing evolving risks. Responsible AI use demands continuous education, fostering vigilance and informed decision-making. Establishing a controls framework, creating a defensible security architecture, implementing tailored security solutions, and leveraging AI threat intelligence are crucial steps.

Securing AI in cybersecurity is an ongoing, multifaceted challenge requiring continuous effort, vigilance, and adaptation.

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Succession and synergy: Creating multi-generational leadership teams for legacy building transformation

Matt Hayfield, Founder & CEO, KingsFaris

Matt Hayfield

The UAE is a thriving hub for business and finance, and a regional home to many leading international companies, with a strong financial services sector, and a prosperous family business ecosystem which contributes to 40% of the country's GDP.

The ever-growing population in the UAE is a young one with the median age being approximately 30.3 years, meaning that a significant number of expatriates and Emirati citizens fall into the millennial generation.

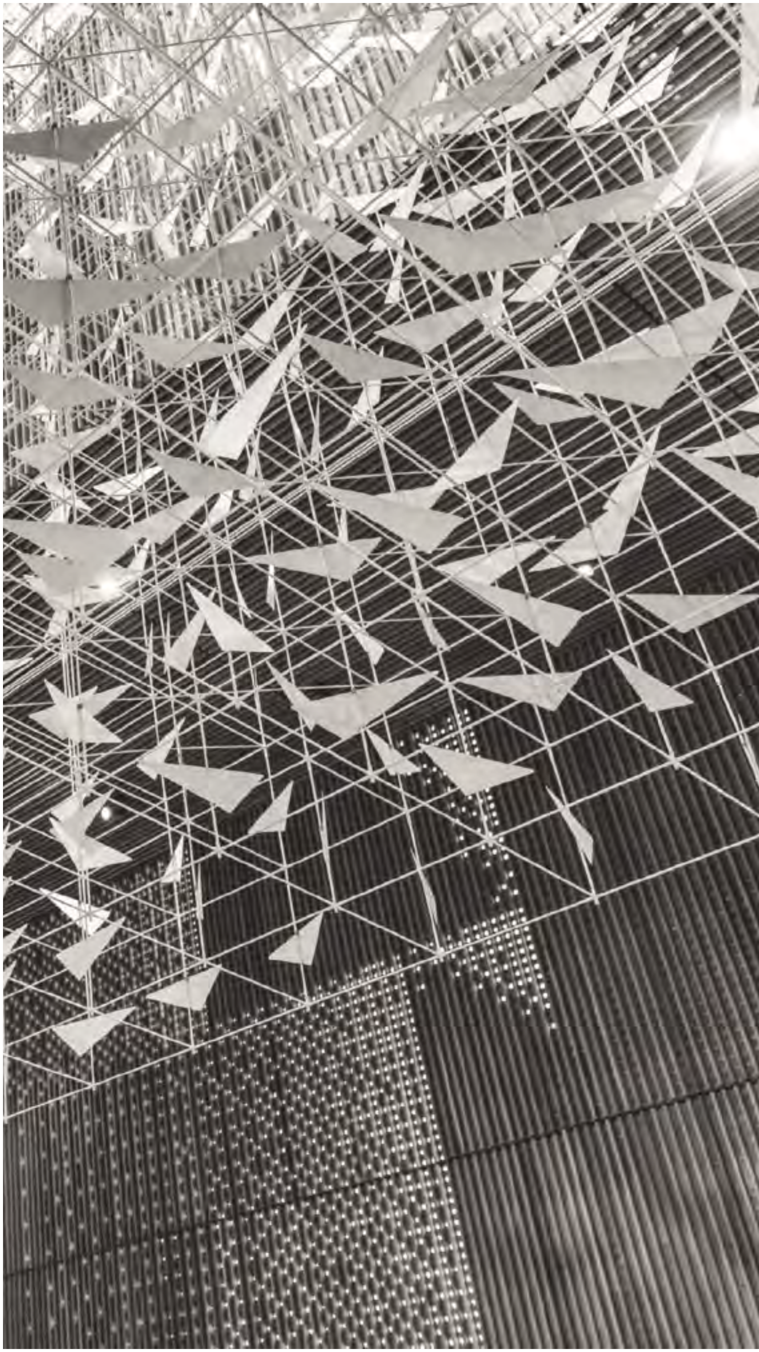
The structures of many established companies in the UAE are composed of Generation X ownership or board members, with a rising number of now ageing earlier millennials moving into senior leadership or in some cases c-suite positions. It is a well-known fact that there are distinct differences in thinking and style between these two generations which have been influenced by the cultural, technological and economic shifts that have occurred during their respective formative years.

Organisations are now at a stage in their evolution, where they need to join these generational differences together to drive innovation, progression and ultimately create legacy building transformation, which is particularly relevant within the family business space.

When these two generations come together as part of a leadership team, they bring a diverse set of skills and perspectives to the table. Generation X can provide valuable experience and stability, while Millennials can offer fresh ideas and a willingness to embrace change. By leveraging each other's strengths and learning from one another, they can drive innovation and growth within the organisation. The combination of these different thought processes and leadership styles can lead to more comprehensive decision-making and effective problem-solving. Ultimately, multi-generational leadership teams can excel because of their ability to blend the wisdom of experience with the energy of youth.

However, to create legacy building transformation, it is not just a case of creating intergenerational leadership teams. To build a winning team for longevity, it is vital to plan the structure carefully and not just in terms of skillset. When organisational structures are being created or modernised, detailed consideration of the personality profile for each position is just as important as the skillset that is required to make the team's engine fire.

The school of thought that I have always followed is that people only fail in organisations due to bad hiring or



bad management, it's as simple as that. However, with a fusion of two generations with very different ways of looking at the world, working so closely together in leadership, the simplicity becomes a little more complicated as both hiring and management must be addressed to consider this dichotomy.

In terms of hiring for future leaders, a sizeable talent pool needs to be explored to allow for a broader range of perspectives and experiences to be considered. Furthermore, wider coverage, combined with rigorous assessments will help to identify candidates with unique skills and qualities that may not be immediately obvious.

To adopt a proactive search and selection approach outside of traditional advertising is the only way to ensure that a hiring process is initiated with a true reflection of the market. Through this approach true diversity is explored and the benefits that it brings can be capitalised on, backed up by all important data that is gleaned from proactive search and selection techniques.

The UAE is an exciting place to live and work, due to the quality of life and benefits that expatriates enjoy along with its consistent rapid growth and strong economy. Therefore, attracting talent from around the world is not a hard sell for the right opportunity. However, to get a lasting fit for a position, the assessment process needs to be completely unique for each organisation and each opportunity. Considering the demographic of each stakeholder group from a leadership, peer and subordinate perspective is important when planning a rigorous assessment process that really tests personal qualities alongside skills-based assessments.

KingsFaris has been fortunate to work on several exciting mandates and team build projects for UAE businesses where we have been able to successfully attract, assess and acquire niche talent from around the world. Even more importantly, the organisations have been able to retain this talent where in many cases we have been able to successfully blend intergenerational talent to create a winning fusion of critical thinking that has taken our clients' companies from start-up to scale-up, through large-scale transformations or led direct investment activity into new sectors and markets.

In conclusion, the combination of Generation X and Millennial leadership in UAE businesses has the proven potential to drive innovation, growth, and legacy building transformation. By leveraging the diverse skills and perspectives of these two generations, organisations can benefit from comprehensive decision-making and effective problem-solving. However, to be confident of success, careful consideration must be given to the methodology and application of the search and selection techniques in initiating new hires.


VIRTUZONE

5 reasons you should set up your business in Dubai

VIRTUGROUP

With a tax-friendly business environment and a streamlined company setup process, Dubai continues to be a leading business destination for entrepreneurs, investors and multinational companies worldwide. Featuring sunny and beautiful weather all year round, a vibrant expat community and an excellent quality of life, Dubai is the place to be for people who want to make it big in business while enjoying the best in life.

If you are thinking of launching your business in Dubai, here are five more reasons for you to take that leap.

1| Enjoy tax-free income with the UAE's 0% personal income tax scheme

The UAE does not levy any personal income tax on both its residents and citizens. With the UAE's favourable tax-free income scheme, you can receive your income in full, say goodbye to tax deductions and enjoy greater financial freedom.

2| Send 100% of your capital and profits to your UK bank account

You can remit 100% of the capital and profits you generate through your business in Dubai to your home country. This advantage separates the UAE from other global business hubs that require foreign business owners to keep a significant percentage of their earnings within the country.

3| Get 100% ownership and control of your company (no need for a local sponsor)

The updated UAE Commercial Companies Law now allows 100% foreign ownership of companies both in the mainland and in free zones, ensuring you have full operational and financial control of your business. In the past, foreign entrepreneurs had to partner with a local sponsor if they wished to establish a mainland company. With the amended Commercial Companies Law, this requirement no longer exists.

4| Take advantage of Dubai's accelerated post-Expo 2020 growth

Ranking 1st in the Arab world in terms of foreign direct investment (FDI) inflows, the UAE offers plenty of business opportunities in diverse sectors, including trade, retail, logistics, banking and financial services, tech, tourism, real estate and manufacturing.

5| Enjoy a high quality of life in a safe country with top-notch healthcare

Making up over 90% of the UAE's population, expatriates enjoy a superb quality of life, easy access to world-class healthcare, and a high GDP per capita on par with leading Western European countries. The UAE is also consistently ranked as one of the safest countries in the world.

Dedicated partnership and meticulous research are keys to successful executive search

David Holloway, Founder & Executive Chairman and

Ali Alhadithi, Principal, Middle East & North Africa, Marlin Hawk

Extensive market research, and a global connected team that works closely together, are the keys to success in executive search, as David Holloway, Founder & Executive Chairman, and Ali Alhadithi, Principal, Middle East & North Africa, of Marlin Hawk explain.

What is the history of Marlin Hawk?

The company celebrated its 20th anniversary in October 2023 and was originally established in London to challenge the larger executive search companies with a fresher approach to executive search. Placing a premium on higher quality research and the effort in producing that research, we are relentless in our pursuit of an outcome. Many searches do not go to completion, so we focus on having one of the highest completion rates in the industry.

We started out with that in mind and our first client base was in financial services, helping companies with their operations and technology needs and predominantly UK-focused. Then as the business expanded, we opened in the US, just at the time Lehman Brothers collapsed, because we felt that the disruption would open an enormous opportunity. We now support several of the world's largest global companies out of the US.

The US experience made us realise that being global was very important and you could not support global businesses from one location, so we looked at Asia and moved into Singapore and Hong Kong simultaneously, to join the dots for large US and European companies which operated in that region. Our move to the UAE, now in its fourth year, was based on the enormous impact the region is having on global business and the fast-developing economies of Dubai, Abu Dhabi and Saudi Arabia.

What distinguishes Marlin Hawk from its larger peers?

There are three main features that highlight why we are different. Firstly, we are globally connected. We have one cohesive team that work seamlessly together, so that you can get a comprehensive global view from our business more swiftly than you can from one of our larger competitors.

Secondly, is the quality of our research. Typical feedback from our clients is that our research is of excellent standard in the industry, being more detailed and insightful. We are a very research-driven company, with a focus on more research support per partner than other firms, empowering our clients with actionable intelligence.

Finally, we are fearlessly determined in our mindset, so are not afraid of challenging projects. When we took a UK energy client to the US to do carbon capture, we had never done any work in either energy or in carbon capture, but through our approach to search and focus on delivering outcomes, we have built their entire management team.

How has the executive search market evolved over the past 20 years?

We would describe executive search as the fifth professional service, alongside accountants, lawyers, management consultants and strategy consultants. Just as with a law firm, credibility and longevity are very important. We are dedicated to looking at new ways of working and have a much higher degree of commercial flexibility. We can innovate and be flexible towards more performance-orientated ways of working.

Our fees are not staged, but milestone based, so clients are billed on factors such as delivering a shortlist and then when the candidate is hired. Challengers have been able to make an impact in our market because of changes in technology, and changes in working practices, such as those brought on by COVID-19 and that has allowed a firm like Marlin Hawk to be a true global alternative to the big players.

Where do you see the biggest opportunities across the MENA region?

The UAE is made up of seven emirates and Dubai is obviously the leading one for talent attraction. It has become a global brand, and has lifestyle advantages. Looking back a few years, when we won an international mandate, it was challenging to sell the prospect of moving to Dubai to candidates. Now we are being proactively approached by successful businesspeople from around the world on a daily basis, who are saying they want to move to Dubai.

Abu Dhabi, the UAE's capital, is one of the world's largest oil exporters and is home to thriving energy and financial services industries. It also hosts

> Ours is a serious commitment to the region, and we are immersing ourselves in the economies of the Middle East and hope and believe we can bring value to the region.

a number of large sovereign-holding companies that invest into a diverse range of industries, domestically and internationally. It has always been another attractive destination in the UAE for expat talent.

Within the UAE, another emirate is rapidly emerging on to the scene. The Ras al Khaimah (RAK) government has been spending very heavily over the last few years in sectors like entertainment, tourism, cryptocurrency, hospitality, infrastructure, and many others, and have recently launched a new free zone to help start-up businesses.

One of the largest growth areas is Saudi Arabia, which has always had the largest population and the deepest pockets in the region, but for a very long time was closed off culturally and commercially. In 2017, its “Vision 2030” was published, and the country is spending vast amounts to diversify the economy in areas such as technology, sport, leisure and entertainment, manufacturing, and logistics, and many others. Additionally, the radical cultural and legal reforms in the country over the last few years have rapidly positioned Saudi Arabia as a major commerce hub and attractive destination for international talent.

How is AI shaping or transforming your industry?

AI is not new, but it exploded into public awareness over the last year with tools - such as ChatGPT - becoming available. AI technology is still in very early stages, but it will have a massive and increasing impact on the world. Executive search is not a high-volume business, and there are not millions of senior placements happening every year. We see AI as a tool to improve our operational efficiency, making it quicker and faster to operate some of our processes, allowing us as consultants to spend more time interacting with our clients and our candidates.

If we get a search request for a CEO in Canada, for example, and I know that there is someone in London who would leave the job they are in and go to Canada, because they want to be near their family, that individual does not make that publicly known. It compromises their current position, but they will share with a very small number of people they are close to. AI cannot gather that sort of data, but it does enable us to spend more time doing so.

What is Marlin Hawk’s ideal relationship with its clients?

We don’t want transactional relationships, but true partnerships based on a full understanding of a client company’s strategy and goals, so that we can accurately offer advice and source the talent that is right for them. If you only have a transactional relationship, you cannot do that.

Any final thoughts?

Ours is a serious commitment to the region, and we are immersing ourselves in the economies of the Middle East and hope and believe we can bring value to the region. We understand the importance of the ongoing nationalisation programmes in the UAE and Saudi Arabia, and our diverse team which includes natives from the Middle East uniquely positions us to serve our clients whether they seek national, regional, or international talent.

Every space is an opportunity to do better

Stephen Taylor, Managing Director, KPS, UAE

Stephen Taylor

At KPS, we exist to turn challenges into opportunities that set better standards for ourselves, our company, and our industry. This purpose defines our work spirit, our approach to business, and our attitude towards the everyday. We love the words 'not possible,' because it awakens our rebelliously optimistic spirit. When the world says no, we say there must be a way. And more often than not we find one.

These projects lead us to unconventional routes. We embrace any opportunity to break new ground and deliver beyond what's expected. They allow us to hand over the keys to happy clients and walk away with more expertise, a greater sense of creativity, and a feeling of fulfilment, knowing that we delivered on time and beyond expectations.

Thirty years ago, that's exactly how our company started. Our Swedish Chairman, Kristian Petersson, had the opportunity to start a project in the Middle East, an unfamiliar place with a vastly different landscape. Starting from scratch, he moved his family over and took a leap of faith to see where this opportunity would lead him. Our very first project was furnishing Dubai's Economic Department. The challenge was enormous, but Kristian was determined to deliver it in a way that ensured people spoke well of his work. He was always learning and bringing new people on board so that he could best serve his clients. And, in order to be successful, Kristian continuously adapted to his clients' needs. Every project was an opportunity to set a new standard. These qualities were instilled in the KPS brand from its inception.

Project after project we raised the bar. We did better every time, continuing to grow the business and gaining expertise across multiple fields. Every new project had different needs, and each was an opportunity to learn more. Adopting this approach led us to evolve from furnishing offices to becoming a technology-led design-focused interior construction company that caters to all sectors. Workspaces, retail, hospitality, education, healthcare, residential, and entertainment - to name just a few.

Today, KPS is a major player in an often-fragmented industry. Over the past 30 years, we have transformed over 15 million square feet of space. Now with a presence in nine countries across the Middle East and Europe, we have an annual turnover of more than US$150 million and over 500 employees. We love a good challenge and are always fuelled by optimism. We don't believe in the impossible, but in the 'what if' and pursue that route until we find answers. We never give up. We only give hope and seek to bring people along on this journey. We are people-centric, opportunity-focused, and excited about the future.

Our high levels of quality, consistency and flexibility appeal to clients who seek the same in their projects. These qualities define our work, and we aim to always deliver the same high standard. The pressures of budget cuts, limited resources and restricted time frames can make it challenging for clients to achieve their goals. We respect and admire their determination to get a project done on time and within budget. When we take on a project, meeting these requirements is our commitment, whilst delivering quality and value.

We guide our clients through their projects with positivity. In the early stages we excite them about the potential their spaces hold. Throughout the process we keep them motivated when challenges arise. And we always demystify what we do, so that every client, even if they aren't familiar with our industry, can follow along and enjoy the journey. We obsess over quality. In fact, we guarantee it. We don't believe in shortcuts or accept anything that would compromise our quality. We constantly ask ourselves: Is there a better way? We work hard to achieve a higher standard of quality for our customers by understanding their needs and offering the right solutions.

We always want our customers to walk away with their dream space brought to life. One of those clients is ADQ. As one of the largest investment firms in the UAE, they are a key driver of economic development, accelerating the transformation of Abu Dhabi into a knowledge-based economy. With a growing portfolio of enterprises, they wanted a dedicated co-working space for their ecosystem of entrepreneurs – a 24/7 innovation hub. Our

task was to create a modern, multifunctional, and collaborative workspace. An environment where entrepreneurs can innovate, build, and create. The layout comprises a balance of open and closed plan workspaces – giving visitors the flexibility to work individually or collaboratively. Now home to some of the most promising entrepreneurs in the UAE, the hub will help pave the way for Abu Dhabi's continued economic diversification. Finished on time, on budget and on brief – the client was delighted with the final outcome. For more information about KPS, please visit us at: **www.kpsworld.com**.

Dispute resolution

Stewarts

Stewarts is the UK's largest disputes-only law firm, acting in some of the most high-profile and ground-breaking cases domestically and internationally. The firm has 200 lawyers, including 80 partners, across 15 departments.

Clients instruct us when the stakes are high and where genuine disputes experts are needed. Our Commercial Litigation team advises on banking and financial disputes, shareholder disputes, securities litigation, breach of contract disputes and professional negligence. We act for both claimants and defendants, with a focus on achieving the best possible outcome for our clients.

Our clients in the Middle East include sovereign wealth funds, governments, state entities, institutional investors and high net worth individuals. We regularly represent FTSE 100, FTSE 250, Fortune 500 and other multinational corporations.

We also act in some of the world's largest fraud investigations and have in-depth experience of dealing with all aspects of bribery, corruption, asset recovery, tax evasion, money laundering and the manipulation of financial markets. Our clients benefit from our extensive experience in the enforcement of foreign judgments and awards, including obtaining freezing injunctions, search orders, third-party disclosure orders and third-party debt orders.

In addition, our market-leading private client teams advise high net worth individuals on complex, high-value disputes relating to divorce, financial settlements, children arrangements, pre-nuptial and post-nuptial agreements, trust and probate disputes, and tax investigations.

The great majority of our work is international. As a conflict-free independent law firm, we are free to work with our clients' existing advisers and can also draw on our strategic alliances with leading international law firms. This enables us to work in a global counsel role to coordinate complex multi-jurisdictional matters via a single point of contact.

Our lawyers handle a small number of cases to ensure they give our clients the care and responsiveness they need to go against the most well-resourced opponents.

We have unrivalled experience in putting together innovative cost arrangements to allow our clients to litigate, arbitrate or negotiate their disputes and recover assets from a position of financial strength.

"The firm is superb. Communicative, very fast-acting, contactable and very client-focused." – Chambers and Partners.


PRAXIS
OPEN IDEAS
Forward thinking employer solutions
There has been considerable innovation in the employer solutions market and Praxis is at the forefront of this fast-moving sector. From our offices in Dubai and Abu Dhabi, we deliver a full spectrum of services, from incentivisation mechanisms for key employees to digital end of service benefit solutions for an entire workforce.
To find out more about our services in the employer solutions space, please visit our website.
praxisgroup.com
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Praxis is the brand name for the Praxis Group Limited and all its subsidiary and associated companies.
For company information and regulatory details, visit our website praxisgroup.com.

New gratuity regulations provide alternative benefits for expats and their employers

James Barber-Lomax, Group Head of Pensions & Employer Solutions, Praxis, UAE

James Barber-Lomax

In November 2023, a new system was introduced in the UAE that provides private sector employers with an alternative to award gratuity benefits to their employees from the long-standing gratuity rules found in the Federal Law. Employers who want to attract and retain a committed workforce with flexible incentive arrangements are now taking steps to establish appropriate plans and become employers of choice. James Barber-Lomax, Group Head of Pensions & Employer Solutions at Praxis in the UAE, looks at these developments.

In recent years, we have seen two significant changes that provide alternatives to the Federal Law that has been in place since the late 1980s. The first change was the introduction of DEWS, which initially only applied to expat employees of companies in the DIFC. This was the first move towards the UAE permitting employers to participate in defined contribution (DC) schemes as an alternative to the defined benefit rules under the Federal Law. DEWS is not classified as a pension as no retirement age is attached, but there is a mandatory funding obligation on employers within the DIFC. This gives the underlying employees options on how their gratuity funds are invested from an approved range of investments.

The second change came in late 2023 when the Ministry of Human Resources & Emiratisation (MoHRE) introduced similar legislation that permits onshore private sector employers to fund a DC scheme instead of paying benefits under the existing Law. Any manager of such a scheme must apply to become MoHRE-approved. Employers who opt into funding an approved scheme freeze their accrued gratuity liability at the point they commence funding. The employer will select the investments available to the employees it is enrolling and make monthly contributions of between 5.93% and 8.33%, depending on that employee's length of service. Employees can also contribute up to 25% of their salary to the scheme.

The Securities & Commodities Authority (SCA) has established various requirements for the underlying investments to provide a selective range of investment options for the participating employees.

Today, UAE employers outside the DIFC can pay employees a terminal gratuity linked to the traditional Laws or opt into the new style of DC scheme. Those who decide to remain under the traditional legislation can continue to pay departing employees from cash flow. Alternatively, they can fund a purpose-built benefit plan to ring-fence and fund against their gratuity liability.

These developments further demonstrate the UAE's alignment with standards seen in other developed countries. They also provide greater security for employees in the region as they claim more control over how their financial future will look.

Time for action

The needs of the expat population in the UAE are ever evolving, with more people looking for financial stability and wellbeing. This is highlighted by the successful introduction of Golden Visas, which enable expats to remain in the country for more extended periods than a traditional employment visa, and Retirement Visas, which also indicate expats are looking to stay longer.

Employers should consider all the available options and take decisive action. By not doing anything, they remain subject to the incumbent Laws, which means their gratuity liability will grow in excess of 8% of monthly payroll for all employees who have provided more than five years of continued service. Therefore, with new schemes and legislation being introduced by the Federal authorities and the increasing availability of plans, employers should seek advice and act before their employees become disenchanted and look to take their careers forward with employers who offer comprehensive benefit plans.

Praxis in the UAE

Praxis has established offices in Dubai and Abu Dhabi and was the first licensed trust company in the Abu Dhabi Global Market (ADGM). We provide a bespoke range of tailored employee benefit trusts that enable companies to fund a purpose-built trust for their gratuity liabilities or to offer employees an employment-linked savings plan. We also provide a range of product solutions, providing a more cost-sensitive solution. Our clients include the UAE's National Health Insurance Company - Daman, a subsidiary of PureHealth, the largest integrated healthcare platform in the Middle East. Our joint venture with Daman of a ground-breaking digital platform enables companies in the region to manage their end of service liability for expatriate employees along with optional personal savings plans for all employees.

As part of the Praxis Group, we also provide a range of private wealth and corporate services to clients throughout the GCC, as well as regulated fund administration services to local and international funds.

PraxisIFM Trust Limited is regulated by the Financial Services Regulatory Authority of the ADGM and authorised to provide services to professional and retail clients.

The UAE continues to attract international businesses due to its desirable commercial environment and lifestyles

Lubbock Fine LLP

The UAE is recognised as one of the leading locations for international businesses, as the UAE Government has ensured that foreign investors have access to excellent amenities and infrastructure while enjoying the UAE's strategic location and political stability. Expats represent approximately 90% of the population in the UAE of which roughly 240,000 are from the UK. According to a 2023 study by Remitly, Dubai is the number one city British people want to move to, and not just for the climate.

The UAE as a business location

The UAE is certainly established as a superb business location. In just the first half of 2023, 30,000 new firms were registered in Dubai alone, 43% higher than in the first half of 2022. In 2022, Dubai ranked first worldwide for the number of projects started through Foreign Direct Investment.

The UAE's geographic location at the crossroads of Asia, Europe and Africa makes it a key central hub for international trade. Its time zone also makes it an ideal location for professionals working with clients and colleagues across Asia and Europe.

While many countries have onerous regulation, expats can set-up a business in just 15 minutes through the UAE government's online platform, Basher. Entrepreneurs can also take advantage of the UAE's Free Zones, over 40 special economic zones across the Emirates, which provide tax exemptions and customs duty waivers.

Selecting the right Free Zone

The choice of which Free Zone to relocate to will be dictated primarily by your industry. Many Free Zones are dedicated to specific sectors and provide purpose-built facilities with those companies in mind. For example, in Dubai Studio City, the zone has several production studios for the many media companies based there.

Selecting the right Free Zone for your business may also depend on where the majority of your customers are based. It may be wise to locate the business close to your customers so that products and services can be delivered easily.

Businesses should also consider what facilities and infrastructure are provided in each Free Zone. Companies which do not need a permanent office may prefer a Free Zone which provides shared office space, ensuring the business complies with regulation (obliging all companies to have some kind of office space), but without the burden of leasing an unused office.

Which Emirate?

Choosing the right Emirate for your business depends mostly on costs and facilities. For instance, floor space in sought-after locations like Abu Dhabi and Dubai command higher rent than in other Emirates. Many companies choose the Northern Emirates for warehousing and industrial space due to the availability and attractive pricing.

Industry is also a factor when deciding which Emirate to relocate to. For example, if your company trades or distributes international goods, then it will naturally be more important to be close to a seaport or airport. Proximity to an airport will also be important for frequent travel needs.

Corporate tax change

Last year, a corporate tax on business profits was introduced across the UAE. It is the lowest corporate tax rate across the Gulf Cooperation Council (GCC), with the exception of Bahrain. Effective for financial years commencing on or after 1 June 2023, any taxable income above the AED 375,000 threshold (US$102,096)* is now subject to a 9% corporate tax rate.

Companies based in both the Free Zones and in mainland UAE will need to comply with the new Corporate Tax law, even if they are considered a 'Qualifying Free Zone Person' (QFZP). To be a QFZP and pay a 0% rate, a business or individual would need to be based in a Free Zone and comply with several other conditions.

The UAE's corporate tax rate compares favourably to the corporate tax rate in the UK, which is currently 25% on company profits exceeding £50,000 (though UK companies with profits between £50,000 and £250,000 receive marginal relief). It is also significantly lower than the U.S. corporate tax rate (21%).

Businesses can enjoy a 0% Corporate Tax rate on taxable income below AED 375,000 (US$102,096)*.

The UAE as a lifestyle location

The UAE continues to attract expats, not just because of its business-friendly environment, but also because of its lifestyle. Many families have flocked to the UAE to experience the country's wonderful beaches and tourism hotspots. In 2023, 14.3 million tourists visited Dubai.

The UAE is ranked the second safest country in the world according to Numbeo's 2023 Safety Index. Its low crime rate, as well as its many tourist attractions like its world-renowned aquariums, gardens and malls, have persuaded many Westerners to make the move and will continue to do so.

Choosing the right business partner will be vital to the success of your new venture.

*Conversion rate as of 07/02/24.

Arab British Chamber of Commerce

The Arab-British Chamber of Commerce is a not-for profit membership organisation established in 1975 under the General Union of Chambers of Commerce, Industry and Agriculture for the Arab Countries.

Over the decades the Chamber's reputation has increased substantially and it is now seen as the leading business support organisation in the UK for the promotion of Arab British trade and the advancement of commercial relations.

The Chamber exists to promote bilateral trade and flows of investment between Britain and the Arab countries. To achieve this objective, we are able to draw on an extensive network of contacts and a pool of expertise, working in close collaboration with government ministries, official trade bodies and investment promotion agencies, the Arab Embassies in London, the British Chambers of Commerce, the network of chambers of commerce around the Arab world, the League of Arab States and leading Arab private sector corporations.

We welcome general enquiries from companies of all sizes seeking to do business in these dynamic markets and we are keen to attract new members who want to develop successful commercial operations irrespective of the sector or location. We like to assist SMEs in their commercial activities in the MENA region.

Our numerous services to business include certification and legalisation of export documents, research and advice, delivery of visa services, Arabic-English translations of commercial and other documents, online training courses on export procedures, business venue hire solutions and various publications, including a daily newsletter, weekly business briefing, a bi-monthly bulletin, Economic Focus quarterly magazine and a trade directory.

Our mission remains embodied in the concept of "friendship through trade" adopted many years ago.

A summary of our core activities would include:

- Promoting the benefits of corporate membership
- Improving our unique Export Documentation Service
- Delivering fast and accurate translation of technical and business documents
- Delivering a fast-track business visa service
- Drawing the attention of businesses to new and emerging opportunities
- Hosting conferences, forums, seminars and business roundtables
- Facilitating trade missions and networking.

The ABCC's busy schedule of business events combine invaluable briefings with unique opportunities for engaging with key decision makers and top executives. Our flagship annual conference, the Arab-British Economic Summit (ABES), has achieved some notable success and is entering its fourth edition in 2024.

The organisation is led by its Secretary General & CEO, Mr Bandar Reda, and the Rt Hon Baroness Symons of Vernham Dean, our Chairman.

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BRITISH
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British Chamber of Commerce Dubai

Representing British businesses since 1987, the British Chamber of Commerce Dubai, formerly the British Business Group Dubai and Northern Emirates (BBG) has witnessed immense transformation in the commercial landscape of the UAE. With an ever-growing demand from UK enterprises to help navigate the complexities of doing business in the region and in recognition of the significant role in the UAE|UK bilateral trade relations, the organisation made its transformation in early 2024, to become the British Chamber of Commerce Dubai (BCCD).

With this new identity and retaining its strong proposition, the BCCD continues to extend its stewardship of the British business community in Dubai, to guide members through the unprecedented pace of change through an extensive calendar of events – 70+ each year – including business briefings, structured networking events, professional development masterclasses and large-scale sporting and social events.

The BCCD has built a credible voice in the region with an impressive reach across all social media platforms including its weekly e-newsletter, with a diverse audience in the UAE and the UK. Being so established with strong local and international partners, the BCCD has the hearts and minds of the British business and expat community and provides a great exposure opportunity for brands looking to increase their local market recognition in the region.

There are three tiers of membership: Business Advance; Business; and Essential. The Business and Business Advance membership tiers are the optimal level for exposure, opportunity and access to support consultants, SMEs, UK PLCs and MNCs with their own local market activity.

The BCCD facilitates sector specific working groups which provide peer-to-peer knowledge transfer that represent and then inform the rest of the membership through business briefings and member led research activity on current topics and challenges.

To encourage connectivity within the membership – the BCCD provides an app as an additional tool to encourage member-to-member dialogue and business development outside of the physical events provided. As part of its wider communications to the rest of the UAE, GCC and the UK, the BCCD has launched its own podcast called ‘Don’t Do That! Do This!’ which shares insightful and actionable business growth stories in support of those already in the region and those looking to move to Dubai.

British Chamber of Commerce Abu Dhabi

Connect with your local British Chamber of Commerce Abu Dhabi

British Chamber of Commerce Abu Dhabi is an organisation focused on promoting bilateral trade between the United Arab Emirates and the United Kingdom. We have one objective – to enable better business outcomes for our members.

Formed from the British Business Group Abu Dhabi (registered in 1996), the British Chamber of Commerce Abu Dhabi (BCC AD) is a not-for-profit membership organisation for companies trading between the UAE and the UK. The Chamber is part of the Global Business Network of the British Chambers of Commerce providing connectivity to 80 accredited chambers around the world, and 53 UK-based chambers trading world-wide.

BCC AD provides its members with a local network, activities and services that are designed to:

- Inform them of market conditions and trading opportunities, and prevailing policies and legislation
- Connect them to potential funders, partners and customers – both in Abu Dhabi and UK
- Support them in establishing, marketing and developing their business, and by asserting influence on their behalf to promote their interests.

BCC AD offers a range of membership categories, to meet the needs of all sizes and types of corporate, business, and overseas membership available for interested individuals.

BCC AD membership is diverse, representing a wide range of cross sectors. We work closely with our strategic partners across the Abu Dhabi Government including; Abu Dhabi Residents Office, Abu Dhabi Department of Economic Development, Abu Dhabi Investment Office and Abu Dhabi Chamber of Commerce.

Abu Dhabi is home to more than 2 million expatriates of over 200 nationalities. Abu Dhabi has been ranked #1 in the category of safest city in the world for the last 6 years as well as happiest city in the Arab region.

The British Chamber of Commerce Abu Dhabi is here to help support you as an individual or company wishing to do business in the United Arab Emirates. Please don't hesitate to get in touch with us today **www.bccad.ae** or **events@bccad.ae**

51 years and counting: Driving UAE-UK partnership to new heights

Massimo Falcioni, Chief Competitiveness Officer, Abu Dhabi Investment Office

Massimo Falcioni

The UAE-UK economic relationship is a longstanding, historical one, dating back more than half a century. Underpinned by close collaboration to solve some of the world's most pressing challenges, from food security to renewable energy, this strategic alliance will only continue to grow.

It is no surprise that the UAE and the UK's relationship has flourished over the span of 51 years, due to the countries' focus on innovation, investment and being at the forefront of the new economy.

The UAE is currently the UK's largest trading partner in the Middle East, with total trade in goods and services between the two countries increasing to £21.6 billion in 2022. In 2023, the inaugural UK-UAE Strategic Dialogue was also launched in London, further highlighting areas of joint partnership and interest between both countries. Growing bilateral relations will propel new sectors and avenues of growth, providing innovative opportunities for specialised global talent.

British businesses in the UAE

The strength of UAE-UK ties is evident in the fact that more than 120,000 British citizens call the emirates their home, and there are currently over 5,000 British companies operating in the country.

British quality grocer, Waitrose UAE, opened its 17th store in Abu Dhabi's Khalifa City neighbourhood community shopping hub in 2023, where ADIO supported the brand through its Musataha agreement, which is one of the services it provides to companies that need land to invest and expand in Abu Dhabi.

Also in 2023, we announced our support for AAICO, a leading technology company focused on building products to automate and enhance mission critical processes for the health and safety sectors.

At ADIO, we believe in the power of partnerships across the ecosystem, where portfolio companies and partner organisations are both collaborators and value generators. Through our international office network, we champion Abu Dhabi as an investment destination and pinpoint sustainable commercial opportunities for innovative companies to excel within our ecosystem.

As UAE-UK business relations prosper, we will continue to provide support to British companies looking to set up shop in the Emirate and achieve success in the UAE and beyond.

Shared leadership in delivering a low-carbon future

Climate change and renewable energy continue to be key shared focuses for the UAE and UK. This is apparent in the numerous collaborations initiated recently, including the Clean Energy Memorandum of Understanding signed by both governments, confirming joint ambitions for investment and cooperation in areas such as clean energy, climate finance, and food systems.

The UAE is committed to achieving net-zero emissions by 2050, the first MENA nation to do so. Likewise, Abu Dhabi is focused on using technology to achieve economic and social progress, where it is steadily shifting towards a knowledge-based economy as part of its growth and diversification strategy. The Emirate's non-oil sector now comprises more than half of its GDP. Abu Dhabi has set ambitious goals for the growth of the non-oil economy, including more than doubling the size of the manufacturing sector by 2031, and has been actively diversifying its energy mix by focusing on renewable energy sources and sustainable initiatives. This has made it a popular destination for investments in clean energy and decarbonisation efforts.

Benefitting from Abu Dhabi's global talent pool

The UAE ranks first globally in the Talent Attractiveness Index as per the Global Prosperity Index 2023. Abu Dhabi was also ranked as the #1 Safest City in the World for five years running, reinforcing its position as a great place to do business and to live.

Our goal is not just to attract international companies to Abu Dhabi, rather it is about creating an environment where people can collaborate to create sustainable private sector opportunities for long-term commercial success that contributes mutual growth. This will support in reinforcing the strong ties between the UAE and the UK.

As both countries continue to take their relationship to new heights, resulting in growing collaboration across a number of key sectors, the benefits will extend beyond both nations, offering unmatchable opportunities for talent globally.

Free Zones: Foster innovation and growth

Free zones, or free trade zones, are integral to the UAE's strategy to enhance international business by offering expatriates 100% ownership and streamlined administrative processes. These have played a pivotal role in the country's evolution into a global business hub.

The incentives offered are substantial, including complete foreign company ownership, full repatriation of capital and profits, and exemptions from corporate and personal income taxes. They also provide relief from import and export duties, access to abundant and cost-effective energy, an affordable workforce with easy recruitment, and efficient administrative services. In addition, companies can operate around the clock and benefit from on-site customs inspections.

However, there are certain limitations. Free zone companies are not permitted to trade directly with the UAE market; such transactions must occur through locally appointed distributors. Additionally, a customs duty of 5% is applicable for local business dealings.

Each emirate in the UAE has its own free zone policy and can act independently. In Abu Dhabi, for instance, free zones were initially developed by Abu Dhabi Ports, which also managed the emirate's ports. However, they are now overseen by the Kezad Group[1] (Khalifa Economic Zones Abu Dhabi Group). Its portfolio comprises 12 economic zones with a total area of 550km^2, including 100km^2 designated as free zones.

Free zones are often linked to ports or specific industries. Arguably the best known of these for the UK investor are the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM), which are described in greater detail in the chapter Financial and Professional Services. Briefly, they are both highly successful financial free zones aligned with English law, drawing international businesses with benefits including 100% foreign ownership and tax incentives. DIFC[2], regulated by the Dubai Financial Services Authority (DFSA), focuses on varied financial services and has seen significant growth, including a 20% increase in active companies and an 18% rise in gross written premiums in 2022. Meanwhile, ADGM which specialises in private banking, wealth management, and asset management, enjoyed a 35% rise in assets under management in early 2023[3].

The other main free zones are:

Dubai Airport Freezone (DAFZ)

Established in 1996, DAFZ is now home to more than 1,800 companies in more than 20 economic sectors, with multinationals making up over 30% of these companies, 31 of them being Fortune 500 companies. It continues to innovate in response to changing conditions, such as introducing a 'talent pass' to attract freelance talent. License holders will have access to DAFZ customers, ranging from international companies to SMEs and entrepreneurs. They will also have access to the free zone's digital platform which allows them to contact customers for easier access to work, contracts, and services.

Dubai CommerCity

Dubai CommerCity provides a comprehensive e-commerce ecosystem designed to support various brands from the region along with foreign brands, but with a focus on the Middle East, North Africa, and South Asia (MENASA)[4]. Situated in the Umm Ramool area of Dubai, it is organised into three key clusters: business, logistics, and social. The business cluster[5] is home to modern landscaped buildings with Grade A premium offices; the logistics cluster which consists of state-of-the-art dedicated and multi-client warehouse units with scalable pay-as-you-go pricing models; and the social cluster houses restaurants, cafes, exhibition halls and events. The zone's purpose is to act as a one-stop destination for e-commerce businesses targeting the MENASA region. Businesses based there can use services

such as assistance with business setup, warehousing, last-mile delivery, e-commerce technology, strategy consulting, and customs advice.

Khalifa Industrial Zone Abu Dhabi (KIZAD)

KIZAD is Khalifa Port's trade and logistics hub and offers excellent market access via a top-tier transport infrastructure encompassing sea, road, air, and future rail networks[6]. Spanning 410km², KIZAD houses more than 600 companies across various sectors such as food processing, polymers, metals, automotive, pharmaceuticals and logistics[7]. The zone features a state-of-the-art, semi-automated container terminal, which includes the Middle East's largest container freight station (CFS), spanning 275,000m². It is expected to contribute 15% of Abu Dhabi's non-oil GDP by 2030.

It is the largest free zone in the Middle East[8], and has attracted significant FDI, including £1.6 billion from the People's Republic of China. It has been chosen as a strategic location for China's Belt & Road initiative, reflecting its growing importance in international trade and logistics. COSCO[9], a global leader in container shipping, has established KIZAD as its central hub in the region.

KIZAD free zone is unique because it offers a dual business licence. This means a company can also operate onshore without needing a distribution agent once it has the consent of the Abu Dhabi Department of Economic Development.

Dubai Multi Commodities Centre (DMCC)[10]

Established in 2002 to enhance commodity trade flows through Dubai, the DMCC's 2022 report shows a record-breaking year with 3,049 companies joining the free zone, taking the total number of members to over 22,000[11]. These companies operate under license, trading in commodities such as gold, diamonds, pearls, precious metals and tea. The Dubai Gold & Commodities Exchange (DGCX), a subsidiary, saw a 16% increase in total trade volume in 2022, amounting to approximately £133 billion[12].

Ras Al Khaimah Enterprise Zone (RAKEZ)

The northern emirate of Ras Al Khaimah is emerging as one of the fastest-growing economic zones and a leading location for foreign investment in the region due to the success of RAKEZ. Since its creation in 2000, the economic zone has become a major business and industrial hub. It now has over 15,000 companies in over 50 sectors located throughout three industrial zones, two business zones, and one academic zone[13].

It offers investors dynamic investment opportunities in transportation and logistics, hospitality and tourism, consumer, food and beverages, advanced manufacturing, aviation, automotive, mobility, education, healthcare, technology and 5G. For example, Royal Gulf Industries announced a significant investment of approximately £14 million to establish the UAE's first eco-friendly automotive battery recycling centre.

The UAE's free zones foster innovation and growth by offering significant opportunities which are hard to find elsewhere. These zones, characterised by their business-friendly regulations and international legal frameworks, provide an ideal environment for UK businesses looking to expand into the Middle East and beyond.

[1] https://www.thenationalnews.com/business/2022/09/19/ad-ports-group-launches-kezad-group-as-integrated-ecosystem-for-key-industries/
[2] https://www.difc.ae/whats-on/news/difc-achieves-record-breaking-growth-2022-driven-fintech-and-innovation
[3] https://www.mediaoffice.abudhabi/en/economy/abu-dhabi-global-market-records-significant-growth-in-h1-2023/
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[13] https://www.forbes.com/sites/karlmoore/2022/09/29/growing-business-in-one-of-the-uaes-largest-economic-zonesa-conversation-with-rakez-ceo-ramy-jallad/

Northern Emirates: Opportunities in the northern emirates

The UAE is a federation of seven emirates, but historically, perceptions of the country have often focused on only two of them: sophisticated, cosmopolitan Dubai, and hard-working, oil-rich Abu Dhabi. Yet the other five emirates in the federation – Sharjah, Ras Al Khaimah, Fujairah, Umm Al Quwain and Ajman – should not be underestimated. All have their strengths and all are actively pursuing their own agendas for investment and development.

The third largest of all the emirates, Sharjah, has a strong real estate proposition at a fraction of the cost of neighbouring Dubai. It also has its own logistics advantages – the three ports of Port Khalid, Port Khorfakkan and Port Hamriyah. With more than 35% of the UAE's manufacturing industries, Sharjah is a key operator in manufacturing spare parts and components. It is also advancing in the adoption of technologies such as IoT, robotics, and drones for industrial automation.

There are six free zones[1] located strategically around major transportation hubs, making it easier for investors to handle logistics. They offer significant tax advantages – including no corporate or personal income tax – and businesses operating here do not have to worry about charges on importing, exporting, or re-exporting goods, as well as zero customs duties.

Investment in Sharjah's travel and tourism sectors are thriving, expecting to reach around £16.2 billion by 2027[2]. There are emerging opportunities in sustainable sectors like aquaculture and seaweed farming, as well as in waste recycling and waste-to-energy systems. The education and innovation sector is also seeing growth, with investments flowing into specialised vocational academies and innovation labs. Significant funds are already being directed annually towards education and research, amounting to around £1.2 billion[3].

Ras Al Khaimah (RAK), the northernmost emirate, has established a diverse and resilient economy, founded in sectors such as tourism, business, manufacturing, shipping, and transport. Each of these contributes significantly, but not more than 26% to the emirate's GDP[4], ensuring economic diversity, flexibility and stability.

As ever, free zones are key to attracting foreign investment. The Ras Al Khaimah Economic Zones (RAKEZ) attracted more than 1,500 new companies in just the second quarter of 2023[5], a substantial 132% increase from previous periods. 2023 also marked a significant milestone with the launch of the world's first free zone dedicated to digital and virtual assets companies.

Tourism is another robust pillar of RAK's economy. Recognised as the tourism capital of the region by the Gulf Cooperation Council in 2020 and 2021, RAK appeals to tourists with its beautiful coastline, luxury 5-star resorts, rich archaeological sites, and Jebel Jais, the highest mountain in the UAE. In terms of safety, RAK has been pioneering, earning the "safe" certification from Bureau Veritas and becoming the first in the UAE to receive the "safe" seal from the World Travel and Tourism Council (WTTC).

A major upcoming attraction is a casino on Marjan Island, part of the Wynn Marjan resort. Operated by the renowned Wynn brand, this casino will be twice the size of its Las Vegas counterpart and is expected to open in 2026.

Real estate in RAK offers attractive prospects for foreign investors, including 100% property ownership and zero income tax. While the state developer RAK Properties continues to play a significant role, 2023 saw new beach front projects from major developers such as Emaar, Ellington, Aldar Properties, and WOW.

Neighbouring Fujairah's economy is dominated by its port, which is vital to the UAE's oil industry and is the world's second largest for bunkering[6].

The Abu Dhabi Crude Oil Pipeline (ADCOP) takes 1.5 million barrels of oil daily from Abu Dhabi's Habshan field to Fujairah, bypassing the Strait of Hormuz. Additionally, in collaboration with the UAE government, Fujairah is expanding its oil storage capacity in the port by at least 22 million barrels, involving major national companies such as ADNOC and Borouge[7].

Naturally, the port is complemented by its own free zone, offering a location ideal for businesses which import from and supply goods to the Indian Ocean region. The zone offers attractive benefits for investors, such as high-end office spaces, both virtual and flexible options, and warehouse facilities, all with cost-effective operational expenses. Additionally, the free zone streamlines the process of setting up companies with quick and flexible procedures and supports the export of products to more than 50 countries in Asia, Europe, and the Arab region.

The two smallest emirates, Umm Al Quwain and Ajman, also both have free zones. The Ajman Free Zone, for instance, hosts a broad spread of companies active in sectors ranging from education to packaging, agriculture and oil and gas[8]. Both emirates have identified sustainable or 'blue' tourism as priority sectors to help drive future economic growth. Umm al Quwain aims to double its GDP by 2031, with 'blue economy' activities accounting for 40% of the total. It also plans to allocate 20% of its land area to nature reserves by 2031 and it is developing three carbon neutral areas, including a heritage district, the corniche and the mangroves area.

The northern emirates of the UAE, each with their distinct advantages and initiatives, present great opportunities for investment beyond the more widely recognised emirates of Dubai and Abu Dhabi.

[1]https://www.investinsharjah.ae/sharjah-freezones/

[2]https://www.zawya.com/en/press-release/government-news/seven-high-potential-sectors-that-define-sharjahs-future-investment-map-oo8452up

[3]https://www.zawya.com/en/press-release/government-news/seven-high-potential-sectors-that-define-sharjahs-future-investment-map-oo8452up

[4]https://www.linkedin.com/pulse/ras-al-khaimah-investors-guide-2023-xclusive-real-estate-dubai-9zl8f/?trk=organization_guest_main-feed-card_feed-article-content

[5]https://www.linkedin.com/pulse/ras-al-khaimah-investors-guide-2023-xclusive-real-estate-dubai-9zl8f/?trk=organization_guest_main-feed-card_feed-article-content

[6]https://diyaruna.com/en_GB/articles/cnmi_di/features/2021/06/21/feature-02

[7]https://diyaruna.com/en_GB/articles/cnmi_di/features/2021/06/21/feature-02

[8]https://www.agbi.com/analysis/northern-emirates-report-ajman-umm-al-quwain/

COP28: Striking out on a new path

The COP28 UN Climate Change Conference in Dubai in the autumn of 2023, represents a significant milestone in the global climate discourse. This event was not only notable for its unprecedented scale of over 85,000 participants with more than 150 heads of state and government, but also for its timely focus on evaluating the world's efforts to combat climate change.

The UAE's selection as the host for COP28 reflects its role in global environmental efforts. Directed by the vision of its late founding father, Sheikh Zayed bin Sultan Al Nahyan, it has established a legacy in promoting sustainable development and environmental protection, positioning itself as a proactive player in the climate conversation.

The UAE's early initiatives, such as halting gas flaring in the 1970s, and its leadership in renewable energy, are indicative of its proactive approach to environmental challenges. The country's role in the international community, exemplified by its early ratification of the Paris Agreement and commitment to achieving net zero by 2050, reflects a strategic and forward-thinking approach to climate action. Its extensive investment in clean energy projects worldwide, and partnerships such as the UAE-US Partnership to Accelerate the Transition to Clean Energy (PACE), further highlight its role in shaping a sustainable future.

In hosting COP28, the UAE has not only contributed to the global climate dialogue but has also demonstrated its ongoing commitment to environmental stewardship.

Fossil fuel

The significance of COP28 stems from its focus on the first 'global stocktake' – a critical evaluation of progress in key areas of climate action. It revealed a need for accelerated efforts in reducing greenhouse gas emissions and strengthening climate resilience.

Central to this is the call for nations to transition from fossil fuels, and intensify climate action before 2030, with the ultimate goal of keeping the global temperature increase to 1.5°C within reach.

The global stocktake will serve as a blueprint for countries to strengthen their climate action plans by February 2025. It acknowledges the scientific consensus that global greenhouse gas emissions must be reduced by 43% by 2030 (relative to 2019 levels) to maintain the 1.5°C limit. However, it also recognises that current efforts are falling short of the Paris Agreement goals.

Furthermore, it urges parties to triple renewable energy capacity and double improvements in energy efficiency by 2030. This includes expediting the phase-down of unabated coal power, eliminating inefficient fossil fuel subsidies, to shift away from fossil fuels in an equitable manner, with developed countries continuing to lead these efforts.

Against this background, it was inevitable that COP28 concluded with a landmark agreement, heralding what has been termed the "beginning of the end" of the fossil fuel era. This significant moment, underscored by COP28 President, Dr Sultan Al Jaber's remark on the inclusion of precise

language regarding fossil fuels in the final agreement, marks a decisive shift in global energy policies. It signals a clear trajectory towards an energy transition which is irreversible and rapidly evolving.

Loss and damage

Following a high-profile opening ceremony attended by dignitaries from across the globe, the conference started with a major decision on the first day, when 200 nations agreed to establish a fund to aid countries affected by global warming. As Dr Al Jaber remarked: “We have delivered history today”[1]. With commitments already exceeding £471 million, the establishment of this ‘loss and damage’ fund not only reflects the immediate urgency of the climate crisis, but also creates a robust platform for addressing it in a more equitable manner.

Adaptation targets

COP28 witnessed another significant advancement in global climate action, with the agreement on targets for the Global Goal on Adaptation (GGA) and its accompanying framework. This agreement marks a pivotal step in outlining and evaluating global resilience against the impacts of climate change.

The GGA framework represents a worldwide consensus on adaptation targets, encompassing critical areas such as water, food, health, ecosystems, infrastructure, poverty eradication, and cultural heritage. This decision introduces a future-oriented perspective to adaptation progress, focusing on aspiration and ambition rather than solely measuring against past efforts. This shift is significant, acknowledging that adaptation is inherently location-specific and more challenging to quantify, compared to greenhouse gas emission reduction efforts.

Finance

Climate finance was a central theme of the event, with UN Climate Change Executive Secretary, Simon Stiell, emphasising its role as the “great enabler of climate action.” This was further highlighted by the substantial boost in funding for the Green Climate Fund (GCF), established in 2010 to assist developing countries in adaptation and mitigation practices to counter climate change. Six countries announced new pledges at COP28, bringing the total for the fund’s second replenishment to a record £10 billion from 31 countries. This significant financial commitment underscores the global community’s recognition of the crucial role of finance in facilitating comprehensive climate action. With further contributions expected, the enhanced funding for the GCF is another sign of the increasing momentum towards addressing the complex challenges.

COP28 was a defining moment in the global climate change narrative, encapsulating both the challenges and the collective will to confront them. It was also widely perceived as a triumph for the UAE, whose strong leadership helped to deliver a series of transformative agreements that potentially mark a step-change in the fight against global warming.

[1] https://www.france24.com/en/live-news/20231130-nations-urged-to-take-great-leaps-at-un-climate-talks

Energy: Cleaner, greener and growing fast

The opportunities for UK businesses in the UAE's energy market are immense, particularly for those with products and services associated with renewables. The country may be among the world's 10 largest oil producers, but it was the first Gulf country[1] to pledge to achieve net zero (domestic) emissions by 2050. At the same time, the UAE's power market is expected to grow at a CAGR of more than 3% from 2021 to 2035, from a cumulative installed capacity of 43.5GW[2].

Ahead of its hosting of the COP28 global climate summit in November/December 2023, the government underlined its commitment to net zero with an updated National Energy Strategy[3] setting two goals: tripling renewable power generation capacity, and increasing the share of clean energy (including nuclear) in the energy mix to 30% by 2030. The strategy coordinates all the plans currently existing and takes into account the rapid development of the UAE's solar and nuclear power capacity.

To reach these goals, the UAE is prepared to spend up to £43 billion by 2030 to ensure energy demand is met and to sustain economic growth. This will mean improving installed clean energy capacity from 14.2GW to 19.8GW by 2030, with the strategy targeting an energy mix comprising a combination of 50% renewables and nuclear by 2050.

The National Energy Strategy also aims to[4]:

- Achieve financial savings of £21.5 billion
- Remove coal from the energy mix
- Increase individual and institutional energy consumption efficiency by between 42%-45% compared to 2019
- Create 50,000 new green jobs by 2030.

Private sector

Achieving these objectives will involve working with the private sector and attracting more foreign investment.

In July 2023, the Emirates Water and Electricity Company[5] (EWEC) received bids to develop its third solar photovoltaic plant, which is expected to have a 1.5GW capacity[6]. The four bids are from Saudi Arabian energy giant Acwa Power, French utility EDF, Japan's Marubeni, and a consortium formed by China-based Jinko Power and Japanese energy producer JERA[7]. The winning developer will take a stake of up to 40% in the project, with the remainder to be indirectly held by the Government of Abu Dhabi.

EWEC has stated it will also sign a long-term power purchase agreement (PPA) with the selected developer. It will be structured as an energy purchase agreement under which EWEC will only pay for the net electrical energy supplied by the solar plant. There will be more to come. Abu Dhabi's officials have set a goal to add at least 1GW of solar capacity annually over the coming decade.

In Dubai, the major development in solar energy is sited at the Mohammed bin Rashid Al Maktoum Solar Park, which is planned to achieve 5GW capacity by 2030 and currently stands at 2.47GW[8] after the completion of the latest £3.6 billion, 950MW phase. This includes what is claimed to be the world's largest concentrated solar power (CSP) site. Technologically, the latest phase is world-class. It showcases a blend of three hybrid solar technologies: a 600MW parabolic basin complex, a 100MW CSP tower, and 250MW from photovoltaic solar panels. It is equipped with over 790,000 photovoltaic panels, more than 63,600 parabolic trough collectors, and 70,000 heliostats tracking the sun[9].

Opportunities

The financing of the solar park demonstrates how much foreign expertise and investment is welcomed. The development of the whole facility is based on the independent power producer (IPP) model, in which the infrastructure to generate electric power for sale is owned by a third party[10]. In this case, the Dubai Electricity and Water Authority (DEWA) formed the Noor Energy 1 consortium with Saudi Arabia's Acwa Power to design, build and operate this phase of the solar park[11]. DEWA holds a 51% share, Acwa Power holds 25%, while the remaining 24% is owned by the Chinese Silk Road Fund.

Dubai started the 900MW fifth phase of the project in June 2023[12], and Masdar – the state-owned Abu Dhabi Future Energy Company founded in 2006 – was awarded a contract to build and operate the 1.8GW sixth phase in September 2023.

While solar energy remains a primary alternative power source in Dubai, other forms of non-hydrocarbon energy are also being developed. Notably, a waste-to-energy project has started with the first phase of a 220MW facility at Dubai's Warsan landfill becoming operational in July 2023. Additionally, there is a 250MW pumped storage hydropower project underway in Hatta.

On the nuclear front, the fourth and final reactor of the Barakah power plant constructed by South Korea, is currently undergoing testing. The 1.2GW reactor is expected to start operating in 2024.

The UK has expertise and experience in every area of renewable energy and UK businesses are well placed to capitalise on the growing opportunities in the country. With a diverse range of exciting initiatives and government programmes driving forward the development of the energy sector, the industry is expected to go from strength to strength in the coming years.

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Infrastructure: Innovation pays

The UAE has many opportunities for UK investors and contractors who have the expertise and experience to continue to develop its infrastructure, which is one of the fundamentals identified in its strategy for 2024-2030[1].

The strategy signalled a change of direction, with infrastructure taking priority over the real estate sector. The past decade saw a construction boom as the country prioritised residential and leisure development. The Dubai government and its government-related entities (GREs), including property developers Emaar Properties and Nakheel, focused on the real estate sector and, more specifically, residential projects funded by off-plan sales[2].

This change in emphasis in the new strategy is already evident in the announcement of major projects such as the Abu Dhabi National Oil Company's (ADNOC) Al-Nouf seawater treatment plant[3], which is valued at £3.9 billion and Dubai's £17 billion Deep Tunnels Portfolio[4]. These are designed to meet the needs of the Dubai population for the next century and will be developed as a PPP initiative.

The UAE has made it plain through initiatives such as the activation of the PPP law, and the development of long-term project financing that it welcomes FDI, stating in its "Projects of the 50[5]" initiative, it aims to attract £120 billion of investment up to 2032[6].

Utilities

The utilities and energy infrastructure sector is poised for expansion during the next decade. This growth is primarily aimed at increasing electricity generation capacity to match rising demand, enhancing water security, and supporting the diversification of the economy beyond oil and gas.

Key drivers for this expansion include the development of water and renewable energy capacities. They are aligned with the UAE's need to address water scarcity and the government's commitment to a low-carbon energy strategy.

One of the largest of these is Project Wave, which will prevent all the onshore oil fields in Abu Dhabi relying on freshwater drawn from aquifers to maintain reservoir pressure and replace it with seawater. This massive project has been divided in two, with the first £2 billion package awarded to a team led by Spain's Cobra Instalaciones[7] in 2023. The second package, in Al-Nouf, will be tendered separately. Both seawater treatment plants will be implemented on a build-own-operate-transfer (BOOT) basis.

Transport

The country is actively advancing its road and rail infrastructure with several significant projects underway. Among these is the Sheikh Zayed double-deck road scheme, a major initiative with an investment of approximately £2.2 billion.

Another key project is the Shindagha Corridor, overseen by Dubai's Roads and Transport Authority (RTA). This project involves developing a 13km road network along key roads in Dubai, including Sheikh Rashid, Al Mina, Al Khaleej, and Cairo Streets. The project is divided into five phases, encompassing the construction of a 295m bridge. The total investment for this project is around £1.1 billion. All five phases of the Shindagha Corridor are scheduled for completion by 2027.

Work continues on the Etihad Rail, the UAE's £8.6 billion[8] megaproject to link the country's centres of trade, industry and population. The target is to move from running heavy goods services to carrying millions of passengers between the major cities by 2030[9]. In 2022 the government announced that the network would run to Oman, connecting Abu Dhabi with Sohar in the north of Muscat.

Innovation

The UAE is now prioritising innovation. One of Dubai's key goals is "to ensure that 25% of buildings in Dubai are based on 3D printing technology by 2030[10]". As an example, the wall structures of a two-story administrative building in Dubai were printed in 2019 by the US company Apis Cor, who believe they have created the largest 3D-printed structure to date[11].

Another development is the possibility that the UAE will become an early adopter of the Hadrian X[12], the world's first mobile robotic blocklaying machine and system, after FBR Australia, the company behind the ground-breaking technology, signed a Memorandum of Understanding (MoU) with the Ministry of Energy and Infrastructure.

This demand for innovation and increased efficiency is creating significant opportunities for UK companies who specialise in innovative digital technology. Recent trends in the industry show a growing demand for a range of advanced technologies[13]. This includes Building Information Modelling (BIM), which offers detailed digital representations of physical and functional characteristics of spaces; augmented reality (AR) for enhanced on-site visualisation; Advanced Construction Wearables and Exoskeletons for improved worker safety and productivity; Internet of Things (IoT) applications for real-time data monitoring; the use of drones equipped with Radio Frequency Identification (RFID) for site surveillance and logistics; and 360° video capturing technologies for comprehensive site analysis.

At every level, there are opportunities for UK expertise as the UAE continues to upgrade its infrastructure. Whether it is expertise in PPP, civil engineering or pioneering technology, the country is ready to welcome the skills that will help it prepare for a sustainable future.

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Logistics: Surging ahead

Logistics has been an integral part of the UAE economy since the country was founded and, together with its ambitions to diversify from fossil fuel, will play a key role in future growth.

Its status as an international trading centre goes back to the early 1900s, when Dubai was declared a free port and cargoes began to move freely through Dubai Creek and Khan Creek in neighbouring Sharjah.

Its geographical position is a major advantage for every economic sector it wants to expand, from tourism to life sciences. It offers convenient access to the Middle East and North Africa markets and there are more than 3.6 billion consumers living within a 10 hour flight radius. Unsurprisingly the country's logistics market is expected to exceed £24 billion by 2026 and the logistics sector makes up some 8% of GDP[1]. This growth will be compounded by the rise of the e-commerce market, which is expected to reach £7.2 billion in 2026, nearly double its value in 2021[2].

The sector's success opens up investment opportunities from real estate to cargo handling and fulfilment. For instance, demand for warehouses in Dubai is outstripping supply, with logistics accounting for 44% of the new requirements[3]. These increases reflect the country's considered investment in air, sea and land facilities, supported by a wide selection of commercially attractive free zones.

Air transport

From the UAE, air cargo can reach one-third of the world's population within a four-hour flight, allowing for quick and efficient access to these key markets[4]. Correspondingly, the volume of air-freight transport is forecast to continuously increase between 2024 and 2028 by a total of 5.4 billion ton-kilometres (+115.63%)[5].

One of the country's main carriers, Emirates SkyCargo, has two state-of-the-art terminals at its dual-hub airports in Dubai, ensuring rapid transit times, sometimes as fast as three hours air-to-air. These airports are strategically connected to Dubai's city infrastructure through a 24/7 trucking network. Its facilities can handle more than 2.3 million tonnes a year and are equipped with extensive cool chain capabilities, including the world's largest EU GDP-certified pharmaceutical hub, catering to the safe and reliable transport of sensitive medical supplies and other perishable goods[6].

Abu Dhabi's Etihad Cargo, operates five freighter aircraft and offers belly hold capacity to more than 70 global destinations. It has established key partnerships, such as with China's SF Airlines, bolstering the UAE's status as a cargo hub. This collaboration supports the vision of transforming Abu Dhabi and Ezhou in Hubei Province into major global logistics and express hubs.

Further strengthening the air freight sector, Abu Dhabi Airports Free Zone (ADAFZ) recently announced a collaboration with Masdar City Free Zone. This partnership allows companies from the latter to establish operations within ADAFZ, benefiting from incentives such as zero-cost licensing and premium services. Businesses can hold licenses in both free zones, enhancing operational flexibility[7].

Sharjah Airport is seeing substantial growth in its cargo business, handling more than 70,000 tonnes in the first half of 2023. It is now prepared to handle horse shipments due for the country's season of equestrian events[8].

Sea-borne freight[9]

Maritime infrastructure is among the world's most advanced, featuring prominently in global rankings. According to the World Shipping Council, two of the container ports are ranked within the top 50 globally, with Dubai's port ranking in the top 10. This prominence reflects the UAE's significant role in regional and international trade.

The country's ports are a major entry point for cargo into the Gulf Cooperation Council (GCC) states, handling 61% of the region's imports. The country boasts 12 commercial trading ports, excluding those dedicated to oil. They collectively feature 310 berths and handle cargo of 80 million tonnes annually.

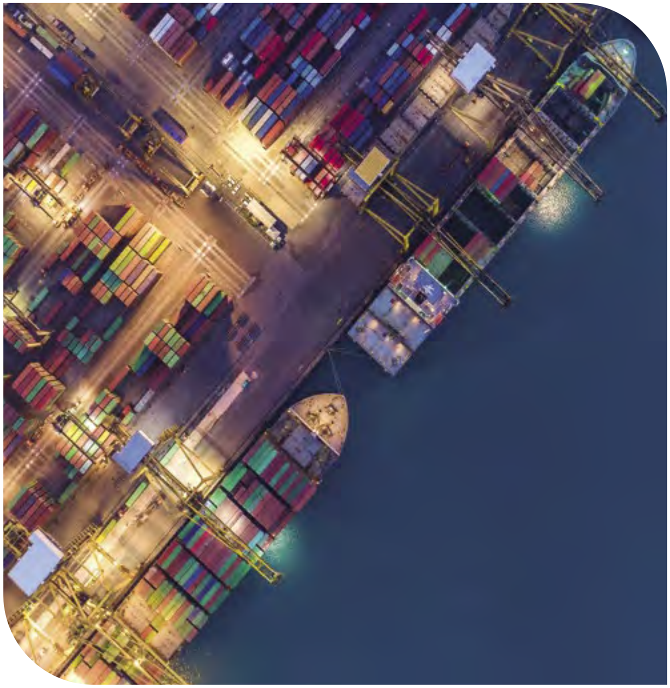
Key seaports in the UAE include:

• Mina Rashid and Jebel Ali Port in Dubai: Operated by DP World, these are critical to the UAE's trade operations.

• Khor Fakkan Container Terminal (KCT) in Sharjah: As the only natural deep-water port in the region, KCT holds a strategic position for deep-sea container trade.

• Mina Saqr in Ras Al Khaimah and Fujairah Port: Fujairah Port, located at the Gulf of Oman, is a versatile, multi-purpose port.

• Khalifa Port in Abu Dhabi: The first semi-automated port in the Middle East and North Africa, managed by Abu Dhabi Ports Company (ADPC) and operated by Abu Dhabi Terminals (ADT). The port serves over 25 shipping lines and connects directly to 70 international destinations. Easy access to a modern highway system, airports and direct rail connectivity, as well as close proximity to the region's largest economic zone (KEZAD Group) ensure efficient movement of goods[10].



Land haulage

The UAE has made significant moves in its land-based logistics network with the completion of a nationwide railway system. This new network[11], operated by Etihad Rail, connects all seven emirates through approximately 900km of railway. It is designed to transport a variety of freight including petrochemicals, steel, limestone, cement, building materials, waste, aluminium, food, and general cargo.

The railway network is expected to handle up to 60 million tonnes of cargo annually, significantly contributing to the reduction of road traffic by an estimated 21% by 2050. Freight trains on this network can reach speeds of 120kmph, enhancing the efficiency of land-based transportation across the UAE. The network is strategically linked to four major ports and seven logistics centres, further integrating the transport infrastructure.

This sophisticated integration of air, sea, and land networks, reinforced by strategic investment, now provides a world-class logistics framework. This not only makes the UAE an attractive destination for investment, but also a strong market for all the associated requirements, from warehouse management to cargo handling equipment.

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Indulge in the ultimate luxury at Waldorf Astoria Dubai Palm Jumeirah, where exclusive accommodation awaits. Elevate your stay with private check-in and check-out services, granting you access to the opulent Pearl Club Lounge, where each day begins with sumptuous breakfasts, unfolds with elegant afternoon teas, and concludes with delightful happy hours.

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Jaguar F-PACE

With an assertive exterior, beautifully crafted interior, latest generation Pivi Pro infotainment and the choice of in-line four and six-cylinder engines including PHEV and MHEV technology, Jaguar F-PACE is more luxurious, connected and efficient.

F-PACE has an interior with heightened luxury, enhanced connectivity, greater serenity and refinement.

The cabin design is bolder, more dynamic and with a greater focus on the driver. The sporty centre console, faster in profile, sweeps up to the instrument panel and incorporates an optional wireless charger and greater console stowage.

Jaguar Managing Director, Philip Koehn, on the future outlook and current milestones: "As we make progress to reimagine Jaguar to an all-electric luxury brand by 2025, we have been curating our existing products by offering richer and more desirable specifications. We now move to F-PACE, an SUV that offers an unrivalled balance of ride, handling, refinement and luxury. By increasing the range of the P400e plug-in electric hybrid by more than 20%, it becomes an even more attractive combination of performance, efficiency and zero-tailpipe emissions driving capability, and that's something we're very proud of." All-wheel drive is standard across all F-PACE models and Intelligent Driveline Dynamics provides rear-wheel drive biased performance, with the ability to vary torque to individual axles almost instantly depending on conditions.

The chassis of F-PACE has been updated to support the new electrified engines as well as enabling the latest JaguarDrive Control and new Auto Vehicle Hold. The latest JaguarDrive Control features Comfort, Eco, Rain-Ice-Snow and Dynamic modes, which can be chosen manually by the driver based on the road conditions.

F-PACE features Jaguar's advanced Electronic Vehicle Architecture, supporting a range of technologies to ensure the vehicle is always connected and always up to date. The Pivi Pro infotainment technology is accessed through the 11.4-inch curved glass HD touchscreen.

Key benefits include enhanced clarity – the screen is three times brighter and 48% larger than the previous 10-inch screen – and the simplified menu structures allow drivers to access or view up to 90% of common tasks from the homescreen in two taps or less.

More compelling than ever

The simplified model range now comprises R-Dynamic S, R-Dynamic SE, R-Dynamic HSE, 400 SPORT and SVR, making it easier for clients to choose their ideal F-PACE.

All models now feature a TFT Digital Driver Display as standard, wheels start with 19-inch designs and R-Dynamic HSE models feature an Ebony Suedecloth headliner as standard.

The R-Dynamic S, SE and HSE models are equipped with 19, 20 and 21-inch wheels respectively, offered with a choice of diamond-turned or black finish


JAGUAR
F-PACE

> As we make progress to reimagine Jaguar to an all-electric luxury brand by 2025, we have been curating our existing products by offering richer and more desirable specifications. We now move to F-PACE, an SUV that offers an unrivalled balance of ride, handling, refinement and luxury. By increasing the range of the P400e plug-in electric hybrid by more than 20%, it becomes an even more attractive combination of performance, efficiency and zero-tailpipe emissions driving capability, and that's something we're very proud of.
>
> Philip Koehn
> Jaguar Managing Director

(all available with optional self-sealing tyres), while the 400 SPORT now has 22-inch forged wheels – Style 1020 in Gloss Silver with diamond-turned finish and contrast inserts (depending on the market). The centre caps on all are now black and silver in place of the previous red and silver.

Inside the luxurious and spacious interior there's more technology than before. The R-Dynamic S gains the new TFT Digital Driver Display, offering a two-dial configuration with a choice of media or navigation in the centre panel, while Wireless Device Charging is standard from the R-Dynamic SE. Every model in the F-PACE range has the fast, intuitive Pivi Pro infotainment system, offering seamless connectively through wireless Apple CarPlay®, Wireless Android Auto™, and what3words navigation. Pivi Pro – together with other systems throughout the vehicle – is always up-to-date thanks to software-over-the-air updates.

All F-PACE models feature intelligent all-wheel drive and eight-speed automatic transmissions. As well as luxury and refinement, each one delivers the ideal balance of performance, agility and responsiveness that drivers expect from a Jaguar.

Life Sciences: Collaborate to innovate

The UAE has a strong track record of making successful partnerships in life sciences innovation. It had more than 1,000 life sciences patents[1] in 2023, with around 37% of these involving partnerships with EU entities, highlighting a strong global knowledge exchange.

The US is the second most prolific collaborator, partnering on 25% of patents, while Japan (6%), South Korea (3%), and Canada (2%) also actively contribute. This international cooperation reflects the UAE's commitment to advancing global life sciences and working with other countries to further these aims.

The UK is recognised as a global leader in life sciences research and there are strong links between the two countries in the sector. The strength of this partnership was demonstrated in 2021 when they both agreed to invest £1 billion in the UK's life sciences industry. Under the terms of this Sovereign Investment Partnership, Abu Dhabi's Mubadala Investment Company will invest £800 million up until 2026, with an additional £200 million investment from the UK's Life Sciences Investment Programme.

Meanwhile, the UAE has shown itself available to work at the forefront of medical research and innovation. In 2021, Abu Dhabi doubled its capacity for scientific and clinical research, enabling the Department of Health Abu Dhabi to complete more research projects in that year than in the previous five[2].

Powerful partnerships

Covid-19 provided an unwelcome opportunity to show the country's expertise when it became the first Arab country to begin manufacturing a vaccine with Hayat-Vax, a collaboration between Sinopharm CNBG and Abu Dhabi's G42[3]. The positive approach to partnerships has continued more recently, as it looks to leverage the power of global expertise to develop its domestic capabilities and knowledge base.

Recognising the exciting potential of artificial intelligence (AI) to transform innovation in this field, the Mohamed bin Zayed University of Artificial Intelligence (MBZUAI) formed a partnership with Quris-AI[4] in 2023 to establish a centre of excellence in Bio-AI in Abu Dhabi, which will accelerate the development of safer, and more highly personalised medications.

Currently, around 90% of clinical trials for new medications end in failure, but Quris' proprietary 'patient-on-a-chip' technology promises to reduce failure by predicting which drugs are most likely to work in human beings.

In another agreement, the UAE healthcare provider Burjeel Holdings[5] partnered with US-based BridgeBio Pharma in developing therapeutics for rare diseases in the region.

Pharmaceuticals

Mubadala Investment Company[6], the UAE's sovereign investment fund, is to build a 'good manufacturing practice' (GMP) facility to manufacture advanced biopharmaceuticals which will be operated by the US pharmaceutical company National Resilience. The plant will be the first facility of its kind in the region to produce life science products for advanced biologics.

There are a combination of factors involved. One is that Abu Dhabi Vision 2030[7] sees the pharmaceutical industry as one of the main sub-sectors to develop, considering its future growth prospects, export potential and mid to long-term economic impact. Another is that the UAE wants to reduce its reliance on imported pharmaceuticals and make them locally. According to recent estimates[8], its pharmaceutical market will be worth £3.7 billion by 2025, three times more than in 2011, while exports will grow to around £233 million by 2025, up 15% from 2021.

The government has prepared for growth by streamlining regulations and also by investing in its pharmaceutical R&D facilities.

Reforming regulations

The most significant regulatory change for potential investors might be the removal in 2021 of the requirement to have 51% share capital owned by majority UAE national shareholders or a company wholly owned by UAE nationals[9]. But there have also been other significant changes.

Through 2020 and 2021 ministerial and federal decrees have aligned the UAE's regulatory processes with international standards and made the whole process far more agile. It is now capable of fast-tracking production within a 24 to 48-hour timeframe from initial application[10]. The patent law is now in line with international legislation, including introducing a 12-month grace period to disclose inventions before filing, and accelerated processes for urgent applications.

The legislation encourages generic drug manufacturers by capping data exclusivity for eight years from when marketing approval was secured and then enabling them to apply to manufacture within the last two years.

Science parks

The UAE has understood for some time that it needs to invest in science parks in order to attract pharmaceutical and biotech companies. It launched its first one – Dubai Science Park (DuBiotech) – in 2005. Others have followed since, most recently the KIZAD Life Sciences Park. As a dedicated R&D hub for life sciences, biotechnology, and vaccine production, KIZAD has attracted a number of leading companies, including Hayat-Vax which is building its plant there to produce up to 200 million doses of Covid-19 vaccine per year.

Attracting talent

Life sciences require a deep pool of talent with diverse skill sets to prosper. Developing this employee base is a key priority for the government. The Department of Health announced a collaboration with Pfizer in 2022 for a specialised training programme to train up to 150 clinical researchers within two years[11]. The country has launched a 'Projects of the 50' initiative which aims to bring 10,000 UAE nationals into the medical field within the next five years via scholarships in various healthcare disciplines.

The life sciences sector is enabling the country to become a centre for global healthcare innovation. Supported by strong international partnerships and a conducive regulatory environment, the country is emerging as significant in pharmaceutical and biotech advancements, offering extensive opportunities for global collaboration and investment.

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Healthcare: An inviting environment for healthcare investors

The UAE is recognised as one of the most advanced healthcare markets in the Middle East and it plans to keep its lead. Its Centennial 2071 Plan, launched in 2021, has healthcare as a priority sector. It aims to develop infrastructure, expertise, and services which match international standards, with a focus on non-communicable diseases (NCDs)[1].

The influences for demand in this sector are the UAE's growing population (2.0% CAGR between 2016 and 2020), the rise in life expectancy, mandatory health insurance, its popularity as a medical tourism hub and the high incidence of NCDs or 'lifestyle diseases'. The World Health Organisation has determined that a third of adults in the UAE are obese, and one in five people live with diabetes or pre-diabetes. As the population is relatively wealthy (average annual income £42,160[2]), the rate of NCDs is rising together with a demand for better healthcare.

Investing in health

In terms of investment, the UAE leads the Gulf Cooperation Council (GCC) countries with an expected investment of approximately £25.2 billion in the healthcare sector by 2027[3]. This represents an annual growth rate of 7.4%. The government's investment is a significant influence in the market, with public spending constituting more than two-thirds of the total expenditure. From 2021 to 2022, the government increased its budget from 6.9% to 8.1% of the total[4], to grow and upgrade the country's healthcare systems.

Regulation

Healthcare is regulated by both national and emirate-level governments. The Ministry of Health and Prevention is the key federal regulatory authority in the sector. Additionally, the Dubai Health Authority (DHA) and the Abu Dhabi Department of Health (ADDH) manage dedicated healthcare budgets in their respective emirates.

The government at both national and federal level is keen to involve the private sector and reduce the burden on the state. In 2020, the total healthcare expenditure was approximately £16.2 billion with the government financing £10.2 billion, or 62.8%. This is a marked difference from 2016, when government spending constituted 72.1% of healthcare expenditure.

Partnership approach

The federal authorities of Abu Dhabi and Dubai, the major healthcare hubs of the country have taken significant steps in attracting foreign investment, including liberalising policies to improve the standard of care. The DHA, for instance, has its own investments and PPP department[5] and – at the time of writing – has seven PPPs advertised on the PPP Projects Pipeline[6]. These include the Dubai Physiotherapy & Rehabilitation Centre, the Al Barsha Dialysis Centre, the Cardiology Centre of Excellence and the Central Laboratory.

The Ministry of Health and Prevention is planning to require healthcare providers to offer at least one of these four health services remotely:

> The major healthcare hubs of the country have taken significant steps in attracting foreign investment, including liberalising policies to improve the standard of care.

consulting, medicine prescriptions, patient monitoring or robotic surgeries[7]. The UAE has also laid out plans to boost research and innovation in digital healthcare with the help of artificial intelligence.

The importance of the private sector to the UAE's healthcare sector is shown by the fact that at the end of 2021, there were 166 hospitals, 67.4% of which were private[8]. The importance of meeting international standards is also clear because nearly 70% of more than 4,000 healthcare facilities have received international accreditation[9]. This includes the whole range of clinical facilities: ambulatory services, clinics, polyclinics, and primary care centres.

The UAE has been a successful home for British medical expertise for some time. Prominent UK institutions such as Imperial College London Diabetes Centre, Moorfields Eye Hospital, and King's College Hospital all having established a significant presence.

NHS initiative

Early in 2023, five of the UK's most innovative and internationally recognised healthcare providers have formed the King's International Consortium[10]. This initiative, backed by the NHS Export Collaborative, Healthcare UK, NHS England, and the Department of Health and Social Care, is part of the 2019 NHS long-term plan to generate revenue from overseas partnerships to invest in the UK. The consortium includes key members such as King's College Hospital NHS Foundation Trust, Guy's and St Thomas' NHS Foundation Trust, Cambridge University Hospitals NHS Foundation Trust, The Christie NHS Foundation Trust, and Moorfields Eye Hospital NHS Foundation Trust.

One of the bodies supporting the consortium, Healthcare UK, supports UK organisations to do more business overseas, which includes partnering with a wide range of UK private and public sector organisations.

The UAE's healthcare sector, bolstered by robust government support and a strong culture of PPPs, presents an inviting environment for healthcare investors. With a consistent focus on innovation, the UAE's healthcare ecosystem is well-positioned to remain an attractive investment destination for the foreseeable future.

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[2]https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=AE
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[6]https://www.dof.gov.ae/en-us/ppp/Pages/PPP_Projects.aspx
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[9]https://www.trade.gov/country-commercial-guides/united-arab-emirates-healthcare-and-life-science
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Creating sustainable collaborations across education, research and innovation

The University of Manchester: 1824-2024

It can take generations to build a global reputation. 200 years on from its foundation, The University of Manchester is now recognised globally for its pioneering research, outstanding teaching and learning, and commitment to social responsibility. The bicentennial is an opportunity to celebrate this achievement and to commit to building a more sustainable world over the next century (or two).

Today, The University of Manchester is ranked among the world's top 50 universities and one of the world's leading universities for impact towards the UN Sustainable Development Goals (SDGs) - the world's call to action on the most pressing challenges and opportunities facing humanity and the natural world. As one of the world's leading research institutions and the UK's first university to have social responsibility as a core goal, The University of Manchester is playing a leading role in tackling the SDGs and produces 4% of the UK's research across the 17 SDGs, and has committed to a zero-carbon campus by 2038. The University is ranked 1st in the UK and Europe, and 2nd in the world in the Times Higher Education Impact Rankings 2023.

The University is a member of the prestigious Russell Group and is one of the UK's largest single-site universities with more than 13,000 staff and over 44,000 students on campus – including more than 10,000 international students – and over 550,000 graduates in 190 countries.

As a transnational education provider, the University's mission focuses on three pillars; teaching/learning, research and social responsibility. Manchester aims to make a positive impact wherever the University works across the world, including in the UAE.

The University of Manchester is consistently ranked among the world's elite institutions for graduate employability and world-class research across a diverse range of fields including cancer, advanced materials, global inequalities, energy and industrial biotechnology. 25 Nobel laureates have either worked or studied at the University, which is dedicated to making a positive difference in communities around the world.

Since 1824, Manchester has been making a difference and the year-long celebration of the 200th anniversary will focus on the University's people and partnerships, their achievements and impact in Manchester and across the world, including the UAE. The Middle East Centre in the UAE will lead the bicentennial celebrations in the region and there's much to celebrate from this rich history. The partnerships and collaborations being forged between the University and the UAE today, will be at the heart of this programme.

Bringing Manchester to the Middle East

The University of Manchester Middle East Centre represents the University in the region, which has a growing profile. The Middle East Centre's teaching impact is clear – having supported over 3,300 students and graduated more than 2,200 since 2006. The Centre continues to introduce new part-time, flexible learning Master's programmes to its dynamic portfolio, all led by visiting Manchester faculty and tailored to the needs

of working professionals. The most recent addition to the portfolio is a complementary range of Executive Education short courses that are offered through the Middle East Centre and delivered at the Manchester campus.

The Centre actively supports the University's three pillars of teaching and learning, research, and social responsibility, and works on a range of activities with social responsibility partners in the UAE, including Dubai Cares, Emirates Marine Environmental Group, Emirates Red Crescent, DGrade, and SOS Children's Villages.

The Centre has forged collaborations with UAE government and non-government organisations, UK higher education and other organisations, working on projects ranging from the Manchester Innovation Award for Emiratis, research into the opportunities for regional executive education, research into perceptions of creativity and innovation in Dubai Government, and a Covid-19 Recovery Report on the UAE produced in collaboration with Oxford Business Group.

The Centre has also established a network of collaborations across the region, through Strategic Talent Partnerships with local and international companies and professional bodies, and high-profile local organisations.

Today, the Centre is the largest and most diverse (nationality, culture and gender) of the University's five global centres in key cities around the world (comprising Dubai, Hong Kong, Shanghai, Singapore, and Manchester) and attracts and supports large numbers of highly qualified students. All the regional students start a lifelong relationship with the University and join the Middle East alumni community of more than 5,000 graduates, and the global alumni community of more than 550,000 graduates in 190 countries.

Increasingly, the higher education programmes offered in the UAE are more closely linked to the potential career opportunities in the country. The University has responded to this and in addition to the flagship Global Part-time MBA (and Global Executive MBA), it has launched two part-time specialist Master's programmes – MSc Financial Management and MA Educational Leadership in Practice - to align the portfolio and support the development of skills in these two important areas.

All these programmes bring top academics to the region from Manchester to lead the regular face-to-face student workshops and course conferences hosted in Dubai.

Academic and innovation collaboration with Manchester

Manchester's collaborative model means the University focuses on partnering with UAE organisations and universities, actively supported by the Middle East Centre.

> The University already enjoys strong links with the UAE, such as the partnership on Graphene, the revolutionary advanced material first isolated by researchers (later recognised with a Nobel Prize) at the University in 2005 and now an Icon of UK innovation.

There is a very clear affinity between The University of Manchester and the UAE, which has ambitions to become a knowledge society and universities can support this through research and innovation.

The University's new innovation district (ID Manchester) represents a £1.5 billion investment commitment to attract innovative companies and strong entrepreneurs as partners in innovation. Manchester's global reputation and scale of activities are built on the University's innovation, and research impact and collaboration with the UAE in areas of shared importance such as environmental sustainability and clean water, AI and technology, look extremely promising.

The University already enjoys strong links with the UAE, such as the partnership on Graphene, the revolutionary advanced material first isolated by researchers (later recognised with a Nobel Prize) at the University in 2005 and now an Icon of UK innovation.

Today, there is the Graphene Engineering Innovation Centre (supported by Masdar) and the Masdar Institute, on campus in Manchester. There is also a growing relationship with Khalifa University in Abu Dhabi around the applications and commercial development of this potentially world-changing innovation. This international partnership will further accelerate Abu Dhabi's and Manchester's world-leading research and innovation into Graphene.

Most recently, a spin-out company founded by a graduate from the University's Graphene innovation ecosystem, has formed an international partnership to commercialise Graphene and develop large-scale manufacture. Graphene Innovations Manchester Ltd (GIM), signed a Memorandum of Understanding (MoU) with Quazar Investment Company to create a new company in the UAE.

It's a testament to the quality of the University's student and alumni body, which in the Middle East comprises senior executives in leadership roles in regional companies and multinational organisations based in the region. Many of the new students joining MBA cohorts are already in successful mid-career positions and around 10% have reached the c-suite.

200 years after its foundation, The University of Manchester is harnessing all the knowledge acquired at the heart of the world's first industrialised city to partner with the UAE as it creates one of the world's great innovation hubs of the 21st century.

Education: Key to unlocking tomorrow's growth

The UAE is a prominent hub for education within the Gulf Cooperation Council (GCC), offering substantial opportunities for investors, institutions and students. The demand for varied, quality educational options is fuelled by three factors: a significant international community; a young population – 22% are under 25 years old[1]; and government policy.

Central to the educational programme are several key initiatives which aim to shape the future in the UAE, including the Strategic Education Plan 2017-21, Vision 2021, and the National Strategy for Higher Education 2030. These focus on increasing enrolment at all levels, establishing a world-class system, and adhering to elevated standards in scientific and professional education.

The government's commitment to bolstering its system is a strategic move aimed at developing economic growth which does not depend upon the hydrocarbon industry. In 2023, the government allocated £2.2 billion to education, representing 15.5% of the total national budget.

Regulation

Education is overseen by the Ministry of Education (MoE), which coordinates with various education councils and authorities in each emirate. Local councils are tasked with implementing policies and overseeing educational reforms. Specifically, the Abu Dhabi Department of Education and Knowledge (ADEK) and the Knowledge and Human Development Authority (KHDA), alongside the Dubai Education Council (DEC), manage educational policies and conduct quality inspections in schools in Abu Dhabi and Dubai.

The K-12 (kindergarten to year 12) education sector is dominated by private schools but follow different curriculums – 17 in total – although the UK, US, and Indian schemes predominate[2]. Within the UAE, Dubai and Abu Dhabi are the largest education markets and account for approximately half of the total students in private K-12 schools. Both have their own strategies – Dubai Economic Agenda (D33) and Abu Dhabi Economic Vision 2030 respectively – which among other objectives, aim to improve the quality of education and attract more overseas partners.

ADEK has also introduced 'charter schools' as a third model of the school system, besides the existing public and private schools' models. A strategic partnership between the public and the private sector, charter schools offer an American-based curriculum to public school students in Abu Dhabi.

Privatisation

The government is actively pursuing the privatisation of the sector. This move is aimed at accelerating the development of higher education, modernising K-12 school infrastructure, updating curricula, enhancing overall education quality, and integrating technology into teaching and learning methods. This push towards privatisation has opened the sector to a variety of partnerships with foreign suppliers.

For example, in May 2022 the Abu Dhabi Education Council (ADEC) awarded a major PPP project to a construction consortium led by BESIX and Plenary Group. This project, part of the Partnership Projects framework developed with the Abu Dhabi Investment Office (ADIO), involved the procurement of three new schools[3] to accommodate 5,360 students. The educational services at each of these will be independently managed by private sector chartered school operators. They are scheduled to open in September 2024.

This PPP project was hailed as the 'first of its kind' and was soon followed by others. In June 2022, the Emirates Schools Establishment announced a novel PPP approach for managing public schools in Dubai[4]. This model involves Taaleem, Aldar Education, and Bloom Education, which will initially run 10 public schools, known as Ajyal Schools or Generation Schools[5]. The project aims to expand to 28 schools over a three-year period. In this arrangement, the government will fund operating costs and tuition fees, while the private operators will direct curriculum development, with a special emphasis on science and maths.

Focus on English

In all these new models, teaching in English is favoured. For example, the Ajyal Schools, or Generation Schools, will teach lessons in English rather than Arabic, with only Islamic studies, Arabic and social studies being taught in Arabic[6], to prepare pupils for university and work life both in the UAE and abroad. Public schools in Dubai and Abu Dhabi are already doing this, providing a market for English-language teaching materials.

The acceptance of the English language and British institutions can be found in higher education, which is managed by the Ministry of Higher Education and Scientific Research. This body is tasked with the general planning of higher education and the licensing of private institutions.

Enrolment in tertiary education has increased significantly, growing at a 13.8% CAGR between 2016-2021 to over 300,000 students across more than 90 institutions. This surge in enrolment can be largely attributed to the arrival of numerous prestigious global universities and colleges in Dubai, which has in turn heightened the demand for higher education from students within the GCC and beyond.

Among the eight UK universities to have a Dubai campus are Bath Spa, Birmingham and Heriot Watt[7], supplemented by the business schools of Manchester University, Bradford and the London School of Business, which offer MBAs[8]. These operate from the two education free zones which have been established for tertiary education, the Dubai International Academic City (DIAC) and the Dubai Knowledge Village[9].

The UAE is keen to encourage investment in its education sector at every level from kindergarten to university. It is also adaptable, prepared to engage in a variety of PPPs to develop a knowledge-based economy and even adopt English rather than Arabic if need be. This makes it a go-to destination for investors and providers of educational services and materials.

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[2]https://alpencapital.com/research/2023/gcc-education-02-aug-23.pdf
[3]https://www.arabianbusiness.com/industries/education/three-new-schools-to-be-developed-as-part-of-abu-dhabis-first-of-its-kind-ppp-programme
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[8]https://www.bayut.com/mybayut/list-british-universities-dubai/
[9]https://www.trade.gov/country-commercial-guides/united-arab-emirates-education-and-training-sector-snapshot

Civil Aviation: Taking flight to the future

One of the most obvious indicators of the strength of the aviation sector in the UAE is the 2023 Dubai Airshow. This prestigious event, more than just an exhibition, reflects the country's investment in the future of air travel, positioning itself as a global aviation powerhouse.

This bold investment strategy was much in evidence at the 2023 event, where UAE airlines unveiled a £56.5 billion purchase list[1]: Emirates ordered 90 Boeing 777 wide-body jets, totalling a list price of £42.5 billion, plus 15 350-900 jets from Airbus valued at £5 billion. This was concluded by a £9 billion order for 30 Boeing 787 Dreamliners from flydubai.

These arrangements highlight not only the financial might, but also the strategic planning of the aviation sector, focusing on long-haul, wide-body aircraft to strengthen its standing as a premier East-West transit hub. As one Boeing executive remarked: "You can't get a better geographic location than the Middle East, connecting 80% of the world's population within an eight hour flight[2]."

Going global

The civil aviation sector's contribution to the UAE's economy is substantial. Before the pandemic, in 2019, the industry was a significant economic pillar, supporting nearly 800,000 jobs and contributing £39 billion to the economy, accounting for around 13.3% of GDP[3]. A recent study by global technology company Travelport[4] reveals that the UAE's aviation sector has bounced back to 110% of its 2019 levels, indicating a robust recovery and an optimistic outlook.

Central to the country's aviation success are its flagship airlines: Dubai-based Emirates Airlines and Abu Dhabi-based Etihad Airways. These carriers, along with low-cost airlines such as flydubai and Sharjah-based Air Arabia, form the backbone of its air travel industry. In a strategic move to diversify its offerings, Abu Dhabi launched two additional budget airlines in 2019 through joint ventures: Wizz Air Abu Dhabi and Air Arabia Abu Dhabi. This expansion further strengthens the UAE's position in both the premium and budget travel sectors. Its success is underlined by the growth of Air Arabia, which doubled its fleet size between 2011 and 2022[5].

The UAE continues to transform its aviation infrastructure and fleet capabilities, anticipating an increase in global air travel demand, especially in long-haul routes. This development is set against a backdrop of rising competition in the region, with countries such as Saudi Arabia, Turkey, and India also expanding their footprints.

Airports

In 2022, the number of aircraft arrivals in the UAE was around 289,000[6], spread across its seven international airports. The largest of these is Dubai International Airport (DXB), which was handling more than 86 million passengers annually[7] pre-pandemic.

Alongside DXB, other significant airports such as Dubai World Central (DWC) and Abu Dhabi International Airport (AUH) play crucial roles in meeting the ever-growing air traffic demand. The remaining four international airports are Sharjah International Airport (SHJ), Al Ain International Airport (AAN), Ras Al Khaimah International Airport (RKT) and Fujairah International Airport (FJR).

Expansion

The UAE has supported its airlines by investing heavily in airport development and expansion. Notable projects include the £6.6 billion investment in Al Maktoum International Airport[8] in Dubai, the £6.2 billion for the expansion of Dubai International Airport Phase 4, and the £5.6 billion dedicated to the development and expansion of Abu Dhabi Airport. Additionally, around £328 million has been invested in the expansion of the terminal at Sharjah's International Airport.

These investments underline the government's commitment to maintaining the country's leading position in global aviation, yet there is more to come, according to Dubai Airports Chief Executive, Paul Griffiths[9]. Speaking at Dubai Airshow 2023 he said: "We are going to need a new airport. That is going to have to happen at some stage during the 2030s." His prediction came after Dubai Airports projected DXB's annual passenger traffic is to reach 86.8 million, breaking records set in 2019.

Support services

These plans for expansion are underpinned by a range of companies providing the necessary support services. The MRO (maintenance, repair and operations) sector in the UAE, for instance, includes 46 GCAA-registered companies and shows the region's capability in aircraft maintenance and repair, despite challenging environmental conditions[10]. This network includes 11 companies in Dubai focused on aircraft maintenance and repair and two in simulation manufacturing.

Additionally, Dubai National Air Travel Agency (DNATA), a division of the Emirates Group, has entered into a partnership with Global Jet Technic to provide line maintenance services at both Dubai International (DXB) and Dubai World Central (DWC) airports, further enhancing the UAE's ground handling capabilities.

This is complemented by companies specialising in ground services, including ground handling, catering, and fixed base operations (FBO), all of which are crucial to passenger satisfaction. With new catering and FBO facilities in development, the UAE aims to further expand its capabilities.

There are other niche services that demonstrate the maturity of the market, such as GAL Air Navigation Services[11] (GANS), the UAE's only private air navigation service provider. Its training facility, accredited by both ICAO and General Civil Aviation Authority (GCAA), offers extensive air traffic management training to a global clientele.

Training

However, there are gaps in this market, notably a shortage of skilled manpower. To meet the growing demand for pilots, crew and technical, mechanical and operational staff, there is an urgent need for both academic and practical training centres, as well as flight simulators. Based on current aircraft orders, it is estimated that the UAE will require around 22,000 pilots and crew members by 2033, underscoring the pressing need for investment in human capital and training infrastructure.

[1] https://www.cnbc.com/2023/11/16/dubai-airshow-2023-boeing-order-bonanza-leaves-airbus-in-the-dust.html
[2] https://www.reuters.com/business/aerospace-defense/dubai-displays-strength-air-show-rivals-tease-deals-2023-11-17/
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[10] https://www.trade.gov/country-commercial-guides/united-arab-emirates-aerospace-and-aviation
[11] https://www.trade.gov/country-commercial-guides/united-arab-emirates-aerospace-and-aviation

Aerospace: Flying high

In the dynamic landscape of the UAE's economic growth, the aerospace industry emerges as a critical component. It is particularly strong in Abu Dhabi, where along with defence and aviation, it forms part of an integrated industrial cluster in its economic blueprint, Abu Dhabi Economic Vision 2030[1].

This alignment in Abu Dhabi is more than an economic initiative: it is a move to synergise these sectors, making advancements in each to drive collective growth. By linking aerospace with defence and aviation, Abu Dhabi is not only diversifying its economy, but also carving a niche in a complex, globally competitive arena.

The vehicle for this is the Mubadala Investment Company, which is effectively the emirate's sovereign wealth fund. This has created two of the largest players in the sector, Strata Manufacturing and Mubadala Aerospace.

Global partnerships

In just over a decade, Strata Manufacturing has grown to become a major supplier to the world's largest aircraft manufacturers[2]. The company was formed to create partnerships with original equipment manufacturers (OEMs) and incorporate leading-edge technology and best-practice manufacturing. Its current partners include Finmeccanica/Alenia Aeronautica, SABCA, and FACC[3]. It is also a Tier 1 supplier to both EADS/Airbus and Boeing, providing the latter with major components used in empennage ribs for the Boeing 777, vertical fin ribs for the Boeing 787 Dreamliner, and composite empennage ribs for Boeing's 777X aircraft[4]. It also acts as a supplier to Pilatus and SAAB[5]. All this has been achieved while supporting the UAE's Emiratisation agenda and boosting women's employment prospects: 88% of Strata's 800+ staff are Emirati women[6].

Further proof of the company's success in leveraging partnerships at a global level came in 2020 when it completed only the fourth facility of its type in the world, producing aerospace-grade pre-impregnated carbon fibres[7]. The first customer, Boeing, will use these materials for primary structure applications in its 777X programme. The facility was made possible by forming a joint venture with Solvay, Belgium's materials and chemicals company.

Mubadala Aerospace has also grown rapidly, signing four agreements in recent years for the supply of advanced composites to Boeing[8]. It is also leading the development of maintenance facilities for both civilian and commercial aircraft, flight training, parts manufacturing as well as research and development work.

In addition it owns Sanad Aerotech and Turbine Services & Solutions[9]. These both maintain engines, and repair and overhaul the Boeing 747 and 787, Airbus A300, A320, A330 and other aircraft through support and partnership with OEMs including GE, Rolls-Royce, Siemens and IAE.

To encourage the development of an aerospace/aviation cluster, Mubadala Aerospace and Abu Dhabi Airport Company created the Nibras Al Ain Aerospace Park. Over an area of some 25km^2, it is home to Strata and a growing mix of public and private investment projects.

Driving growth in Dubai

Dubai – home to one of the world's busiest and largest airports – also has a thriving aerospace sector. For instance, the Emirates Engine Maintenance Center (EEMC) is a leading service provider. Its collaboration with major industry organisations such as Engine Alliance (EA), GE Aviation and Rolls-Royce is instrumental in advancing engine maintenance technology.

GE Aviation, a world leader in engineering and service expertise, operates a support centre in partnership with Emirates Engineering. Since 2013, this collaboration has been integral in maintaining and repairing engines. In addition, GE Aviation recently inaugurated its own centre in Dubai South, enhancing its capacity to service a wide range of engines for various UAE carriers including Emirates, flydubai, Etihad Airways, and Air Arabia.

Emirates Engineering has also formed a partnership with Engine Alliance (EA), a group comprising GE and Pratt & Whitney, focusing on the maintenance and service of 90 GP7200 engines used in Airbus A380 aircraft operated by Emirates. Furthermore, Rolls-Royce has played a crucial role in providing Emirates Engineering with Trent 900 engines and supporting training programmes, including fan blade installation and component removal.

Unmanned flight

Dubai is also emerging as a hub for drone and unmanned aerial vehicle (UAV) technology. The launch of the 'Sky Dome' initiative in 2020[10] underscores the emirate's ambition to be at the forefront of drone transport services, airfreight, and logistics. The project aims to transform Dubai into a virtual airspace infrastructure for unmanned aerial vehicles systems that connect places and buildings through runways and miniature airports across the city. It is supported by laws that facilitate the development of an integrated framework for licensing and issuing certificates, permits, network operation centres (NOCs), and inspection services related to drone systems, and a legal system for investigating drone accidents and incidents. This initiative aims to position Dubai as a central player in the manufacturing of drones and the development of smart transportation systems.

The UAE's aerospace sector, backed by solid funding and strategic planning, offers significant opportunities for companies and investors. Success in this market hinges on aligning with the country's objective of becoming more self-sufficient. Businesses that can enhance the aerospace capabilities in a way that furthers this goal of self-reliance will find themselves well-positioned. This approach underscores the commitment to not just advancing its aerospace industry, but also to strengthening its overall economy.

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[8]https://www.trade.gov/country-commercial-guides/united-arab-emirates-aerospace-and-aviation
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Tourism: Dynamic growth and evolving landscape offer huge opportunities

As the UAE continues to increase its presence globally, the travel and tourism sector is emerging as a crucial part of its economy, offering abundant opportunities for investment and partnerships. In 2022, the sector's contribution to GDP was around £37 billion, accounting for 9% of the total[1]. The same year saw international tourists spending £26 billion in the country.

The hospitality industry has also seen robust growth, with the number of hotels rising to almost 1,200 and a total room capacity of 203,000. This expansion has been further fuelled by new travel trends like staycations and innovative tourism initiatives such as remote-working visas and golden visas[2]. Notably, the UK contributed significantly to the influx of tourists, with over 1 million visitors in 2023, making up 5% of inbound arrivals[3].

The government believes the sector has even greater potential and, in 2022, launched the UAE Tourism Strategy 2031. This ambitious plan aims to boost the tourism sector's annual GDP contribution to approximately £89 billion by 2031. The strategy targets an annual increase of £5.5 billion and seeks to draw new investments worth around £20 billion into the sector[4].

The strategy aims to create an attractive and safe tourism proposition, with a strong focus on sustainability, technology, and cultural exchange. The plan includes a roadmap for maintaining competitiveness and a steady stream of tourists in the future.

A cornerstone of this plan is to attract 40 million hotel guests by 2031. To achieve these goals, the strategy outlines 25 key initiatives and policies designed to support and develop the tourism sector. These initiatives cover various aspects, from enhancing infrastructure to promoting the UAE as a world-class tourism destination.

Attracting investors

As it fortifies its position in the global market, investment in the travel and tourism sector are already seeing a significant increase. In 2022, investment in this sector reached around £6 billion, constituting 7% of its total. This figure is projected to grow at an annual rate of 11%, reaching approximately £15 billion by 2027, which would then account for 11.2% of total investments.

There are various official bodies tasked with attracting both tourists and investment. The chief of these is the Emirates Tourism Council (ETC) created in 2021, which is responsible for formulating and updating policies and legislation, aligning them with the national vision for tourism development.

The ETC is supported by tourism authorities at emirate level which promotes the travel and tourism industry through developing environmentally friendly destinations, cultural events, activities, festivals, and sustainability projects. They also work towards aligning hotel classifications with international service and value standards.

Key tourism authorities in the UAE include:

- Department of Culture and Tourism in Abu Dhabi
- Department of Tourism and Commerce Marketing in Dubai
- Sharjah Commerce and Tourism Development Authority
- Ras Al Khaimah Tourism Development Authority
- Ajman Tourism Development Department
- Department of Tourism and Archaeology in Umm Al Quwain
- Fujairah Tourism and Antiquities Authority.

Together, these are all committed to welcoming global investors and establishing partnerships with international organisations to further the tourism industry.

Diverse combination of offerings

Each emirate has developed its own strategies to present its distinctive attractions and appeal to differing tourist segments.

Dubai, an iconic city famous for its modern and futuristic architecture, luxury shopping and vibrant nightlife, has worked hard to attract international tourists.

Its skyline is dominated by the Burj Khalifa, the tallest building in the world, and there is a wealth of cultural and shopping experiences to enjoy, from the Dubai Opera House in the culture-rich Downtown Dubai to the Dubai Mall with its ski slope.

In Abu Dhabi, the Sheikh Zayed Grand Mosque and the globally acclaimed Louvre Abu Dhabi are big cultural attractions, and major sporting events are also a big attraction. Thousands came to see the Abu Dhabi HSBC Golf Championship, NBA Abu Dhabi Games 2023, the Abu Dhabi Grand Prix and Mubadala World Tennis Championship, to name just a few of the world-class events staged in the emirate.

Sharjah, recognised by UNESCO as a major cultural centre in the Arab world, draws visitors with its heritage area of restored buildings and the Sharjah Museum of Islamic Civilisation.

Ras Al Khaimah is a fast-emerging destination for nature enthusiasts as its landscapes range from rolling sand dunes, beaches and mangrove swamps to rugged mountains, such as the Hajar mountain and the Jebel Jais mountain range.

Fujairah is a premier scuba diving destination, along with many historical sites, such as the Fujairah Fort, the Al Badiyah Mosque, and the Fujairah Museum.

Ajman is positioned as a family-friendly destination with immaculate beaches and wildlife attractions including the Al Zorah Nature Reserve, best known for its migratory birds. The Ajman Museum, located in an 18th-century fortress, shows ethnographical exhibits and dioramas depicting traditional Emirati lifestyles.

Finally, Umm Al Quwain is a haven for water sports enthusiasts with its extensive beaches and the family-friendly Dreamland Aqua Park. For those interested in archaeology and history, the excavations of Tell Abraq and

Ed Dur, a 2,000 year old town with ancient tombs, offer a glimpse into the region's rich past.

The UAE's tourism landscape, marked by its diverse range of offerings, presents opportunities for global investors. Each emirate's unique blend of attractions emphasises the country's broad appeal. This diversity, coupled with the various strategic initiatives and investments in tourism infrastructure, positions the nation as an attractive prospect for investment in the tourism industry. The sector's dynamic growth and evolving landscape offer promising opportunities for investors looking to be involved in a vibrant and expanding market.

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EMIRATES BUSINESS
Emirates

Connecting the UK to the world

Emirates

The United Kingdom has been a key part of Emirates' network since the launch of Dubai-London Gatwick flights in 1987, and it continues to be one of its most important markets today. Naturally, the wider UK-UAE relationship plays a major role in enabling and fostering aviation growth.

The last 12 months has seen Emirates grow operating capacity on the back of steadily increasing demand for travel and global connectivity.

Major milestones include the return of the Airbus A380 in Glasgow and Birmingham, as well as a second daily flight from Stansted.

Supporting travel and businesses across the UK

Emirates plays a key role in bringing air connectivity to several UK regions. The airline is the only carrier to serve non-stop flights between many UK gateways and Dubai, including Birmingham, Glasgow, Manchester, Newcastle, London Gatwick and Stansted.

In fact, with a capacity of more than 9,000 seats and 300 tonnes of cargo per day, the UK is the most productive market across Emirates' entire global network. The Dubai to London Heathrow route is one of the busiest long-haul routes in the world, which Emirates serves with six A380 flights a day, as well as two weekly dedicated freighter services.

In 2022, the UK welcomed almost 380,000 visitors from the UAE alone; and tourists spent £793 million in the UK, averaging £2,089 per person.

Emirates' flights to and from the UK offer thousands of tonnes of cargo capacity per week, boosting trade and the timely transport of goods across the world, particularly to the Far East. Commonly exported items include pharmaceuticals, food, textiles, and electronics, and other speciality and high value cargo. These are flown every week on over one hundred flights, supporting thousands of businesses across the UK.

Investments in aerospace and beyond

Emirates' commitment to the UK market throughout the years is demonstrated not only by measured capacity growth, but also via the purchase of British goods and services as well as sponsorships of British entities.

The airline announced significant investments at the Dubai Airshow 2023 in its future fleet and capabilities, with an order for 15 Airbus A350-900s worth US$6 billion as well as an additional 95 Boeing 777-9s, 777-8s and 787s worth US$52 billion. Emirates now has a total order book of 310 widebody aircraft to be delivered through to 2035. This pipeline helps support thousands of jobs at both Airbus and Boeing, and affiliated suppliers in the UK.

In addition to the aircraft order, Emirates signed a new US$1.2 billion contract with Safran to install the latest generation of cabin seats across the A350, 777-9 and 777-300 fleet. Agreements are also in place for Safran to procure cabin equipment, wheels, and carbon brakes, retrofit, and landing gear component repairs. These commitments will help support over 3,000 Safran UK staff, as well as those in their wider supply chain.

These investments sit alongside the direct contributions Emirates makes to the British economy through operational expenditures, totalling up to £636 million annually. This includes aircraft landing and handling costs, inflight catering and over-flight costs, which in turn help facilitate economic activity that exceeds this direct expenditure many times over.

Environmental commitments

Emirates is committed to minimising the environmental impacts of its operations. The airline's environmental policy is focused on three areas: reducing emissions, consuming responsibly, and preserving wildlife and habitats.

From the airline's inception, operating modern and fuel-efficient aircraft has been central to Emirates' business model. Emirates' comprehensive fuel efficiency programme actively implements ways to reduce unnecessary fuel burn and emissions throughout each flight.

Emirates is an active contributor to projects focused on the deployment of Sustainable Aviation Fuel (SAF). The airline signed an agreement with Shell Aviation to supply over 300,000 gallons of blended SAF for use at its hub in Dubai; and expanded its partnership with Neste to supply over three million gallons of SAF in 2024 and 2025 for Emirates' flights departing from Amsterdam Schiphol and Singapore Changi airports.

In 2023, Emirates launched a US$200 million commitment to a research fund focused on reducing the impact of fossil fuels in commercial aviation.

As well as reducing emissions, Emirates is focused on reducing waste and procuring more sustainably. In 2023, the airline unveiled a closed loop recycling initiative where reusable plastic items used onboard, such as trays and bowls, would be recycled in a local facility at their end of life and remade into new Emirates meal service products.

Emirates has diverted over 150 million single-use plastic items from landfill each year by replacing plastic straws, inflight retail bags, and stirrers with responsibly sourced paper and wooden alternatives.

More than 9,000MWh of clean power is generated every year by Emirates' investments in solar power systems globally. Emirates Flight Catering also made a US$40 million investment in the world's largest vertical farm 'Bustanica' in Dubai, which is capable of annually producing one million kg of leafy greens using 95% less water.

Emirates also continues to take action on the illegal wildlife trade. The airline launched a series of amenity kits in partnership with United for Wildlife (an initiative of The Royal Foundation) to raise awareness of the issue; and completed the illegal wildlife trade certification of the IATA Environmental Assessment (IEnvA) as part of Emirates' environmental management system.

With a global network currently standing at over 140 cities on six continents, Emirates serves as a significant economic enabler both across the globe, and in key markets like the UK.

As demand for international travel increases, 2024 holds significant opportunities to further drive investment, tourism and trade between the UK, UAE, and wider Middle and Far East.

Rolls-Royce explains how sustainable aviation fuels are set to enable aviation's flightpath to net zero

Rolls-Royce

Against the background of bilateral agreements at COP28 in Dubai, and increasing orders for its world-leading fuel-efficient Trent XWB engines from Emirates Airlines, Rolls-Royce explores how "SAF" is fuelling the flightpath towards sustainable aviation – all with the positive endorsement of stakeholders from the UAE-UK business community, the public sector and the UK Royal Family.

Sustainable Aviation Fuels – or SAFs for short – will continuously replace kerosene fuel over the coming years. SAFs are made from alternative raw materials instead of being fossil-based.

There are many options to produce SAF and science is quickly and constantly evolving. Current feedstocks comprise biological sources including used oils, agricultural or forestry residues as well as non-biological sources such as municipal waste.

While SAFs still emit broadly the same amount of $C0^2$ at the point of use as kerosene, the key difference is that they are sustainably manufactured, reducing CO^2 emissions by up to 80% over the fuel's lifecycle.

The letter S in SAF stands for Sustainable and SAFs therefore need to meet stringent sustainability standards with respect to land, water and energy use. For example, they must not compete with food crops, threaten food security or have significant emissions footprints from production.

Since the first SAF flight in 2008, hundreds of thousands of flights have taken place using SAFs but a lot more work needs to be done to scale production and reduce costs. Today less than 1% of the aviation industry's global demand is met by SAF.

To give an idea of the scale of that challenge, in 2022 approx. 130,000 tonnes of SAF was produced and by 2050 the aviation industry predicts it will need 500 million tonnes to meet its net zero targets.

So what is Rolls-Royce doing to support this?

Rolls-Royce engines were already certified to fly on a 50% SAF blend, but they have been busy testing all its production Trent and Business Aviation engines on 100% SAF to prove their compatibility. This was in line with its stated commitment to have completed this milestone by late 2023, something which Rolls-Royce confirmed at the Dubai Airshow in November 2023.

It is now on track to deliver its commitment to use 10% SAF across its UK Civil Aerospace and Defence testing and operations. It has used a SAF blend provided by Air bp at its facilities in Derby, Bristol and Dahlewitz in Germany since July 2022.

The SAF contract was extended to include the major UK Defence site at Bristol, over and above the Civil commitment, resulting in less emissions associated with testing from a defence perspective.

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In 2022, Rolls-Royce also announced that it completed the first run on full power of its new engine demonstrator, UltraFan, and that test was conducted using 100% SAF.

Rolls-Royce Defence has also contributed to this effort in the UK by supporting the RAF's first 100% SAF flight on their Voyager aircraft. This is a world first military aircraft demo of this size. Further proof of concept flights have been carried out by the RAF, including a refuelling demonstration using 43% blended fuel between the Voyager and a Typhoon, powered by Rolls-Royce EJ200 engines. SAF trials will continue with increased customer demand and to support customer milestones such as the RAF's ambition to reach net zero by 2040.

In addition to its proven engine technology, Rolls-Royce has led innovations to accelerate the energy transition process, increasing the capacity to manufacture SAF through future-fit nuclear and microgrid technologies. Scaling up SAF production by generating clean energy will help deliver a reduction in CO^2 emissions and contribute towards SAF's affordability.

About Rolls-Royce Holdings plc

1| Rolls-Royce develops and delivers complex power and propulsion solutions for safety-critical applications in the air, at sea and on land. Our products and service packages enable our customers to connect people, societies, cultures and economies together; they meet the growing need for power generation across multiple industries; and enable governments to equip their armed forces with the power required to protect their citizens.

2| Rolls-Royce has customers in more than 150 countries, comprising more than 400 airlines and leasing customers, 160 armed forces and navies, and more than 5,000 power and nuclear customers. To meet customer demand for more sustainable solutions, we are committed to making our products compatible with net zero carbon emissions.

3| Annual underlying revenue was £10.95 billion in 2021 and underlying operating profit was £414 million.

4| Rolls-Royce Holdings plc is a publicly traded company (LSE: RR., ADR: RYCEY, LEI: 213800EC7997ZBLZJH69)

www.rolls-royce.com

Defence: Securing the top spot

The UAE is a major defence market which offers many opportunities for UK exporters. According to the Stockholm International Peace Research Institute (SIPRI), the UAE ranked ninth as a global defence importer from 2016-2020[1]. The country also spends a significant proportion of its wealth on military products and services, ranking sixth overall in military expenditures as a percentage of GDP (5.6%), according to the CIA Factbook[2].

The armed forces include approximately 65,000 active personnel: 45,000 land forces; 3,000 navy; 5,000 air force; and 12,000 presidential guard[3]. All require the most current equipment that the world can offer: between 2010 and 2019[4], the UAE spent between 15%-16% of its annual defence budget on procurement with foreign suppliers[5].

Spending on defence is increasing. Having spent £15.8 billion in 2020, it had a budget of £18.6 billion in 2023[6]. This growth is expected to continue at a compound annual growth rate (CAGR) of over 3% from 2024 to 2028.

The market is diversified across several sectors such as military fixed-wing aircraft, missiles and missile defence systems, military rotorcraft, naval vessels, and surface combatants. From 2023 to 2028, the military fixed-wing aircraft sector is expected to lead UAE defence expenditure, closely followed by the missiles and missile defence systems[7].

The focus of the defence modernisation is on various areas, including Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems, anti-ballistic missile systems, fighter aircraft, and armoured vehicles. Key procurement programmes in this sector include the Rafael fighter, Gowind-class ships and JAIS 6×6 vehicles.

Prospects

Currently, the sector is heavily influenced by US-based suppliers, who hold a dominant market share in excess of 64%[8]. Yet evolving geopolitical relationships have seen the country expand the level of business it does with other countries, including the UK, France, China, Russia, Italy and Turkey[9].

The strongest indicator of UAE intentions comes from the International Defence Exhibition and Conference (IDEX)[10], hosted biennially in Abu Dhabi. This is when the government announces significant deals and partnerships with global defence contractors. The 2023 show saw the UAE expanding its range of suppliers to include China, with plans to procure L-15 trainer/light fighter aircraft from the Chinese National Aero-Technology Imports and Export Corporation[11], and Turkey. The UAE now has agreements with Turkish defence contractors[12], including Baykar, Havelsan, Roketsan, and Otokar, to buy military assets such as UAVs, naval combat systems, and land vehicles.

Exports

It is also a significant arms exporter, especially to countries within the region, ranking 18th worldwide in major arms exports[13]. The main importers of UAE's defence equipment are Egypt and Jordan, positioning it as the third largest arms exporter in the Middle East, following Turkey and Israel. At IDEX, it also signed more than 50 agreements worth £5 billion[14]. The majority of these were with local defence firms, which tend to be centred around Abu Dhabi, where aerospace is aligned with defence and aviation in its economic blueprint, Abu Dhabi Economic Vision 2030[15].

One of the most important UAE defence businesses is the EDGE Group. This was established in 2019 to rationalise its domestic defence technological industrial base and bring new capabilities to the market sooner[16]. The Group brings together more than 25 entities[17], including the Emirates Defense Industries Company (EDIC), Emirates Advanced Investments Group (EAIG) and Tawazun Holding. The EDGE Group's estimated revenue stands at approximately £4 billion and employs around 12,000 people across five clusters: platforms and systems, missiles and weapons, cyber defence, electronic warfare and intelligence, and mission support. Notably, the Group is ranked among the top 25 military suppliers in the world by SIPRI.

There are two important defence suppliers who are not part of the EDGE Group: Calidus, which manufactures the B-250 light-attack aircraft – intended for counter-insurgency operations – and Aquila Aerospace, which specialises in modifying aircraft for reconnaissance capabilities[18]. The B-250 is the first aircraft made in the UAE based on local intellectual property, development and production[19]. The UAE air force bought 24 of these aircraft at the 2019 Dubai Air Show and 40 trainer versions at the 2023 show.

Procurement

The Tawazun Economic Program[20] is the UAE's offset initiative, aiming to leverage its significant defence procurements for broader economic benefits. The goals include developing the defence sector, diversifying the economy, enhancing high-value exports, and increasing employment opportunities for UAE nationals. In 2019, Tawazun updated its offset guidelines, maintaining a focus on the defence and security industry while also considering projects in strategic sectors like aerospace, infrastructure and transportation, communication technology, artificial intelligence, and sustainability.

Companies become subject to offset obligations under Tawazun if the contract value exceeds £8 million[21], or if it is below this threshold but the company or its parent already has active offset obligations. The 2019 policy revisions also brought changes to the project process, reflecting a dynamic approach in developing key industries and securing economic growth alongside defence modernisation.

The programme is overseen by the Tawazun Economic Council, who manage direct commercial sales procurement for the UAE armed forces and Abu Dhabi police[22]. In 2023, its responsibilities expanded to include overseeing the armed forces' foreign military sales procurements.

The UAE defence market is more open than ever before, as it actively seeks to strengthen relationships with non-US suppliers, particularly if they are prepared to share expertise, experience and intellectual property which enriches and educates the local workforce. It is a highly competitive market, but one that is growing as the UAE seeks to maintain its regional influence.

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UNLEASH PERFORMANCE

RANGE ROVER
SPORT

Range Rover Sport
Unleash performance

Range Rover Sport redefines sporting luxury, effortlessly combining assertive and instinctive on-road performance with trademark Range Rover refinement, progressive design sophistication and connected convenience. The third-generation model is the most desirable, advanced and dynamically capable yet.

A suite of powerful and efficient powertrains includes six-cylinder extended range Electric Hybrids, a potent new V8 and mild hybrid six-cylinder petrol and diesel Ingenium engines.

New Range Rover Sport is available in S, SE, HSE, SV* and Autobiography specifications.

Nick Collins, Executive Director Vehicle Programmes, Jaguar Land Rover, said: "Land Rover's pioneering flexible MLA architecture and the latest chassis systems come together to deliver the highest levels of dynamism we've ever seen on Range Rover Sport.

Integrated Chassis Control governs the comprehensive suite of innovations, co-ordinating everything from the latest switchable-volume air suspension system to our Dynamic Response Pro electronic active roll control. The result is the most engaging and thrilling Range Rover Sport ever."

Design in detail

The sophisticated exterior is unmistakably Range Rover Sport with taut surfacing, a dynamic stance and instantly recognisable profile, perfectly accentuated by stealth-like detailing and muscular proportions, giving the impression the vehicle is poised and ready.

Dramatic proportions accentuate the Range Rover Sport's distinctive character, with short overhangs, an assertive front-end and steeply raked glazing at the front and back. These trademark elements provide a strong and imposing road presence that communicate power and performance.

The sculpted exterior is detailed with exquisite finishes such as a stealth-like front grille and Digital LED lighting units, which create a distinctive Daytime Running Light (DRL) signature. The eye-catching designs, the slimmest ever fitted to a Land Rover, sit above a sculpted, double-aperture lower bumper that incorporates a horizontal bisecting body-colour element that creates greater visual width, enhanced by black detailing.

Perfectly honed design elements are echoed at the rear, incorporating a sculpted tailgate with a full-width feature bearing the Range Rover script. Uninterrupted LED light graphics introduce surface LED technology to a production vehicle for the first time, providing a crisp and contemporary look at night that is vivid and consistent when viewed from any angle. A characteristic shoulder line runs the length of the vehicle, accentuated by new lower fender details and the longest spoiler ever fitted to a Range Rover. The clean lines of the exterior are enhanced by beautifully executed flush glazing and door handles, a hidden waist rail finisher and laser-welded roof for a precise, technical and sophisticated appearance. These design-enabling

> Land Rover's pioneering flexible MLA architecture and the latest chassis systems come together to deliver the highest levels of dynamism we've ever seen on Range Rover Sport.
>
> Integrated Chassis Control governs the comprehensive suite of innovations, co-ordinating everything from the latest switchable-volume air suspension system to our Dynamic Response Pro electronic active roll control. The result is the most engaging and thrilling Range Rover Sport ever.

Nick Collins
Executive Director Vehicle Programmes
Jaguar Land Rover

technologies contribute to excellent aerodynamic performance, with New Range Rover Sport delivering a drag coefficient of just 0.29.

The new Dynamic model brings an even sharper focus to the performance SUV's purposeful character with unique exterior design elements. Satin Grey alloy wheels are joined by Satin Burnished Copper finishes for the bonnet louvres and side ingots while the front grille and Range Rover lettering are finished in Matte Graphite Atlas.

With unique front and rear bumpers and bespoke lower cladding finished in body colour, the Dynamic delivers the most dramatic interpretation of the Range Rover Sport formula.

All Range Rover Sport models are fitted with an eight-speed ZF automatic transmission and Intelligent All-Wheel Drive, which intuitively anticipates where traction is required, efficiently engaging to provide the most effective progress in all conditions, while optimising efficiency. Enhancing the off-road performance is Land Rover's latest Terrain Response 2® system, which intelligently applies the most appropriate settings for the terrain. New Adaptive Off-Road Cruise Control makes its debut on new Range Rover Sport and helps drivers navigate tricky terrain by maintaining steady progress according to the ground conditions. Drivers can select one of four comfort settings and the system intelligently adjusts the speed accordingly, allowing the driver to focus on steering.

*Contact your retailer for availability.

UK

Innovation and Technology: Navigating to a new horizon

The UK ranks as the world's third largest digital economy, a status underpinned by its vast array of established technology businesses and dynamic entrepreneurial start-ups. These entities are at the forefront of digital transformation in major industry sectors such as agriculture, financial services, and healthcare. Additionally, the UK is making significant strides in virtual and augmented reality (VR and AR), collectively known as immersion tech, while also strengthening its capabilities in cyber security.

In terms of financial returns, UK scale-ups have generated approximately £460 billion[1]. Globally, its technological ecosystem is ranked third, trailing only the US and India. The country also dominates the European tech landscape, particularly in investment in start-up and scale-up companies, attracting a greater volume than the combined totals of France and Germany.

The artificial intelligence (AI) sector is thriving and playing an increasing role in the UK's tech success. The latest figures[2] show there are more than 3,000 innovative AI companies generating revenues exceeding £10 billion and employing more than 50,000 people in AI-related roles. In terms of economic impact, the sector contributes £3.7 billion in Gross Value Added (GVA) to the economy.

Industry 4.0: the renaissance

The rise of AI and digitisation have led to the birth of what has been dubbed the fourth industrial revolution – Industry 4.0 – where technology is able to transform conventional industrial processes.

AgriTech is employing new technologies to boost production, improve animal welfare and reduce costs. UK farmers are increasingly adopting innovative technologies such as robotics, sensors, drones and data analytics to enhance decision-making in crop management, animal husbandry, and land stewardship. Precision technology, a rapidly expanding sector within AgriTech, is being extensively implemented to boost farm operation efficiency, particularly in the precise application of fertilisers and agrochemicals.

Small Robot Company[3], for example, is revolutionising agriculture with its trio of AI-driven farm machines, including Tom, which maps weeds and crops for efficient herbicide and fertiliser application, thereby saving costs and reducing pollution. In another case, the Innovation Agri-Tech Group[4] has developed aeroponics to the extent that land is 175 times more productive than conventional farming, as crops are grown in columns under optimal conditions.

Similarly, the financial technology (fintech) sector is revolutionising the financial services industry by simplifying transactions, reducing costs, enabling innovation, empowering customers, and enhancing security. The UK is the second largest destination for fintech investment[5] after the US, and ranks within the top 10 countries for consumer fintech adoption[6]. Almost 71% of the entire population uses fintech products. The sector contributes an estimated £11 billion and over 76,000 jobs to the UK economy[7]. The majority of these are in London but there are significant hubs of activity in Edinburgh, Belfast, Leeds and Manchester.

The UK is proactive in creating a vibrant fintech ecosystem to encourage collaboration between start-ups, scale-ups, industry leaders and the public sector. It commissioned the Kalifa Review of UK FinTech in 2021. Two of its recommendations have already been enacted: the creation of a regulatory fintech 'scalebox' to provide additional support to growth stage fintechs; and a Centre for Finance, Innovation, and Technology (CFIT) to strengthen national coordination across the fintech ecosystem to boost growth. The Financial Conduct Authority set up pilot schemes for the 'scalebox' in 2022[8] and the CFIT was launched in Leeds in 2023.

Healthtech, which provides the technology to manage health as opposed to diagnose or treat conditions, is also thriving. In 2021, the UK was the third largest destination for healthtech investment, attracting £3 billion. Most of this was directed to the 'Golden Triangle' of London, Oxford and Cambridge, home to five universities in the world's top 25 for life sciences and medicine, and a world-leading hub for R&D. The most popular destination is London, where the fastest growing sub-sectors are remote monitoring, wearables and desk-based research. In 2023, London's Causaly raised £46 million[9] to fund a platform that uses AI to speed-read scientific literature, regulatory documents and clinical trials to accelerate the discovery of new drugs and therapies.

Immersive technology

There are estimated to be more than 2,100 immersive technology companies in the UK[10], representing an 83% growth since 2017. Yet more is to come, with industry experts[11] predicting that the UK immersive technologies sector could be worth approximately £4.9 billion by 2027, based on a compound annual growth rate (CAGR) of 16.2%.

Both VR and AR are being widely adopted for training. VR, for example, has enabled this for over two decades now, from helping to train pilots in flight simulators to allowing trainee doctors to practise procedures on virtual

> The UK is proactive in creating a vibrant fintech ecosystem to encourage collaboration between start-ups, scale-ups, industry leaders and the public sector.

patients. During Covid-19, the Ventilator Challenge UK consortium used AR to train personnel in how to rapidly assemble ventilator systems. Another example is aerospace, where VR is employed in design and manufacturing. One UK company, Bodyswaps, is working with Meta to demonstrate the potential of training with VR to institutions throughout the UK[12].

AI-enabled immersive training is also evolving with the use of natural language processing tools such as ChatGPT, lowering the costs of immersive content creation for skills and training. VirtualSpeech is just one example of a start-up which has embedded ChatGPT into its immersive simulations, enabling users to interact with avatar characters through real-time generated dialogue.

Cyber security

Cyber security is a global concern that can strike any organisation, however large. It is a growing sector in the UK and there are now 2,000 cyber security companies, earning a total of more than £10.5 billion[13], and providing 58,000 full-time equivalent jobs.

In 2021, the sector received £2 billion in investment under the Government's National Cyber Security Strategy. Enhancing academic involvement, 19 UK universities have been recognised as Academic Centres of Excellence in Cyber Security Research by the National Cyber Security Centre (NCSC), which also extends expert support to businesses in this field.

The UK stands as a leader in global technological innovation, marked by its strong digital economy and advancements across AI, agritech, fintech, healthtech, immersive technology, and cyber security. Strategic investments and a dynamic blend of start-ups, scale-ups, and academic partnerships are driving the country's growth in these key tech sectors, solidifying its position as a major hub for technological development and investment.

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Education & Skills: Creating human capital

The UK's education sector is characterised by a level of consistency and quality that has placed several of its higher education institutions in prominent positions globally. As of 2023, the country is home to 15 universities ranked within the top 100 in the QS World University Rankings[1], including the University of Oxford, the University of Cambridge, Imperial College London, and University College London, all of which are in the top 10.

In alignment with its strategic approach to education, the Government introduced the International Education Strategy (IES) in 2019, updated in 2023[2]. This set two key objectives to be achieved by 2030: to increase education exports to £35 billion annually, and to raise the number of international students in higher education within the UK to 600,000 a year.

Colleges and universities are also using education technology (EdTech) to offer their courses to students worldwide through remote online portals. It is a market-leading provider of Transnational Education (TNE) programmes, enabling overseas students to study either online or via 40 overseas UK campuses. Currently, about 82% of universities offer TNE programmes.

Schools system

The UK's school system consists of both state-funded and fee-charging private schools, the most prestigious of which are known as 'public schools' and are members of the HMC (Headmasters Conference), and select pupils via the Common Entrance exam.

The main education programme, the National Curriculum, is well regarded as an entry qualification for UK and international universities. This is used in both primary and secondary schools. Schools are checked and controlled to ensure they meet standards, though there are some variations in how this is carried out in England, Scotland, Wales, and Northern Ireland.

EdTech grows in importance

The UK's EdTech sector is increasingly appealing to international investors. In 2022, the investment into EdTech was approximately £458 million[3]. More than 1,000 EdTech companies are based in the UK, exporting more than £170 million a year[4]. Annual spending on educational technology by UK schools is now estimated to be around £900 million[5].

As the benefit of enabling children and students to learn at their own pace becomes more apparent, the popularity of EdTech continues to rise. The sector has responded with increasingly sophisticated offerings such as mixed reality, immersive content and massive online open courses (MOOCs).

The UK pioneered distance learning with the establishment of the Open University, which founded its own EdTech arm, FutureLearn in 2012. This offers a variety of online courses from world-renowned universities and brands, covering everything from micro-credentials and short courses to degrees. It serves more than 18 million learners, offers more than 5,000 online courses, and has partnerships with over 250 leading universities, global brands, and government departments, including the University of Cambridge and Samsung[6].

Artificial intelligence

One area of EdTech where the UK is a world leader is artificial intelligence (AI). AI has the potential to significantly ease teachers' workloads and enhance classroom efficiency. It can automate routine tasks such as grading, providing feedback, and tracking attendance, allowing teachers to focus more on teaching and less on administration[7].

The UK, anticipating substantial growth in its AI market, expects machine learning to contribute around £630 billion to its economy by 2035[8]. In line with this, the Government is set to equip every teacher in England with AI-powered tools. These are designed to assist in lesson planning, performance monitoring and reducing overall workload.

The Government has also invested £2 million in the Oak National Academy[9], which was set up during the Covid-19 pandemic to support remote learning and is now an arms-length organisation focused on supporting teachers. This initiative aims to develop new AI-based teaching tools, marking a significant move towards offering every teacher a personalised AI assistant.

Cloud-based learning management systems (LMS) are also seen as a key opportunity for investors, because an increasing number of schools are adopting it to deliver educational resources. They store learning materials and homework on a single platform and enable both students and teachers to access files when not in school.

In 2020, more than 50% of organisations moved their workload to the cloud, and the global LMS market is expected to grow from £11 billion in 2021 to £28 billion by 2026 – a compound annual growth rate of over 19%.

The education sector has shown both resilience and innovation over the past years, using the challenges of Covid-19 as a springboard to accelerate the adoption of new technologies in the classroom. This, together with the continuing excellence of the UK's schools, colleges and universities, means the sector offers great growth potential to investors.

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Healthcare & Life Sciences: Raising the bar

The UK's healthcare system is primarily government-funded, with the National Health Service (NHS) at its core. Established more than 75 years ago, it serves a population of more than 67 million and is the world's largest integrated healthcare service[1].

The Department of Health and Social Care, which funds the NHS, has a budget of more than £180 billion annually. This allocation is one of the largest among government departments, comparable only to the budget of the Department for Work and Pensions.

Employment within the NHS is significant on a global scale. It ranks as one of the largest employers in the world, with estimates placing it as high as sixth, behind organisations such as the Indian Ministry of Defence, the US Department of Defence, China's People's Liberation Army, Walmart, and Amazon.

In terms of patient care, the NHS reported approximately 1.6 million patient interactions per day in the 2021/22 period. International comparisons indicate that it is among the top-performing healthcare systems worldwide. Despite the massive burden imposed by Covid-19, it still marshalled what is universally acknowledged to be one of the world's most successful coronavirus vaccination programmes, using a vaccine developed from innovative technology by the University of Oxford in partnership with pharmaceutical firm AstraZeneca.

World-leading research

The development of the vaccine and its rollout shows the strength of relationships between the universities, medical research facilities and the NHS. To some degree, the closeness of the relationship between these is due to the fact that doctors who train in the UK do so at universities and affiliated teaching hospitals. This has led to partnerships between universities and the NHS in the creation of a platform for clinical research that the Government encourages with strategic investment in specific growth areas, such as cell and gene therapy. The NHS is the first national healthcare system to commit to offering whole genome sequencing (WGS) as part of routine care, making the mapping of genes and DNA part of mainstream medicine[2].

Four of the world's top 10 universities for clinical and health sciences[3] (Oxford, Cambridge, Imperial College London and University College London) and two of the top three for life sciences are in the UK[4] (Oxford and Cambridge).

The country has also attracted substantial investment in the sector. In 2021[5], there were 6,548 businesses operating in the UK life sciences industry in approximately 7,600 sites. They employed 282,000 people and generated £94.2 billion of turnover.

The updated Life Sciences Industrial Strategy[6], revised in 2020, has successfully secured billions of pounds in new funding through joint investment initiatives. These focus on several key areas, including advanced therapies, genomics, digital health, and early diagnosis. The strategy also introduces Life Science Opportunity Zones (LSOZs) in six distinct locations. Within these zones, companies can leverage research, higher education resources, and business expertise as well as use existing laboratory spaces or acquire land to construct new facilities.

MedTech opportunities

The medical technology sector is a thriving ecosystem of researchers, scientists, engineers, designers and NHS clinicians. Together these specialist groups develop new technologies from the innovation stage, through the process of design and manufacture, to the bedside in the UK and internationally.

The UK asserts a significant presence in the global market, with its MedTech sector exporting products valued at over £5.6 billion in 2021[7]. The industry's annual turnover stands at £27.6 billion, underlining its economic importance. This encompasses a workforce of more than 138,000 across the country, over £5 billion in annual exports, and accounts for 31% of the life sciences sector's total turnover. Notably, the industry is predominantly composed of SMEs, representing over 85% of the sector.

There are a number of key organisations that support the sector's research and development stages[8]. The Clinical Practice Research Datalink (CPRD) for instance, offers invaluable anonymised primary care records to support public health research. The Engineering and Physical Sciences Research Council (EPSRC) has centres for innovative manufacturing which focus on areas such as medical devices and regenerative medicine, promoting research collaborations and innovation.

To bridge the gap between technology, concept and commercialisation, there are Catapult centres[9] offering access to cutting-edge resources and fostering collaborative environments for innovation. Currently these concentrate on cell and gene therapy, high-value manufacturing, and precision medicine, which play a crucial role.

Thriving biotech

Biotech in the UK is accelerating. The country has one of the world's largest preclinical and clinical biomedical pipelines, with around 65,000 people employed in the biopharmaceutical core sector alone[10].

The sector is overseen by the Medicines and Healthcare products Regulatory Agency (MHRA)[11]. Apart from ensuring that products are fit for purpose, the MHRA is tasked with enabling companies to develop innovative manufacturing processes and to access global markets. Recently it launched the Innovative Licensing and Access Pathway (ILAP) to reduce the time to market for new medicines.

To support the industry in maintaining the UK's leading status as an advanced centre for medicines manufacturing, the Government and industry formed the Medicines Manufacturing Industry Partnership (MMIP). The Government also established the Life Sciences Innovative Manufacturing Fund (LSIMF)[12] to advance the sector. Its first tranche of funding in 2023 saw £277 million in joint industry and government backed investment in four life science companies, ranging from medical diagnostics to medicines manufacturing.

The healthcare and life sciences sectors stand out for their unique blend of government backing, academic prowess, and innovative research. This synergy propels the UK to the forefront of global medical science and healthcare technology advancements. The integration of these elements underscores its leading role in shaping the future of healthcare and medicine.

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Industry & Infrastructure: Prepared for the next level

The UK has established itself as a prominent centre for advanced manufacturing, achieving the highest productivity growth among the G7 from 2010 to 2021, and ranking as the eighth nation globally in 2021.

This achievement is rooted in the UK's rich manufacturing heritage, dating back to the 18th century with transformative innovations such as the steam engine and the spinning jenny. But more is to come, in the form of new technologies, new materials and the boost to productivity from Industry 4.0.

There are more than 138,000 manufacturing businesses in the UK[1] and the country has made significant progress in encouraging high-growth sectors. These include the development of low-carbon technologies, digital process engineering, 3D printing or 'additive manufacturing', robotics, and autonomous systems.

This potential already attracts significant sums in FDI, not least from the UAE. In March 2021, the UK and UAE governments signed a Sovereign Investment Partnership to drive investment in key industries. Initially focusing on life sciences, it was expanded in September 2021 to include infrastructure, technology and energy transition, and the Mubadala Investment Company committed to investing over £10 billion in these vital UK industries.

Advanced materials

The UK not only leads in manufacturing but is also at the forefront of developing advanced materials. The best known of these is graphene. The 2010 Nobel Prize was awarded to scientists at the University of Manchester for the advances they made in developing this ultra-thin, ultra-strong, hugely conductive material.

The country is continuing in the development of a number of other ground-breaking materials, each with transformative potential. For example, metamaterials are being explored for their unique electromagnetic properties[2]. These will revolutionise the communications industry with compact and lightweight 5G antennas which are easier to manufacture and install.

Similarly, 2D materials, consisting of a single atom layer, are poised to enhance the efficiency of electric vehicle batteries, strengthen traditional materials, and offer new electrical and superconducting applications.

Another innovative area is self-healing and 'living' materials, which can change shape or structure over time, including the ability to self-repair, such as roads that fix their own potholes. Developments in composite structures are leading to stronger, more lightweight and durable materials, including advanced coating technologies for enhanced corrosion resistance.

Greening UK utilities

In 2023, the Government established the £960 million Green Industries Growth Accelerator[3] as part of its strategy in the utilities sector to combat climate change. The accelerator aims to expand manufacturing capacity and alleviate supply chain constraints in crucial green industries such as carbon capture, utilisation and storage (CCUS), offshore wind, and nuclear energy. Designed to attract substantial private investment, it will leverage the available £960 million to facilitate larger investments and is a critical component of the Government's wider strategy to decarbonise the energy system and achieve net zero emissions.

Hydrogen is also a critical element of the UK's future net zero energy system and energy security. The Hydrogen Strategy aims for up to 10GW of low carbon hydrogen production capacity by 2030, with at least half from electrolytic or 'green' hydrogen[4]. With over 200 companies working on hydrogen and fuel cell technologies in the UK[5], and a consistent ranking in the top 10 globally for hydrogen technology patents[6], the UK is well-positioned in this field. A government-commissioned review[7] highlights significant opportunities for manufacturers in areas such as electrolysis package manufacture and electrical equipment, contributing to the nation's hydrogen technology development.

Industry 4.0: make it smarter

The UK is determined to lead the advance to Industry 4.0, embracing this pivotal shift in manufacturing. By integrating innovative technologies for data collection and analysis, the manufacturing base is streamlining processes and automating production, laying the base for faster, more efficient operations and cheaper, better quality products.

The Government's vehicle for introducing manufacturing SMEs to Industry 4.0 is the Made Smarter programme, which is now being expanded. In 2025-26, up to £16 million will be assigned to extend the programme's reach to all regions in England before extending into Scotland, Wales and Northern Ireland.

Since it began in 2018[8], Made Smarter has played a significant role in supporting over 3,100 manufacturing SMEs to embrace industrial digital technologies (IDTs). This support has been multifaceted, offering expert advice, digital roadmaps, match-funded grants, and leadership training. More than 500 IDT projects have been funded, leveraging in excess of £20 million in private investment. Additionally, over 900 businesses have received tailored digital roadmaps, and more than 200 SME business leaders have undergone specialised training.

Catapulted to success

Another successful initiative receiving a significant long-term investment is the Catapult Network, further solidifying the UK's status as a science and technology superpower. In 2022[9], funding for it was increased by 35% over the next five years, amounting to a total of £1.6 billion[10].

The High Value Manufacturing Catapult (HVMC)[11], the largest advanced manufacturing research capability in Europe, is a prime example of the Catapult Network's impact. Spanning 18 sites across England, Scotland, and Wales, HVMC plays a crucial role in assisting firms to transform their performance and bring new products, processes, and services to market. Between 2018 and 2023, HVMC, collaborating with researchers and businesses, received around £650 million in funding. HVMC has worked with nearly 22,000 companies[12], more than half of which are SMEs, and completed over 9,200 commercial and collaborative R&D projects between 2013 and 2023.

The UK is actively ensuring its manufacturing sector remains a leader in technology – and is attracting foreign investment and experience. With significant investments in initiatives such as Made Smarter and the Catapult Network, the country is firmly positioning itself at the forefront of advanced manufacturing and Industry 4.0. ■

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Energy: Green revolution

The UK's energy industry is undergoing a radical transformation to make it greener and leaner, all of which offer opportunities for external investment and expertise. There are three main drivers for the sector's current position, the most urgent of which is energy transition, as the country moves from coal and gas to reduce its greenhouse gas emissions.

The 2008 Climate Act committed the UK to reducing its greenhouse gas emissions by 80% by 2050 compared to 1990 levels, it formed the Committee on Climate Change, and established national carbon budgets. In June 2019, this was strengthened, committing to bring all greenhouse gas emissions to net zero by 2050[1]. In 2023, it went even further, setting an interim target to reduce carbon emissions by 68% by 2030 compared to 1990 levels – making it the only major global economy to have set a reduction target of 77% for 2035[2].

In 2020 renewables accounted for more than 43% of the UK's total of 312 terawatt hours (TWh) of electricity generated[3]. This exceeded fossil fuels over the course of a year for the first time. 2020 also saw the UK have its longest run of coal-free power, with a total of 68 days between 10 April and 16 June. Furthermore, the most recent figures show the amount of electricity generated from fossil fuels fell 22% year-on-year in 2023, to the lowest level since 1957[4]. Also during 2023, another 2.9GW of new renewable capacity was added – a 5.4% increase[5].

The second driver to change the energy industry is that through the increase of renewable sources, more electricity is now generated closer to where it is needed. This not only cuts energy infrastructure costs, but also improves the security of supply.

The third factor is the rising global price of energy, which has accelerated the drive towards digitisation and data analysis to improve efficiency, sustainability and cost performance.

Wind power

The UK, with its long coastline and shallow seas, is particularly suitable for the construction and maintenance of offshore wind turbines. Indeed, more electricity is generated by offshore wind in the UK than elsewhere in the world[6], currently contributing about 13% to the electricity mix.

The UK now possess around 12.7GW of connected offshore wind energy across 44 wind farms totalling over 2,500 turbines. It connected more than 2.3GW of new installations in 2021 alone, which made up 70% of the total in Europe that year. This was followed by three projects totalling 3GW being commissioned in 2022, and the 1GW Seagreen development off the east coast of Scotland in 2023[7]. All these will be overshadowed by the Dogger Bank wind farm off the coast of Yorkshire, which will be the world's largest offshore wind farm, at 3.6GW, when completed in 2026.

The Government is committed to encouraging private investment in the sector, as outlined in its Ten Point Plan for a Green Industrial Revolution in late 2020[8]. It has pledged to mobilise nearly £12 billion in support of the 'green industrial revolution' and to triple that amount in private sector investment. Advancing offshore wind is the priority, with the aim of quadrupling offshore wind to produce 40GW by 2030.

Nuclear power

In 2022, nuclear power provided 13.9% of the total electricity supply[9], which is far less than in the 1990s, when it provided around 25%. Since 1995 there have been eight nuclear plant closures, with no new plants coming online, reducing installed nuclear capacity.

The Government signalled a major change of direction in 2022, however, with the publication of its 'British energy security strategy'[10]. The strategy sets out "how Great Britain will accelerate homegrown power for greater energy independence" in the wake of significant turbulence in global energy markets.

The strategy described nuclear energy as the only way to secure "a big enough baseload of reliable power for our island," setting a target for nuclear energy to generate 24GW of power by 2050. This would be three times current levels and represents up to 25% of projected demand.

The Government aims to reach a final investment decision (FID) on at least one nuclear project in the current parliament – in addition to the ongoing construction of the plant at Hinckley Point C – with a commitment of £1.7 billion in funding to support this goal. Additionally, it plans to advance two more projects to FID in the following parliament. Broadly, the aim is to accelerate nuclear energy development, targeting the completion of one reactor annually instead of one per decade.

The strategy also includes Small Modular Reactors (SMRs), which are expected to generate power up to 300MW, in comparison to the 1,000-1,400MW produced by the current generation of nuclear reactors operating in the UK. The construction process for SMRs is more flexible because reactors can be fabricated in a factory environment and transported to site, whereas conventional nuclear power plants require a large amount of on-site fabrication. In 2021, the Government provided £210 million of grant funding to Rolls-Royce SMR to support the development of its SMR design, and in 2023 provided a further £157 million of grant funding when it launched Great British Nuclear, to oversee a pipeline of new-build developments.

Whether it is wind farms – offshore or onshore – or nuclear power projects, it is clear that the UK is open to private sector investment and expertise to achieve its net zero goals. Fluctuations in the energy market have contributed to a sharper focus on energy security and the Government has stated this is a strategic priority for the future. As a result, it is keen to invest to seek further private involvement in the sector.

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Midlands: Future focus based on proud past

The UK's Midlands region has a growing, diverse economy across key areas such as advanced manufacturing, transportation, professional and financial services, life sciences and technology. It has a population of 10 million and contributes £230 billion in gross value added (GVA), some 13% of the UK economy[1].

A hub for advanced manufacturing

The Midlands is the UK's most dynamic engineering and manufacturing cluster. Some 25% of the aerospace sector is located within the wider Midlands region, including industry heavyweights Collins Aerospace, Rolls-Royce Control Systems, Moog Inc. and Meggitt Energy Products[2].

The Midlands Aerospace Alliance (MAA) is the UK's largest regional aerospace alliance, with 300 companies joining to create one of the region's distinct specialisms – metals and composite materials. A number of specialist materials producers, such as Timet Metals Corporation (titanium) and Arconic (aluminium) operate in the region. Its specialisms in component aerospace design and manufacture are supported by a well-integrated supply chain and links to other manufacturing sectors.

The region is also a long-established automotive hub, supporting 30% of the country's entire automotive workforce. It is home to global innovators such as Changan UK R&D Centre, Rolls-Royce, Tata, Jaguar Land Rover, and London Electric Vehicle Company which manufactures the TX5 electric London taxi[3]. A third of all British-made cars and one in four UK engines leave the region's production lines, powered by a 46,500 strong workforce[4].

Additionally, the region is a catalyst for Europe's largest rail infrastructure project, High Speed 2 (HS2), linking London to Birmingham. With approximately 1,000 employees at its Birmingham headquarters, HS2 will build on the region's advanced engineering sector with a critical mass of rail industry consultancies, capabilities and expertise[5].

The West Midlands Combined Authority area is responsible for 49,000 railway-related jobs. Birmingham employs 2,700 people, making it the UK's largest regional rail hub. A further 109,000 people work for transport and logistics companies. Centres of excellence include the Birmingham Centre for Rail Research and Education, and the University of Warwick's WMG which specialises in very light rail, battery and energy storage.

The Midlands is also the UK and Europe's primary location for low carbon and energy storage technology. Research-led institutes include the UK Battery Industrialisation Centre[6] and the Advanced Propulsion Centre[7] at Warwick, which are heading the UK's research into low carbon powertrains for the next generation of vehicles. Aston, Birmingham, Coventry and Warwick universities are pioneering research into bioenergy, hydrogen materials, future power systems and low-carbon transport technology such as fuel cells[8].

Forging the way in life sciences

The Midlands has the largest number of medical technology and device companies in the UK at more than 13,000. Its highly connected life sciences R&D community includes 6,500 medical graduates each year. Regional life science research centres and institutions include the Institute of Translational

Medicine – a clinical trials hub at the University of Birmingham[9], BioCity Nottingham – the UK's largest science incubator[10], MediCity – a pharmaceutical incubator also in Nottingham[11], and the life science opportunity zones at Charnwood Campus[12] and Birmingham Life Sciences Park[13].

With its large ethnically diverse population of 4.6 million, the region has one of Europe's largest clinical trial portfolios, enabling new treatments to move efficiently from trial to dispensary. The NHS and international life sciences partners have important centres linked to West Midlands universities[14].

Thriving professional services and technology sectors

Employing 340,000 people across more than 48,000 firms, the West Midlands is the UK's largest business, financial and professional services (BFPS) hub outside London, from start-ups to global brands such as HSBC, Deutsche Bank and Hogan Lovells. It is the chosen location for the largest regional offices for each of the Big Four accountancy firms – PwC, EY, Deloitte and KPMG, as well as the European headquarters of major international law firm Gowling WLG. Generating £31.4 billion in revenue annually, BFPS is responsible for a third of the region's total GVA, with a value forecast to reach £50 billion over the next 10 years[15].

The booming technology sector facilitates the growth of financial and professional services firms. The region has the UK's fastest-growing tech sector, with the second-largest number of computer science graduates in the UK. The evolving fintech sector is also receiving increasing support from the region's major universities. The Midlands' fintech economy is currently worth over £400 million, employs over 7,000 specialists, and generates more than 6% of the UK's total fintech GVA[16].

Innovation Birmingham is the region's leading digital and technology campus with more than 170 companies, and regional universities maintain close links with industry to develop programmes in areas such as AI and virtual reality (VR). There are 65,000 people working within 12,500 technology and digital businesses – the largest regional cluster in the UK[17].

The Midlands' diverse skills in key industries are supported by many university led R&D programmes – these are factors which will ensure continued success in the region. With continued investment and an economic environment which draws both UK and international companies, the Midlands can only continue to thrive as one of Europe's fastest growing and attractive business destinations. ■

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[16] https://www.investwestmidlands.com/resources/creative-digital-technologies-investment-prospectus/

[17] https://investwm.co.uk/sectors/tech-creative-services/

Northern England: A powerhouse of potential

Home to 15.5 million people and with more than one million businesses, the North of England has one of the UK's most dynamic economies, with a wide supply chain and a strong consumer base.

With regard to global connectivity, the North has seven internationally connected airports flying to over 250 destinations, 12 major trading ports and three new freeports in Liverpool, Tees Valley and the Humber. Five of the UK's main cities are located in the region: Manchester, Sheffield, Leeds, Newcastle and Liverpool[1].

Employment costs are lower than in Northern Europe and the median wages are lower than elsewhere in England. Industrial land values and rental costs are also very competitive.

Driving the Northern Powerhouse

The North is building its reputation as an innovation hub. Through more than 2,500 advanced engineering companies, the region is responsible for 50% of UK nuclear projects, 30% of all the UK's renewable energy, and 25% of Europe's electric car production[2]. Its economy is currently worth £340 billion and this is set to grow further through the Northern Powerhouse initiative, aimed at accelerating the region's economic growth[3].

The Northern Powerhouse is a partnership between national and regional government, businesses, local partners and civic leaders. It includes 17 enterprise zones which offer additional commercial tax and planning advantages, with further government-supported opportunities across the infrastructure, regeneration, retail and housing sectors.

In 2021, the Government announced a further £100 million investment into the Northern Powerhouse[4]. At the same time, private investment has been hugely important to the initiative's success, totalling over £150 million[5]. Private sector investors to date include telecoms giant Vodafone, which expanded its service centre to create 800 new customer support jobs, along with a further 600 jobs in Newcastle. Similarly, aircraft manufacturer Boeing invested £20 million into a new facility in Sheffield, its first in Europe, to design and manufacture state-of-the-art composite components for its next-generation 737 and 777 aircraft. Also in Sheffield, high-performance car manufacturer McLaren invested £50 million in a new site, creating more than 220 highly skilled jobs. The University of Sheffield Advanced Manufacturing Research Centre (AMRC) will make the carbon-fibre chassis used in McLaren cars, and the company plans further investments into the region[6].

Multi-modal transport planning and delivery is seen as a key component in sustaining the growth of the Northern Powerhouse. In 2023, Transport for the North, a public/private body, published its second Strategic Transport Plan. It sets out an investment strategy aimed at generating an additional 850,000 jobs and a £118 billion economic benefit to the region by 2050[7].

Advanced industries powering growth

Through the Northern Powerhouse, the region is widening its industrial capability across a number of key sectors – not least in advanced engineering materials. It was at the University of Manchester that the thinnest, lightest and one of the strongest materials in existence – graphene – was first discovered.

This is a major breakthrough in advanced materials due to its unique properties, which show huge potential within engineering applications. The National Graphene Institute in Manchester, the Advanced Manufacturing Research Centre (AMRC) in Sheffield and the Centre for Process Industries in

Darlington are each at the forefront of new advances in materials technology, new engineering methods and the digitisation of manufacturing.

The North also has one of Europe's largest concentrations of financial and business services, employing 850,000 people[8], while the region's digital and tech economy are growing 12.5% year-on-year. In 2023, Manchester, Leeds and Newcastle were all ranked in the top 75 in the Global Smart City Index (published by IMD Smart City Observatory), which measures the technological provisions of cities on health and safety, mobility, activities, opportunities and governance[9].

Energy has long been a strength of the region's industrial base, and this continues with renewable energy. Dogger Bank Wind Farm, situated off England's northeast coast in the North Sea, is the world's largest offshore wind farm. On completion in 2026, it will have a total capacity of 3.6GW and will power up to six million homes annually[10].

Within life sciences, the North supports activities from initial research, product development and testing, to clinical trials and production facilities. Pharmaceutical manufacturers GSK, Accord Healthcare, MSD, FUJIFILM Diosynth Biotechnologies and Piramal Pharma Solutions develop, test and distribute life-saving medications across the globe.

A strong record in clinical trials provides life sciences companies with a large and established base of study participants, with the region conducting 30% of the UK's clinical studies[11]. For example, the National Innovation Centre for Ageing (NICA) in Newcastle, runs the VOICE network which researches and designs products and services to improve the lives of elderly citizens[12].

With major clusters of research expertise supporting both existing businesses and new start-ups, combined with a large, highly educated labour pool, the North of England is ideally placed to drive business growth across key sectors such as digital technology, manufacturing, life sciences, professional services and energy.

Furthermore, through its extensive network of rail, road, air and port links, it is extremely accessible to international markets, and with increasing independence in certain areas of decision-making, the region is rapidly growing its reputation as an economic powerhouse of global standing.

[1] https://www.great.gov.uk/international/content/investment/regions/north-england/

[2] https://www.great.gov.uk/international/content/invest/uk-regions/north-england/

[3] https://northernpowerhouse.gov.uk/

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[11] https://www.great.gov.uk/international/content/investment/regions/north-england/

[12] https://uknica.co.uk/voice/

Southern England: Proven performance

The south of England is the UK's fastest-growing region. Covering the southeast, southwest and eastern England, it also has the country's fastest employment growth and is the top region for FDI into the UK.

Strong economic growth in cities such as London in the southeast, Bristol and Oxford in the southwest, Reading in the Thames Valley and Cambridge in eastern England is driving demand for office, residential, energy and infrastructure services. Reading has become a centre for technology-based businesses, while 50% of economic growth in the city of Cambridge is from high-value ICT and professional service sectors[1].

In terms of connectivity, major airports include London Heathrow, Gatwick, Luton, Stansted and Bristol – serving more than 160 million passengers combined. There are direct east-west road connections including the M25 ring road, and the region's substantial fast rail network connects all of its major population centres, as well as Europe. This includes the new Crossrail line connecting areas to the east and west of London, and the High Speed 2 (HS2) rail line, which will connect London to Birmingham at speeds of up to 360kmph[2]. HS2 is the next stage of high-speed rail in the UK after the success of HS1, which connects London to Paris in a little over two hours. Seaports in the region include Southampton, Felixstowe, Bristol, London Gateway and Dover[3].

Education and skills hub

The South of England is home to two of the world's top five universities – the Universities of Cambridge and Oxford. It is also home to nine of the 24 Russell Group universities – an association of top universities in the UK. They produce more than two-thirds of the UK's world-leading university research, support more than 260,000 jobs across the country and inject almost £100 billion into the national economy annually[4].

There are also a number of specialist colleges with international reputations. The National College for Nuclear (NCfN), which has its southern hub in Somerset, is a key component of the UK's nuclear power ambitions. The Government is aiming to use nuclear power as a key part of its low carbon energy mix, with the goal of becoming a zero-carbon economy by 2050. A partnership between industry employers, regulators, skills bodies and training providers, NCfN is responsible for designing the UK's nuclear curriculum[5].

The National Film and Television School, based at Beaconsfield Studios in Buckinghamshire, is the UK's leading centre of excellence for education in film and television programming. It provides practical, specialist behind-the-camera training to over 700 students annually and has developed some of the UK's and the world's top creative talent[6]. Alumni include Wallace & Gromit director Nick Park and Harry Potter director David Yates.

Supporting enterprising industries

More than 300 businesses expand into the south of England every year, with 9,000 new jobs created specifically from overseas businesses. Space, aerospace and defence play a major role in the region's economy through globally recognised organisations such as Lockheed Martin Corporation, Airbus, BAE Systems, and Marshalls Aerospace and Defence Group. London and the Southeast are also important finance centres, both in the UK and internationally. The southeast alone employs 280,000 in the financial sector, contributing £20 billion to the economy.

Technology is another established and fast-growing sector, with a significant presence from companies such as Cisco, Microsoft, Huawei, and Intel. In Cambridge, around 1,500 tech firms generate annual revenues of £13 billion[7].

Southern England also has a number of Enterprise Zones – hubs which focus on specific industries. For example, Discovery Park in Kent has a focus on health science[8], while Aerohub Business Park in Cornwall specialises in the aerospace sector[9]. Harlow Enterprise Zone located along the UK's 'Innovation Corridor' between London and Cambridge, serves businesses within the medical technology, life sciences and ICT sectors and has the largest data centre development in the southeast[10]. The Great Yarmouth and Lowestoft Enterprise Zone offers opportunities for businesses within the offshore wind sector[11].

Driving success in the southwest

Another major business initiative is Great South West - a partnership between business leaders, local enterprise partnerships, universities, colleges and local government, with the aim of adding almost £45 billion to southwest and UK economies by 2035.

Great South West encompasses the areas of Cornwall, Isles of Scilly and 'Heart of the South West' (Devon, Somerset, Plymouth and Dorset)[12] – an area of more than 17,000km². It has a population of more than three million, with an economy of £64 billion and almost 128,000 businesses. It is also the largest single tourist region in the UK outside of London, attracting 17 million visitors, contributing £8.1 billion of gross value added (GVA), and supporting nearly 200,000 full-time equivalent jobs[13].

Building on its traditional sector strengths in food, farming and hospitality, Great South West has ambitions to develop its business base in areas including high-tech engineering, data science, low-carbon energy, financial services and creative industries. The city of Exeter, in Devon, has a burgeoning reputation as a financial and professional services hub, while the region in general is seeing rapid growth in sectors such as the marine industry, environmental science, aerospace and defence, advanced engineering and agriculture technology.

It is also home to Hinkley Point C in Somerset, the UK's first nuclear power station in 20 years. Hinkley Point C will provide low-carbon electricity for around six million homes, create an estimated 25,000 jobs and offset nine million tonnes of carbon dioxide emissions a year – or 600 million tonnes over its 60 year lifespan[14].

In the meantime, investment opportunities are prosperous across the whole of the south of England. From Bristol's City Leap programme to transform the city into a zero-carbon, smart energy city by 2030 through low-energy projects[15], to Cyber Central in Cheltenham[16], which will provide 220,000m² of high-tech commercial space, the region remains one of the world's major powerhouses in commerce and innovation.

[1]https://www.great.gov.uk/international/content/invest/uk-regions/south-england/
[2]https://www.hs2.org.uk/building-hs2/trains/
[3]https://www.great.gov.uk/international/content/invest/uk-regions/south-england/
[4]https://russellgroup.ac.uk/about/our-universities/
[5]https://www.ncfn.ac.uk/
[6]https://nfts.co.uk/about-nfts
[7]https://www.great.gov.uk/international/content/about-uk/regions/south-england/
[8]https://discovery-park.co.uk/who-we-are/
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[10]https://www.harlow.gov.uk/business/harlow-enterprise-zone
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[13]https://greatsouthwest.co.uk/about/
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[15]https://www.bristolcityleap.co.uk/
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Northern Ireland, altogether for sustainable tomorrow

Sheethal Rishi, Regional Director, UAE, Oman, Bahrain, Qatar and Kuwait, Invest Northern Ireland

Sheethal Rishi

Following COP28, Sheethal Rishi, Regional Director, at Invest Northern Ireland – Dubai Offices, discusses how Northern Ireland can support UAE in its sustainable development agenda and the vision towards Net Zero by 2050.

The complex climate situation we find ourselves in, no doubt needs a concerted and collaborative effort from Governments, businesses, and individuals across the world to transform agendas to action, swiftly. While the UAE hosted COP28 in 2023, Northern Ireland remains committed as a trusted global partner to support the transformative and inclusive change towards a sustainable ecosystem, which the UAE aims to achieve.

As the economic development agency for Northern Ireland, Invest Northern Ireland has helped facilitate partnerships between the two regions for over two decades, ranging from collaborating in the waste management sector to setting up a college of medicine in Dubai. With the UAE's Year of Sustainability in 2023 and with the climate action focus at COP28, it's time to turn our attention to the transformative impact the small but resilient region of Northern Ireland can have on the UAE's pursuit of sustainable development.

Belfast ranks in the Top 10 Most Sustainable Destinations in the world for 2022 and secures the position of 8th globally in the 2022 Global Destinations Sustainability Index. But beyond accolades, sustainability is at the heart of everything Northern Ireland businesses strive towards. From investing in renewable energy and green technologies to promoting eco-friendly practices across industries, Northern Ireland's sustainable practices and innovative technologies showcase a proactive approach towards reducing the world's carbon footprint.

The green growth and renewable energy sector perhaps best showcase Northern Ireland's potential for contribution to the goals of COP28. With a comprehensive supply chain geared towards carbon footprint reduction, an electricity grid that uses 70% wind for hydrogen production and storage capabilities, and with world-class research centres of excellence, Northern Ireland is the perfect test bed for net zero technologies.

IoT solutions for real-time data collection and analysis create a landscape change in how cities function efficiently with reduced carbon footprints. With companies like 3DEO, who use an interactive 5D mapping platform to monitor and

manage complex infrastructure, we see active voices and players in the drive towards smart ports of the future. See Sense combines the simple act of cycling with IoT sensors to gather anonymised data insights, thus making cities and micromobility safer and reducing CO^2 output where possible. A world-class telecom and digital infrastructure supports Northern Ireland companies by providing them access to the highest level of full-fibre service in the UK.

Sustainable technologies play a significant role in the transition to the Green Economy, and Belfast has been ranked 9th in the top European Tech Cities of the Future. It also ranked 2nd in the UK in a poll of Top 25 Tech Cities and one of the top 15 Digital Economies of the Future.

Northern Ireland's manufacturing and materials handling sector is another key strength with immense potential. It has a unique cluster of companies that excel in engineering and manufacturing and have a global footprint. The manufacture of low and zero-carbon buses and electric boats from companies like Wright Bus and Artemis Technologies puts Northern Ireland at the forefront of decarbonising the global transport sector. Northern Ireland's world-class products have also been exported globally to support projects within construction, mining, quarrying, demolition, ports, agriculture, airports, and recycling, making it a logical supplier for the UAE's sustainable infrastructure projects.

CDE and Kiverco are at the forefront as leading technology providers in the waste recycling industry worldwide. Their machines have helped recover valuable aggregates and sand from millions of tons of construction and demolition waste which was otherwise sent to landfills. This alternative source of construction materials can substitute virgin materials to reduce environmental impact in terms of energy consumption, pollution, waste disposal and global warming.

Northern Ireland's reputation is only further matched by its world-class trade links; it is the only place businesses can operate free from customs declarations, rules of origin certificates and non-tariff barriers on the sale of goods to the UK and EU markets. This puts Northern Ireland in the highly advantageous position of being the only region in the world that is able to trade goods freely with both UK and EU markets. Belfast was ranked 1st for its FDI strategy in the fDi Intelligence's Mid-Sized Cities of the Future 2023.

With the need to rethink, refocus and support the climate agenda greater than ever, we look forward to collaborating and continuing our support to UAE's vision and journey towards a sustainable future.

For more information on Northern Ireland as a trusted global business partner and how to collaborate with Northern Ireland businesses, visit our website at **www.investni.com/international**, or contact Mrs Sheethal Rishi at **Sheethal.Rishi@investni.com**.

Northern Ireland: Hotbed of innovation

Northern Ireland is located in the northeast corner of the island of Ireland, separated from the UK mainland by the Irish Sea. It is the only region of the UK to share a land border with a separate state – namely, the Republic of Ireland to the south and west.

The region has a strong tradition of industrial innovation. One in five computer drives includes components made in Northern Ireland, and it produces one in three of the world's aircraft seats[1]. Its capital, Belfast was ranked in the top 10 "Mid-sized European Cities of the Future" for 2023 by the Financial Times fDi Intelligence[2], and is rated the number one international investment location for US cyber security projects.

The incentives Northern Ireland provides have made it attractive for private investment. Operating costs are up to 30% lower than other locations in the UK and Europe, and it has some of Europe's lowest prime office rental costs. At 19%, it has one of the lowest corporation tax rates in the G20 and the second lowest in Western Europe. Over 1,100 international companies have invested in Northern Ireland operations and 75% of new investors have reinvested[3].

One of the key factors attracting global brands to the region is its excellent communications infrastructure. With a fully digital, fully-fibre optic communications network, it was the first region in Europe to achieve 100% broadband coverage and one of the first to operate high-speed, next-generation services, with a 100 gigabyte per second link to North America and Europe[4].

In terms of travel connectivity, its three airports have daily direct flights to many European business locations and is under two hours by road or rail from Belfast to Dublin, the capital of the Republic of Ireland.

Unique educational environment

With 53% of its residents under the age of 40, Northern Ireland has one of Europe's youngest populations. Its network of regional colleges enrols almost 154,000 students in its professional and technical programmes. It also attracts large numbers of overseas students to its universities, schools and vocational colleges.

Students consistently outperform candidates from other UK regions with GCSE and A-Level grades. According to a major survey, Northern Ireland has the best performing education system for primary maths in Europe, and the sixth best in the world. Employers also benefit from lower-than-average labour turnover rates[5].

It is home to two world-class universities. Queen's University Belfast is more than 175 years old and a member of the Russell Group of 24 leading UK research-intensive universities. Ulster University has more than 27,000 students from 100 countries across four campuses.

Both universities have world leading expertise in large-scale data analysis, machine learning and artificial intelligence in health, financial services and cyber security. This makes the region well-placed to develop services and solutions for government, civic and private organisations. The Institute of Electronics, Communications and Information Technology (ECIT) at Queens University is host to the award-winning UK Innovation & Knowledge Centre for Cyber Security and The Centre for Secure Information Technologies, among other globally recognised research hubs.

Building industry on innovation

Food and drink manufacturing is Northern Ireland's largest industry sector, valued at £5 billion. Traditionally based on family farms and fishing businesses, it has become home to a number of centres of excellence. The Agri-Food and Biosciences Institute (AFBI), for example, conducts high-technology research and development, diagnostic and analytical testing for Northern Ireland's Department of Agriculture, Environment and Rural Affairs (DAERA), other government departments, public bodies and commercial companies.

Similarly, the Institute for Global Food Security at Queen's University Belfast advises the UK and other governments on food safety. While at Ulster University, a 100-strong team at the Nutrition Innovation Centre for Food and Health is researching the potential impact of diet and food quality on conditions such as ageing, obesity, cancer, heart disease, osteoporosis and cognitive decline.

Unleashing technology

Due in part to its superfast digital communications infrastructure, including its high capacity, low-latency transatlantic cable system which provides direct connectivity to North America, Northern Ireland has one of the UK's fastest growing technology clusters with more than 1,200 companies. These include 100 global technology leaders such as Fujitsu, SAP, Cisco-owned Broadsoft, semiconductor manufacturer Xilinx, cyber security giant Rapid7 and leading application security firm Whitehat Security[6].

In health and life sciences, the region benefits from a strong collaborative approach between industry, academia and clinicians. Through its engineering, technological and construction expertise, it is also positioned as a renewable energy hub. It has more than 150 companies with the capability to provide a range of innovative products and services to address the specific needs of the clean energy and water supply chains.

In the creative and digital space, Northern Ireland is home to a cluster of companies that work with international partners to deliver creative solutions within animation, audio technology, mobile content, e-learning and music. Its burgeoning animation sector is supported by specialised graduate courses in computer animation for games, visual effects, feature and TV animation.

Its advantages as a uniquely scenic destination for location shoots also regularly attract international names to the region. Universal Pictures, Disney and HBO have all chosen Northern Ireland for recent productions and much of the fantasy epic, Game of Thrones, was filmed there.

Eyes on Northern Ireland

Northern Ireland is set to remain a key location for future investment. It has a strong base of innovative local companies, highly developed infrastructure and a competitive investor environment which has already proved to be a strong combination for success.

Add into the equation a youthful population, an advanced technological base that attracts some of the most innovative international organisations, together with Belfast's ranking among the top cities of the future, and it is clear Northern Ireland is continuing to forge its future as a leading global business location.

[1]https://www.investni.com/sites/default/files/documents/static/library/invest-ni/documents/reasons-to-invest-in-northern-ireland.pdf

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[5]https://www.investni.com/sites/default/files/documents/static/library/invest-ni/documents/reasons-to-invest-in-northern-ireland.pdf

[6]https://www.investni.com/sites/default/files/documents/static/library/invest-ni/documents/reasons-to-invest-in-northern-ireland.pdf

Scotland: Energising investment

Scotland is an increasingly popular location for inward investment. Over the past 10 years, it has consistently attracted more FDI than any other region in the UK outside London[1]. The region prides itself on its reputation for R&D, its strong manufacturing and financial services sectors, its commitment to digital and technology innovation, and high levels of employee retention.

As an indication of its dynamism, its three largest cities of Glasgow, Edinburgh and Aberdeen are all in the UK's top 10 locations for FDI[2], the digital sector is forecast to grow at twice the rate of the rest of the UK economy, and its life sciences industry has seen a 10% year-on-year growth since 2010[3].

There is also significant potential for investment and growth in sectors including aerospace, financial services, and renewable energy, with 25% of Europe's offshore wind and tidal resources in Scotland[4].

As a devolved nation within the UK, Scotland makes its own decisions in areas including education and training, health and social services, housing, agriculture and the environment. However, there are still some aspects of governance which remain centralised in London. These include such areas as the constitution, defence, employment, immigration, trade and industry, and foreign policy.

Pioneering in technology

Digital technology is Scotland's fastest-growing sector for inward investment – more than 10,300 tech companies contribute in excess of £5 billion to the economy. It has centres of excellence offering collaboration platforms within several sectors. These include cyber security, data, financial technology (fintech), gaming, global business services, software and IT, space, waste and wastewater technology. Its Internet of Things (IoT) network is the UK's most advanced of its kind, creating an environment for companies to test, develop and commercialise new services.

Its universities produce 15,000 graduates in digital technology each year, and it employs 83,000 people across its digital and technology industries. Edinburgh is one of the UK's top cities for start-ups, while Glasgow is one of the country's largest technology investment hubs[5].

Advances in energy

With 12,000km of coastline, significant government support and world-class research and development facilities, Scotland is also a world leader in the renewable energy sector.

Known as the 'windbreak of Europe' due to its location, it has 3.4GW of offshore wind already operational or under construction – enough to power around 1.4 million homes – and 5.4GW scheduled[6].

It is home to the world's first community-owned tidal array, the world's first floating offshore wind farm, and one of Europe's largest hydrogen bus fleets. It also has the world's largest energy research group of more than 700 renewable energy scientists, engineers and academics.

A new power plant at Peterhead in the northeast, aims to be the world's first gas-fired power station to be equipped with carbon (CO^2) capture and storage technology. The facility will be able to capture up to 1.5 million tonnes of CO^2 every year – 15% of the UK's 2030 target.

This is just the start – there is plenty more on the renewables agenda. Launched in 2020, the ScotWind programme, for example, aims to deliver an extra 27.6GW of wind energy by 2035 through a new generation of offshore wind farms. It has the potential to power every home in Scotland with green electricity, and help achieve net zero carbon emissions by 2045[7].

Another significant energy development is the Acorn Hydrogen project in St Fergus in the northeast. This will be Scotland's first large-scale hydrogen infrastructure programme aimed at meeting the UK's net zero targets[8]. The project will initiate, test and develop a cost-effective way of converting North Sea gas to cleaner fuel – blue hydrogen linked to carbon capture, utilisation and storage. It is part of a five-year Hydrogen Action Plan launched in 2021 to invest £100 million in making Scotland a leader in the production of reliable, competitive and sustainable hydrogen[9].

Food for thought

Food and drink are among the world's most staple industries, and Scotland is no exception. There are 122,000 people working within the sector and it has set an ambition to be among the lowest carbon and most efficient food producers in the world by 2032[10].

With a £15 billion turnover and £5.6 billion gross value added (GVA), it already leads in Europe for food production, food manufacture, food and drink research, and food technology – and is due to meet its revenue target of £30 billion by 2030[11].

Top for tourism

In terms of tourism, Scotland is considered to be one of the UK's most scenic locations. It has more than 18,000km of coastline, 220km of canals, 31,460 freshwater lochs and 118 inhabited islands, and consistently outperforms the rest of the UK in attracting visitors.

Tourism contributes around £6 billion to the overall Scottish GDP, or approximately 5%, with 111.5 million visits in 2022, including 13.5 million overnight stays. Overseas travellers spent around £3.15 billion in 2022 alone[12].

In recent years, Scotland's profile on the world map has continued to grow. It has harnessed the advantages of its natural beauty, and the geographical advantages which have made it a world leader in renewable wind energy. And by increasing its leadership in areas such as sustainable food technology and the digital economy, it has placed itself in the unique position of keeping one foot in its heritage and the other firmly in the future.

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[6]https://www.sdi.co.uk/business-in-scotland/find-your-industry/energy-transition-industries

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Wales: The Welsh dragon is roaring

Positioned in the west of the UK and bordering England from north to south, Wales has fast become a major investment hub – it is home to more than 6,000 businesses, with approximately 1,400 foreign-owned companies, including Toyota, Siemens Healthineers, GE, Sony and Airbus. With Cardiff International Airport connecting Wales to Europe's main commercial centres in some 90 minutes and exports to the value of £115 billion[1], it is easy to see why Wales is such a popular location for business investment.

It has eight enterprise zones providing a range of financial incentives, each specialising in a particular sector, with the Anglesey Enterprise Zone focusing on low-carbon energy. Its eight universities and 13 further education colleges with over 220,000 students, include around 25,000 international students from some 145 countries – making up 19% of the student population[2].

Robust and secure technology industry

Wales' well-established tech infrastructure employs 45,000 people and contributes more than £8 billion a year to the country's economy. It has 3,600 tech businesses, these include over 400 electronics businesses and some 250 telecoms companies[3].

Tech businesses have a secure and robust backup infrastructure. Europe's largest data centre campus, run by Vantage Data Centers, is based in Cardiff, the country's capital. It can accommodate IT hardware infrastructure and provide regional, national and global connectivity[4].

The compound semiconductors industry in South Wales is at the forefront of Industry 4.0, with academia, government and industry collaborating to establish the world's first compound semiconductor cluster – CS Connected. Compound semiconductors are integral in the development of smartphones, wifi, satellite communication systems, robotics and LEDs. IQE, one of the industry giants, is based in Cardiff. It has a 55% global market share, meaning a high proportion of the world's smartphones contain a component made in Wales[5].

The success of IQE is backed up by a range of pioneering Welsh R&D support from the Compound Semiconductor Centre, the Institute for Compound Semiconductors, the Centre for Integrated Semiconductors, the Translational Research facility, the Compound Semiconductor Applications Catapult and the OpTIC Centre.

Advanced manufacturing innovator

Wales' productivity in the high-value manufacturing sector is greater than the UK average, with a 150,000 workforce employed by some 5,000 advanced manufacturing businesses, from aerospace and automotive, to power generation, infrastructure and low carbon.

In particular, the aerospace industry continues to prosper, with 160 aerospace and defence companies employing over 23,000 people at some of the world's leading companies. These include Airbus, BAE Systems, GE, Nordam, Babcock, British Airways, General Dynamics, Magellan, Raytheon and Zodiac Seats[6]. The sector benefits from enterprise zones at Cardiff Airport and Bro Tathan Business Park in the Vale of Glamorgan, and forms a key component of Anglesey, Snowdonia and Deeside enterprise zones. Airbus Group in North Wales alone employs 6,500 in its civilian aircraft wing plant[7].

The automotive industry is similarly buoyant. Solid links between industry and the universities have created a strong R&D base for future innovation. Toyota's Deeside plant, for example, produces around 1,300 hybrid engines daily, while Ford has manufactured over 20 million engines in the country. Aston Martin is a more recent arrival, opening a plant in St Athan (within Cardiff Airport) to build its DBX Crossover model. At full capacity, the plant will employ 750 people[8].

Pioneering a low-carbon economy

Around 58,000 people work in the energy and environment sectors with innovations in marine energy and low-carbon projects, generating almost £5 billion in revenue[9]. Utility companies are investing in sustainable energy sources and the deep seaports are also equipped to support renewable projects.

The Welsh Government aims to make the country a low-carbon economy and to eliminate landfill by 2050. It also wants to be globally recognised as a leading location for the development and delivery of emerging technologies. The Government has also pledged to invest around £100 million in the Tech Valleys programme – the advancement of technology into AI, autonomy, advanced robotics and machine learning for industry, academia and the public sector – through to 2027. It is thought the programme will create over 1,500 jobs in emerging disruptive technologies, including advanced automotive materials/manufacturing and autonomous processes[10].

A £20 million R&D facility in North Wales, the Advanced Manufacturing Research Centre (AMRC Cymru)[11], opened in 2019 focusing on sectors including aerospace, automotive, construction, energy and health. The Centre supports key manufacturing firms, multi-sector supply chain companies and more broadly the SME economy.

With regard to life sciences, Wales is developing significant capabilities in MedTech, e-health diagnostics and cell therapy. Its fast-growing regenerative medicine ecosystem includes academics, the UK National Health Service (NHS), the Government and clusters of excellence in areas such as vitro diagnostic (tests that can detect disease, conditions and infections), wound care and single-use technologies which are greener to produce with lower production costs. The Welsh life sciences industry has a turnover of around £2.6 billion, employing over 12,000 people across more than 260 companies. Around 75% of its life sciences market is export focused[12].

Culture of collaboration

The Western Gateway project, launched by the British and Welsh governments in 2019, aims to encourage economic cooperation between South Wales and Southwest England.

The initiative is focused on eight cities on both sides of the River Severn which joins the two regions. These include Newport, Swansea, Cardiff, Bristol, and Bath. It aims to rival similar regional co-operations such as the Northern Powerhouse – the UK Government's vision for a super-connected, globally competitive northern economy, and the Midlands Engine – a partnership that brings together businesses, universities and the public sectors to generate added value across the UK's Midlands region.

Wales has already made huge strides in progressive areas of industry. These combined with building national co-operations, set Wales on a firm footing for the future. ■

[1] https://www.great.gov.uk/international/content/investment/regions/wales/
[2] https://www.wales.com/about/facts-about-wales
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