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MEED-Mashreq Manufacturing Business Leaders Forum

The Road Ahead For UAE Manufacturing

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MEED
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Foreword

The UAE is striving for industrial competitiveness in line with national ambitions and strategic initiatives

Manufacturing is a strategically important sector for the UAE. As well as creating jobs and driving exports, it offers the potential to become a major source of private and foreign investment, while reducing dependence on oil as a revenue source.

Launched in March 2021, Operation 300bn seeks to expand the UAE's industrial contribution to GDP from AED133bn to AED300bn over a 10-year period. The national industrial strategy also includes ambitions to accelerate the development of high-tech sectors such as aerospace, while supporting the UAE's goals of enhancing food security and building a circular economy.

But the legacy issues of the Covid-19 pandemic continue to linger, even as challenges including supply chain bottlenecks and inflation come to the fore.

Could this affect the UAE's long-term vision for its industries?

On 29 September, leading players from the UAE's industrial sectors gathered at the MEED Mashreq Manufacturing Business Leaders Forum in Dubai to discuss the road ahead for UAE manufacturing.

The session was spearheaded by a keynote by Abdullah Alshamsi, assistant undersecretary, industry growth sector, Ministry of Industry and Advanced Technology (MoIAT), who offered in-depth insights on the role of Operation 300bn in transforming the contribution of the UAE's industries to the economy.

A high-level panel discussion then discussed the opportunities and challenges that face the UAE's industries, including macroeconomic pressures and alignment with internal regulations and policies.

A key recommendation from the forum was greater collaboration between governments, businesses and banks to maximise the value of returns and to inculcate transparency in industry practices.

This report summarises conversations and serves as a foundation for future discussions.

Ramping up industrial strength

Manufacturing is strongly emerging as the flagbearer for the UAE's long-term economic ambitions

OPERATION 300BN

GDP

AED 133bn

2031

AED 133bn

2021

AIMS TO EXPAND THE INDUSTRIAL SECTOR'S GDP CONTRIBUTION FROM AED133BN TO AED300BN BY 2031

Enabling a flourishing industrial and manufacturing economy has long been a strategic priority for the UAE.

Since the formation of the federation, the country has successfully built its base in key focus sectors, including metals, petrochemicals, building materials, pharmaceuticals, and high-value downstream processing sectors.

But arguably, the challenges of recent years and the effects of the Covid-19 pandemic have driven home the need to further reduce reliance on imports and to enhance the UAE's manufacturing competitiveness.

"Fundamentally, many of the things happening in the world are in favour of the UAE's industries and present many opportunities for success," said Abdullah Alshamsi, assistant undersecretary, industry growth sector, Ministry of Industry and Advanced Technology (MoIAT).

Speaking at the first MEED-Mashreq Manufacturing Business Leaders Forum on 29 September, Alshamsi emphasised the government's seriousness in bolstering its manufacturing sector.

"We have embarked on several changes to make the UAE a more attractive place to do business. Operation 300bn is one such example," he said. "There is more to come, because industry has become a number one priority for our leadership."

Strategic focus

Introduced in March 2021 as the UAE's national industrial strategy, Operation 300bn aims to expand the contribution of the sector to the GDP from AED133bn currently to AED300bn by 2031 – by no means an easy feat.

Spearheaded by the MoIAT, the programme targets a greater incorporation of advanced technologies, sustainability, and investments in talent to achieve the overarching goal.

IN-COUNTRY VALUE

The National In-Country Value Program (ICV) is a procurement-led initiative to promote sustainable growth and development of the UAE's economy. It is geared at promoting GDP diversification, creating job opportunities for UAE nationals in the private sector and provides local businesses more opportunities to participate in contracts and purchases led by clients that uphold the initiative.

The ICV program was first introduced for suppliers of Abu Dhabi National Oil Company (Adnoc) in 2018. The programme has since expanded to cover different governmental and semi-governmental entities including Aldar Properties, Abu Dhabi Department of Economic Development, Mubadala Investment Company and Abu Dhabi Ports under a Unified Certification Process.

The ministry is working closely with the Emirates Development Bank, which has allocated AED30bn to support priority industrial sectors and finance 13,500 large firms and SMEs over a period of five years.

The ministry is further introducing 17 initiatives, including an expansion of the national in-country value (ICV) programme, an updated industrial law, a unified digital platform, and the establishment of an ecosystem for research and development.

More specifically, the programme will target established industrial sectors in the UAE, such as plastics, metals and petrochemicals, as well as emerging industries including aerospace and biotechnology; and strategic sectors such as food and healthcare.

"Some of the things we are doing through Operation 300bn include the opening of new markets, made possible through the free trade agreements signed with India, Indonesia and Israel recently," said Alshamsi. "The UAE's industries can build on this competitive advantage and enter high-growth markets."

A core component of the initiative is ensuring its reputation precedes itself.

One way the MoIAT is doing this is through the 'Make It in The Emirates' campaign, a comprehensive promotional strategy that invites contributions from investors, innovators and developers to Operation 300bn, and highlights the strengths of the programme.

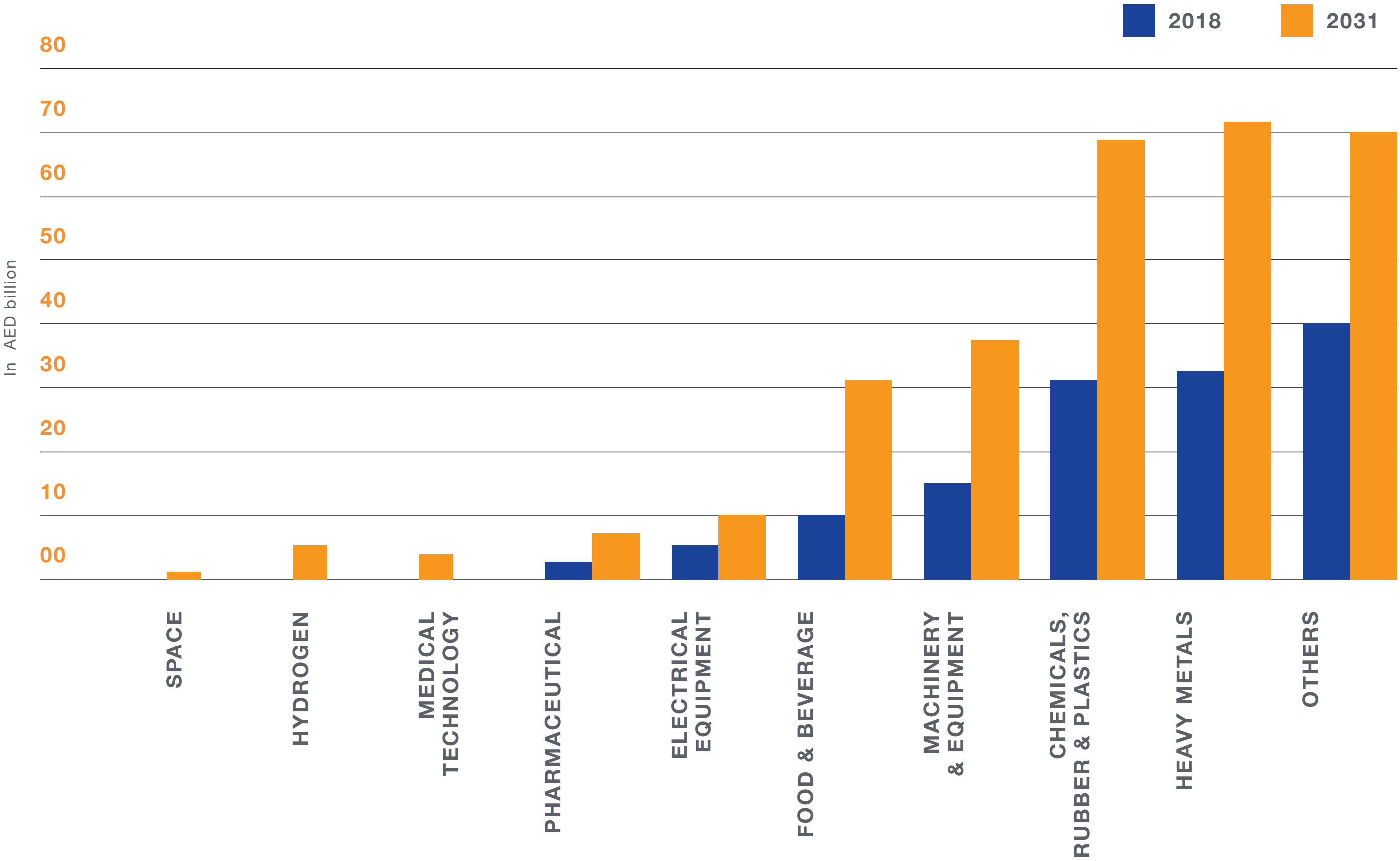
"The government is open to hearing from industries and to learn how we can make business better," said Alshamsi. "Open dialogue will help us achieve our goals and ambitions."

The national ICV scheme meanwhile aims to boost the growth of UAE-based industries by redirecting half of government spending on procurements and tender contracts into the national economy by 2031. In 2021, it redirected more than AED41bn into the national economy.

A concern, however, raised by representatives at the Business Leaders Forum is that the ICV scheme hasn't fully created a level-playing field in many cases because the cheapest bid still wins.

"What you've seen of ICV so far was just the first phase," said Alshamsi. "In the next

OPERATION 300BN PRIORITY SECTORS AND THEIR GROWTH OUTLOOK



Source: UAE Ministry of Industry and Advanced Technology (MoIAT)

SIX MAIN OBJECTIVES OF OPERATION 300BN

Create a relevant, attractive and engaged business environment to meet local and international investor needs

Support the growth of national industries and enhance their competitiveness

Encourage innovation and advanced technology adoption across the industrial framework

Help fortify the UAE's position as a global destination for pioneering industries of the future

Provide a comprehensive array of administrative services in accordance with the highest standards of quality, efficiency, transparency

Cultivate a culture of innovation within the ministry

phase, we'll relaunch it as ICV 2.0, which we hope will be more aggressive and impactful, and will address concerns currently raised by industry players."

By 2025, the updated ICV scheme aims to increase the number of certified companies and spend towards Emirati products and services to AED55bn, from AED33bn in 2020.

Making a case

A question to be raised is why manufacturing and industries?

Since the oil price crash of 2014-2015, the UAE has increased its efforts to counter economic fluctuations by reducing dependence on oil export revenues.

Manufacturing and industrial growth was quickly recognised as a growth driver. As a sector with easy links to several others – skills, transport, research, services – it supports a broader segment of the economy. With the rise of Industry 4.0, manufacturing is benefitting from technology and innovation, areas that the UAE readily compliments with its own strategic visions.

Several other factors are already working in favour of the UAE. These include 100 per cent foreign ownership of specific businesses; a favourable tax environment; long-term visa reforms; dual licensing; and a complementary legal system.

Further supporting the business environment is overall political stability; a positive credit outlook; favourable bilateral relations and free trade agreements; and robust infrastructure in areas such as transport, logistics and telecommunications.

But that does not mean the manufacturing landscape is bereft of challenges. Rising competition in the region, especially from neighbouring GCC states, some of whom have imposed tariffs on UAE-produced imports, has meant that manufacturers in the UAE's 'open waters' have had to reassess their strategic priorities.

At the same time, challenges such as inflation, supply chain delays, rising commodity prices and surging fuel rates are hurting producers and their margins.

"Moving forward, UAE manufacturing can differentiate itself from regional players by being recognised for sustainability, quality and advanced technology," said Alshamsi. "It's something in our DNA, something so many other countries lack. This can become a true differentiator for us."

Building competitive industries in the UAE

Protectionist trade policies allow for short-term gains, but may erode long-term competitive capabilities

Putting up protectionist trade barriers may serve as a simple knee-jerk solution to current economic challenges, but pivoting economic policy inward does not ultimately support long-term growth of national industry, according to Abdullah Alshamsi, assistant undersecretary, Industry Growth Sector at the UAE's Ministry of Industry and Advanced Technology (MOIAT).

"Industrial policy and trade policy are intertwined. Significant trade barriers exist today, preventing the smooth flow of goods across many parts of the world. Despite ongoing economic and geopolitical challenges, some countries are resisting the temptation to adopt protectionist policies and are increasing collaborative efforts to lower these barriers.

"For instance, the UAE has aligned with international quality standards to complement its free trade agreements. Our approach creates an environment that supports industrial exports and economic growth in the long term."

Several of the attendees at the forum, representing local businesses in the UAE, called for initiatives to level the playing field between domestic and foreign producers.

The UAE has an open trade regime with low tariffs and few non-tariff barriers – a strategically liberal policy designed to attract foreign direct investment (FDI).

The policy has been particularly successful in a global geopolitical climate of increasing protectionism triggered by Covid-19 and accelerated by the war between Russia and Ukraine.

> **"The concept of ICV has been a learning journey for us in the country. We want the same for our clients, and we're keen to see how this programme continues to evolve."**
>
> **Mohammed Almutawa**
> Group CEO
> Ducab

$20.7bn

WORTH OF FOREIGN DIRECT INVESTMENT ATTRACTED BY THE UAE IN 2020

Source: UNCTAD World Investment Report 2022

The UAE ranked first in the Arab world and in the top 20 globally for its ability to attract FDI inflows, according to the 2022 World Investment Report issued by the United Nations Conference on Trade and Development (UNCTAD).

Up 4 per cent from 2020, the UAE attracted $20.7bn worth of FDI in 2021, making it the first Arab country to acquire 40 per cent of the total $52.9bn in FDI received by the Arab world.

"Our ambition in the UAE is to produce and enable the growth of global champions, of globally competitive industrial companies," said Alshamsi.

"And to be globally competitive, you need to know how to be productive, how to manage your costs, and how to enter markets and compete within these markets, despite challenges."

"It's a complex balance to strike between economic, growth and industrial policies in order to accommodate and advance the sector," said Mohammed Almutawa, group chief executive officer at Ducab, part of the panel discussion at the forum.

Almutawa highlighted the role that policies such as localisation playin creating a more competitive and robust industry.

"The concept of ICV has been a learning journey for us in the country. We want the same for our clients, and we're keen to see how this programme continues to evolve."

Shared responsibility

However, while government policy has a role to play in supporting the local manufacturing sector, Almutawa said that industry has a responsibility to "be fit enough" to play on the field.

"In bad times, we need initiatives from government to protect the integrity of industry," he said. "But as manufacturers, we must share responsibility by preparing ourselves for bad times by adding value, pushing the bar higher, and making it difficult [for foreign competitors]. Companies need to be as agile as possible. Otherwise, complacency sets in."

Almutawa noted that protectionism is not a guarantee for success.

"We've seen examples of protectionism within the region, that helped large companies grow within a protected market," he said. "But the minute that protection was lifted, that big company collapsed like a house of cards. The reason for that is when you have too much protectionism you become complacent.

"You need to grow and succeed on your

> **"These markets are still developing, emerging economies that are on a fast pace of growth unlike developed economies."**
>
> **Abdullah Alshamsi**
> Assistant Undersecretary, Industry Growth Sector, Ministry of Industry and Advanced Technology (MoIAT)

ECONOMIC PARTNERSHIPS

2.6%

CONTRIBUTION TO THE UAE GDP BY 2030 AS AN OUTCOME OF AGREEMENTS SIGNED WITH INDIA, ISRAEL AND INDONESIA

own merit. Yes, competitive prices are one way you can capture markets and enter a market. But being a 'one trick magician' isn't going to work. Having a short-term vision for making a profit is a death sentence for any organisation."

Open dialogue

At the same time, Almutawa and his peers at the forum commended the government's willingness to engage in dialogue and incorporate feedback.

"One of the most wonderful things about the UAE's industrial landscape is the close dialogue with the decision-makers and the accessibility that we see, especially in the food and beverage sector," said panellist Ahmed Bayoumi, CEO at Global Food Industries (GFI).

"We have the keys to change the direction," said Almutawa. "We just need to use the opportunity."

Assistant undersecretary Alshamsi added that the UAE's industrial trade policy is balanced, open, and will help the nation's industrial sector be competitive.

"Our immediate priority at the ministry includes helping existing manufacturers — small, medium and large — achieve their growth and expansion plans and be even more ambitious," he added.

"We are partnered with Emirates Development Bank, and with commercial banks, to focus on industry and to see that industry is a good place to finance. We are also working with federal and local government entities to fix some of the ecosystem challenges that we see, to make it easier and more attractive to do business.

"The first thing that we did was to quickly open new markets. So even if one market or a few markets were closed or protected, we opened new massive markets that are 10 or 20 times bigger than some of the ones that were closed."

Comprehensive economic partnership agreements (Cepa) signed by the UAE with India, Israel, and Indonesia in the first half of 2022 are forecast to grow the national economy by 2.6 per cent by 2030. The deals enhance access to a 1.4 billion population in India, 280 million in Indonesia, and 10 million in Israel.

"These markets are still developing, emerging economies that are on a fast pace of growth unlike developed economies," said Alshamsi.

MoIAT is also in talks on other reciprocal agreements and an enhanced ICV scheme.

"We are very aware of the challenges that exist, and they have not been put on a shelf. We are working on it," said Alshamsi.

Leading UAE manufacturers gathered on 29 September to discuss challenges and opportunities for the sector

Food producers spar with challenges

Issues including the Russia-Ukraine conflict, inflation and soaring commodity prices are hampering growth

Local food and beverage (F&B) producers in the UAE have said that the sector is being severely constrained by rising input costs and unprecedented challenges caused by the Russia-Ukraine conflict.

The impact of the war, which began in February this year, has reverberated across the globe, creating uncertainty and insecurity in global food supply chains.

The food industry is among the vital focus industrial sectors of the UAE's Ministry of Industry & Advanced Technology's (MoIAT) Operation 300bn plan, not only to enhance its contribution to GDP but also to support long-term food security and self-sufficiency by facilitating local production.

For industry stakeholders gathered at the MEED-Mashreq Manufacturing Business Leaders Forum, the Covid-19 crisis and conflict in Ukraine have only further underlined the importance of pursuing a food security strategy.

"The UAE F&B industry has more than 550 manufacturing units and employs more than 80,000 workers with a value of production of over AED35bn and exports of more than AED15bn," said Ahmed Bayoumi, CEO of Global Food Industries (GFI) and board member of the UAE Food & Beverage Manufacturers Group.

"The Ministry of Climate Change and the Ministry of Industry are jointly spearheading efforts to increase the domestic supply of food products and to make the UAE one of the most food secure countries in the world," explained Bayoumi.

"The two strategies, food security and Operation 300bn, both have many programmes to support the industry. We also really appreciate the new free trade agreements and the building of new trade routes with India, Indonesia and Israel."

The UAE and other Gulf states – considered food-secure due to their economic and political stability – have not faced food shortages since the pandemic. But food security and limiting vulnerability to import disruptions remains a key strategic long-term goal, as they lack control over food sources. GCC states,

THE CONTEXT

Russia and Ukraine are the world's largest and fourth largest grain exporters respectively.

Ukraine is a major supplier of sunflower oil and grain. Alongside Russia, it supplies a third of the world's wheat and barley.

Trade data shows that the UAE primarily imports wheat from countries including Russia, Canada, Ukraine, Australia and India.

After China, India is the world's second largest wheat producer but exports only a small portion owing to large domestic consumption.

The Indian government enforced a ban on wheat exports in May 2022 after a heatwave badly affected its crops, citing the need to keep reserves for its own population.

In June, India said it will export wheat supplies to the UAE under a special agreement between the two nations.

The UAE's Ministry of Finance said the shipments are for domestic use only, with re-exports banned for four months.

including the UAE, typically import over 85 per cent of their food.

Compounding the situation is a harsh climate, with local food production limited due to the scarcity of natural resources such as water and arable land.

According to the World Resources Institute, the Middle East and North Africa is the most water-stressed region globally, with the World Bank forecasting the region to experience the highest economic losses from climate-related water scarcity compared with other global regions, at about six to 14 per cent of their GDP by 2050.

Conflict stress

Closed-off access to the lower-priced Black Sea grain since the outbreak of the war has induced commodity shortages and exacerbated inflationary pressures for purchasers already struggling with fragile pandemic-disrupted supply chains, high import costs and spikes in energy costs.

"Because of the Ukraine war, sunflower oil and flour prices are up by almost 60 per cent," a local food manufacturer said during the forum.

"Additionally, the Indian government has banned wheat exports from India. This has created an increase in commodities prices in the local market. It directly impacts me because almost all my products use wheat. Wheat flour is 60 per cent of my raw material."

The challenge, he said, is further compounded because commodity suppliers have been demanding advance payments as they capitalise on the shortages. But in the credit-driven UAE market, manufacturers are still bound by 90 to 120-day payment cycles.

"At the same time, I am restricted from increasing my prices due to government imposed price controls on certain staple products," the manufacturer said. "It is not healthy for the industry. There must be some intervention from the ministry to address this."

Countering inflation

Inflation has risen to historic levels in many markets worldwide, significantly impacting consumers and businesses.

In the UAE, the International Monetary Fund (IMF) forecasted that global inflation will average 5.2 per cent this year.

One local manufacturer at the forum said businesses have "no other way" to protect their finances and margins than to raise the prices of their goods.

"The government does not like to disturb consumers with price increases, but this is a very big challenge for manufacturers," he said. "If manufacturers don't increase prices, they will lose money."

A 2022 Grant Thornton survey of 5,000 mid-market businesses across 28 countries, including the UAE, revealed that 87 per cent of businesses in the UAE have opted to pass the cost of surging inflation to consumers in a bid to protect their margins by increasing their prices, "at the same level or above our cost increases".

"Producers who perhaps enjoy more subsidies or due to currency fluctuations, can access the UAE market at low cost. This tends to come at the cost of demand for local manufacturers."

Ahmed Bayoumi,
CEO
Global Food Industries (GFI)

INCREASES PER YEAR

18%	ENERGY & UTILITY BILLS
17%	RAW MATERIAL COSTS
16%	EQUIPMENT, BANK, INTEREST AND TAXES

Source: Grant Thornton 2022

According to the study, businesses said they have seen increases of 18 per cent in their energy and utility bills, 17 per cent in raw materials costs and 14 per cent in salaries or staff compensation. Businesses also saw a 16 per cent increase in outgoings related to equipment, as well as bank, interest and taxes.

Prices of staple food items are typically capped by the UAE government to keep inflation in check and ensure shopping remains affordable for families.

In April 2022, however, the Ministry of Economy said it was monitoring 300 frequently bought essential food items, to identify products whose prices could be raised in line with rising import costs, subject to approvals.

"Almost 99 percent of food products in the UAE are no longer regulated in terms of pricing," said GFI's Bayoumi. "This is due to the dialogue between the Ministry of Economy and the industry – credit where credit is due.

"There are only some basic staples that are regulated, and this was a major breakthrough after almost 20 years of everything being regulated."

Achieving self-sufficiency

The long-term vision of the UAE's food security strategy is to achieve self-sufficiency, creating an optimum balance between domestic production and securing food production channels overseas.

Ongoing challenges, however, are impacting the speed with which this vision can be achieved.

"Producers who perhaps enjoy more subsidies or due to currency fluctuations, can access the UAE market at low cost. This tends to come at the cost of demand for local manufacturers," said Bayoumi.

The strong dollar, meanwhile, has been a "double-edged sword".

"On the one side it helps you with your imports from everywhere in the world. So, imports are cheaper in terms of raw materials or equipment.

But, on the other hand, in terms of exports, nations using the Euro, for example, are screaming that they can't buy our product anymore because they have appreciated by 20 per cent."

"I think the UAE has to think of having some kind of ownership of lands abroad," a manufacturer at the forum said. "This might open a big door for the UAE. That will secure our raw materials in terms of availability and prices."

The UAE is already taking steps in this area, with efforts spearheaded by its investment vehicles.

In 2020, Abu Dhabi's International Holdings Company (IHC) said it would invest over $225m to develop and cultivate

INFLATION

5.2%

FORECAST FOR INFLATION IN THE UAE FOR 2022

Source: IMF

over 100,000 acres of farmland in Sudan, to help secure high-quality agricultural output.

Earlier this year, Abu Dhabi holding company ADQ bought a majority stake in Cyprus-headquartered agriculture company Unifrutti.

The firm produces, trades and distributes more than 100 varieties of fresh produce, and sells 560,000 tonnes of fresh fruit a year. It has 14,000 hectares of farms across four continents and has customers in 50 countries.

ADQ previously acquired a 45 per cent stake in French agriculture and food processing firm Louis Dreyfus, and has stakes in local companies, including fresh produce and agri-tech group Silal; forage and agribusiness group Al-Dhahra Holding; and F&B group Agthia.

Equal opportunities

Bayoumi noted that overall, demand within the UAE is recovering "very strongly" after the pandemic. "Especially with visitor numbers growing, we see market demand growing, and we anticipate that this growth will continue going forward," he said.

"But also, competition is intensifying. More players are seeing the Gulf as one of the most attractive markets globally over the next three to five years, more players are coming into the market, and more players are vying for a piece of the cake."

Medium-sized enterprises are at further disadvantage.

"One of the things that is being discussed and under study is how medium-sized enterprises can be provided with access to centres of excellence that would pool resources in areas such as research and technology, which an individual entity might not be able to afford otherwise.

"That would make them more competitive over the long term versus the big players," he said.

"The concentration of retail power also needs to be addressed. In the past there were thousands of places to sell your product and hardly pay anything.

"Now two or three major retailers have 50 to 60 per cent of the market. They impose demands and if you do not comply, you could end up delisted or chucked off their shelves."

Creating bankable industries in the UAE

Stakeholders must capitalise on the opportunities emerging from the manufacturing and industrial sector

Securing finance for manufacturing projects is essential to the success of programmes such as Operation 300bn in the UAE.

The bankability of such projects has long been a topic of discussion between local manufacturers and banks and is a significant bottleneck in attracting funding for expansion.

Key players in the UAE's manufacturing sector told the MEED-Mashreq Manufacturing Business Leaders Forum that the investment gap in manufacturing is not the result of a shortage of capital but rather a lack of understanding of what factors make industrial projects bankable.

An inherently complex industry, manufacturing comes with a unique set of requirements and risk profile but presents massive growth opportunities.

"Financing such projects can often be very difficult," a major UAE steel manufacturer has said. "There is a difference between a trader and a manufacturer – there is need for greater clarity."

The manufacturer said the mindset of financiers needs to evolve for the UAE economy to advance and meet the ambitious targets of Operation 300bn, which aims to expand the contribution of the industrial sector to the GDP from AED133bn today to AED300bn by 2031.

"Industry brings employment, it brings spending on utility, and it is the backbone of any country," he said.

One steel manufacturer called for formal recognition of Al-Etihad Credit Bureau (AECB) reports, allowing them to leverage their creditworthiness further.

On a similar note, an executive from a manufacturing conglomerate added that if the industry, government, and banks collectively lift their data game to support financing for manufacturing projects, it could be a game-changer.

"Operation 300bn is a leap forward," he said. "We are trying to achieve in eight years what the country has achieved in 50. Essentially, we are asking everyone to double or triple their investment. Funding is very important to be able to do that. But we need more data to reinforce our bankability."

“These sectors can bring long-term sustainable value to our economy, and financiers are keen to be a part of this.”

Hind Salim Eisa
EVP, managing director
Head of services and manufacturing
Mashreq Bank

The executive called for a comprehensive market survey to understand national capacity and targets, which in turn could make banks more comfortable taking on the risk associated with such projects.

“We need an inter-market agenda, surveys, and transparent data, available for industry and banks to minimise risk involved in undertaking such projects” he said.

“The government could provide incentive packages for banks to increase the percentage of lending and require banks to have an industrial unit to secure data and study the market.”

Another issue raised at the forum is one of distressed industrial assets.

“We need a fund that can help pass on a distressed asset or one that can at least help in valuing the investment. This again helps with the bankability factor.”

The government has already taken steps on this front. Abdullah Alshamsi, assistant undersecretary, Industry Growth Sector, Ministry of Industry & Advanced Technology (MOIAT), highlighted that the government is in the process of collecting data and is in conversations with financial institutions to help tackle industry challenges.

“We need to realise and appreciate that we are blessed with available capital,” he said. “We have a robust financial ecosystem with good banks, considerable liquidity, and large deposits. It’s time to see the industry as a very interactive economic sector. Considering that the UAE’s industrial sector’s contribution to GDP now stands at over 10 per cent and is growing, I’m optimistic that this change and transition is going to happen. Commercial banks are beginning to think differently.”

The ministry has partnerships in place with the government-backed Emirates Development Bank, Etihad Credit Insurance, and various commercial banks in the UAE to pivot the focus towards the industrial sector.

“We are also working with federal and local government entities to fix some of the ecosystem challenges that we see, to make it easier and more attractive to do business. Our immediate priority at the ministry includes helping existing manufacturers — small, medium, and big — achieve their growth and expansion plans and be even more ambitious.

“Through Operation 300bn, we are developing an ecosystem conducive to business growth. This includes introducing various incentives and enablers relating to the country’s unique value proposition.”

Banks too are enthusiastic to support the government’s initiatives in the area.

“We see immense value in supporting manufacturing and industrial sectors,” says Hind Salim Eisa, executive vice-president and head of services and manufacturing at Mashreq Bank.

“These sectors can bring long-term sustainable value to our economy, and financiers are keen to be a part of this.”

Collective efforts

Mohammed Almutawa, group chief executive officer at Ducab, said the responsibility to improve the stability and bankability of industries goes across the board.

“We’ve seen how responsive the banks can be and how flexible and agile they are when we provide them with platforms for discussion,” he said. “We must sit down and explain our challenges – and I am certain they will respond. That’s the biggest advantage we have in the UAE.

Almutawa emphasised the need for more formal dialogue between the industry and its financiers.

“We need to explain the intricacies of the UAE industry sector that capitalises on the metals exchange, and what kind of financing and instruments that we would require. We need to adapt and talk progressively to change direction.”

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Hind Salim Eisa
EVP, Managing Director-Head of Services & Manufacturing at Mashreq Bank

About Mashreq

Established in 1967, Mashreq is the oldest privately-owned bank in the UAE, with award-winning financial solutions and services. Through its 50 year history, Mashreq has differentiated itself through innovative financial solutions, making it possible for its customers to achieve their aspirations.

Today, Mashreq has a significant presence in 11 countries outside the UAE, with 21 overseas branches and offices across Europe, the US, Asia and Africa. Mashreq launched its new Vision and Mission recently, outlining its commitment towards its clients, colleagues and the community.

In line with its vision to be the region's most progressive bank, Mashreq leverages its leadership position in the banking industry to enable innovative possibilities and solutions for its customers across corporate, retail, international, treasury and Islamic banking.

Mashreq is proud to be the first financial institution in the UAE to be awarded the Gallup Great Workplace Award for four consecutive years from 2014-17. Mashreq also continues to invest in recruiting, training and developing future generations of UAE national bankers.

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About MEED

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Attracting a key senior management audience through its content and activities, MEED is a media brand, publication and data business that covers a spectrum of services which inform, engage, connect and ultimately support our subscribers and partners in their business development and strategic growth.

Acquired by GlobalData Plc in 2017, MEED is now part of one of the largest data and insights solution providers in the world with the capacity to build global communities for our clients.

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