



Global Business Forum Latin America 2018

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Speech by Ahmed Bin Sulayem, Executive Chairman, DMCC

Good morning, your excellences, ministers, ladies and gentlemen.

First of all, I would like to thank all of you who have taken time out of your busy schedules to attend this important conference.

And a special message of thanks to those who have travelled a great distance to be here – especially delegates based in Latin America.

I have been fortunate to join a number of trade delegations to Latin America, from Colombia to Costa Rica, from Argentina to Panama, and many others, I know first-hand just how far you've travelled for today and appreciate it.

The Global Business Forum series is essential to finding areas that we have in common, recognising opportunities and driving growth.

Between us, there are great opportunities for collaboration, and mutually beneficial goals.

DMCC is a world-leading Free Zone. Why do companies enjoy doing business from Dubai? We are within just a few hours flight time of close to five billion people out of a global population of seven billion.

Businesses from around the world use Dubai as hub to do business across the region, as well as with Africa, India, and further into Asia. It's easy to set up a business here. It's comfortable to live here. And it's convenient to connect to new markets from here.

Today, I would like to talk about the huge potential of Dubai and DMCC partnering with Latin American entities and working together to increase trade flows.

This is especially important in light of the recent rise in protectionist global trade policies.

We heard about this in yesterday's session, and it is a trend that is curbing opportunities for trade in some parts of the world.

Fortunately for us all, Dubai is heading in the opposite direction.

The decision to adopt a globalisation approach to trade is one of the reasons behind Dubai's remarkable growth story. We have embraced globalization and our role in global trade since the very beginning.

Our country is open to business and was founded on the principles of free trade and global reach. This is also why we have pioneered establishing Free Zones and a pro-business landscape. It's all about making it easy to do business and connect with new markets.

There are fantastic business synergies between Dubai and Latin America which can bring huge benefits to all of us.

What is the role that we see Dubai and the wider region playing in Latin America's global trade? And how can Latin American companies use Dubai as a hub that will increase their presence in the region, and in African and Asian markets?

One of these opportunities is the global halal meat business which is set to have a value of more than six trillion US dollars in 2018.

This figure is so extraordinary that I believe it should be repeated: six trillion US dollars. In just the last six years, this figure has doubled.

Without a doubt, Dubai is superbly positioned to serve as the capital of the entire Middle East for the halal meat trade.

Indeed, Latin American companies – especially in the food business – have already started supplying the halal market and are now increasingly looking to Dubai to manage their business in the region.

Brazil, for instance, provides around half of South America's meat requirements, and offers complete halal certification.

This is a perfect fit for the Gulf region, as 90 percent of our food requirements are imported.

Also, when you consider the water management challenges facing the region, and the associated production costs of desalinating domestically, there is a clear case for Latin American companies providing a solution.

Quite frankly, there are some foods that cannot be cost-efficiently produced in this part of the world. This is where Latin American companies can step in and export their products to not only serve the Dubai market, but the entire region.

So how can Latin American companies best leverage Dubai as a hub – and what are the challenges they face in supplying the market?

The Dubai Chamber of Commerce and Industry reported a new high for trade between Latin America and the UAE with an increase of 26 percent in 2017 compared to 2010, and growth is expected to continue this year.

Latin America is heavily dependent on a diverse range of commodities, such as agricultural products, coffee, meat, oil and gold.

Agriculture dominates exports from Latin America to the Gulf Cooperation Council countries, accounting for 57% of total exports to the region.

Brazil is the largest coffee-producing nation in the world while Colombia, Honduras, Mexico and Guatemala are also top coffee producing countries.

It should be exciting news that we are setting up a world-class coffee centre in Jafza South this year, for value addition and re-distribution of coffee across the region.

For Latin America, famed for its sophisticated and increasingly innovative coffee market, this will provide an opportunity to drive new trade flows of coffee and growth in new markets.

We also want to ensure that LATAM businesses are aware of the best practice infrastructure we offer entrepreneurs and large companies alike in DMCC and Dubai.

Latin America is a dynamic, emerging market with huge business opportunities. We want to find out how we can make Dubai more attractive and more accessible for your companies.

As a first step, we launched our website in Spanish earlier this year. I encourage you to visit DMCC.AE. Our website will make it easier for our Spanish speaking friends to take the first steps in setting up a business here in Dubai.

And we are excited to announce that we plan to host roadshows in Spain later this year, so we can interact with Latin American companies that have already established a presence there and are looking to learn more about coming to Dubai.

Please allow me to make some specific points that illustrate how well suited we are to work with Latin America:

- Firstly, we have a plan, at the very least, to double LATAM's share of trade with Dubai to six per cent from three per cent within the next three years and to reach double-digits by 2022. We want to do this by unlocking the significant opportunities and creating beneficial partnerships.

- Secondly, we created the DMCC Food Trade Group two years ago to address significant challenges facing the industry. We currently have more than 1,000 companies taking part.
- Thirdly, DMCC works with food trade groups throughout Latin America to identify better ways for companies to access finance, reduce trading risks and find solutions to trading challenges. Our coffee centre I mentioned earlier is a good example of this.
- Fourthly, food security is critical for us. Latin America has some of the world's leading agricultural producers and exporters and that provides significant opportunities for further enhancing collaboration on food security.
- Fifthly, Latin America is a vital source of food imports for the GCC. Agricultural exports grew by 90 per cent between 2006 and 2015, and that shows its critical role in the GCC's food-security strategy.

LATAM will play a pivotal role in global food production and exports in the future and we want to be part of that.

So how do we leverage all of this?

What can Dubai offer LATAM countries and their firms?

- First, we want to work with companies seeking international expansion, and markets that have large multinationals looking for a home base in this part of the world. DMCC is where it is because we understand what business needs. We listen. We learn. And we appreciate the challenges associated with setting up enterprise in a new market. We do what we can to tackle challenges in close collaboration with the businesses we host and this is why DMCC is the best at what it does in the industries and markets we operate in. We are a market maker.
- Second, Gulf investors have shown interest in Latin America's ports and logistics, so developing air and sea links has been and will continue to be critical to the deepening of commercial ties between Gulf investors and Latin American firms.
- Third, facilitating trade, connecting markets and essentially, making it easier for companies to do business – is central to the success of Dubai's economy and something that we at DMCC work on day in, day out – and take great pride in.

As a result DMCC has grown from hosting 28 companies in 2003 to a figure nearing 15,000 today, representing 170 countries, and employing over 57,500 people! And 7 companies join our free zone every working day.

Dubai has built a reputation of always being a pioneer in attracting business, and moving fast.

Take our gold and diamond sector as an example. The speed at which we grew the industry, up until 2017, was nothing short of incredible.

Dubai became one of the world's leading physical gold markets and diamond trading hubs, accounting for an annual 75 billion US dollars combined.

DMCC has played a central role in achieving this through its continued encouragement of free trade and enterprise.

This did not go un-noticed. Industry players from across the established markets of Europe, Asia, Africa and the Americas, were all looking on, seeing what we were doing, and trying to understand what exactly was driving the growth.

And this is not just anecdotal. We continue to see other markets follow Dubai's example and adopt a similar approach that remove barriers to trade.

The introduction of the Carat Tax on the diamond industry in Belgium is an example of how its government is driving pro-business and industry-supporting simplicity, predictability, and stability to the industry.

And more importantly, I applaud the Thai Government's recent decision to completely cancel all taxes and VAT on diamonds, gems and jewellery. This is a decision that shows great leadership and vision.

And if you here in the room, or for the rest of the world, are looking to provide a competitive edge, you do not need to look any further than to DMCC and the model we implemented to become a global top-3 diamond hub in record time, despite operating in a challenging region....And also look at what Thailand is now doing to support real growth for this industry.

The Turkish Government also recently abolished various prohibitive taxes on diamonds and diamond imports and now has the structures in place to pursue growth. And many more are following this model.

At DMCC, our mission is to create and enhance a global marketplace for commodities and to drive trade flows through Dubai.

We will continue to look for ways to expand and create new opportunities, and as Executive Chairman of DMCC –and- the Chairman of the Dubai Diamond Exchange, I will continue to push boundaries to open new doors for trade.

We will see more tenders and auctions of diamonds and precious stones take place in Dubai, attracting players from Australia, Canada, Africa and of course LATAM.

Let's identify the key growth drivers in Latin America, and assess the opportunities that they in turn will create so we can drive the next wave of growth, together.

Thank you.