

DMCC

ANNUAL REPORT 2018

**MADE
FOR
TRADE**



DMCC IS

**MADE
FOR
TRADE**

It is why we are
recognised as the
world's flagship
Free Zone.



05



06



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“Closing the year with over 15,000 companies indicates the strength of our value proposition to the market, and that our ability to attract, facilitate and promote trade is stronger than ever before.”

Ahmed Bin Sulayem
DMCC Executive Chairman
and Chief Executive Officer
DMCC

A Message from the Executive Chairman and Chief Executive Officer, Ahmed Bin Sulayem



2018 was a landmark year for DMCC as we launched a range of projects and initiatives to drive growth and uniqueness in the commodities sector, elevate support delivered to companies based in our Free Zone, and increase the organisation's contribution towards Dubai's GDP.

We closed the year with a 12 per cent increase of registered member companies over the year before – indicating the strength of our value proposition to the market, and ability to attract, facilitate and promote trade.

Being named the 'Global Free Zone of the Year' by the Financial Times' fDi magazine for an unprecedented fourth consecutive year came as welcomed news. Over 60 free zones from across the globe were evaluated and the recognition illustrates that our effort to support businesses growth is recognised both at home and abroad.

In 2018, we raised the profile of DMCC more than ever before.

The second edition of the Future of Trade report was launched in London that built on in-depth insights from over 250 global industry leaders and academics across six leading commodity trade hubs. Downloaded over 13,000 times, the report was well received and both supplied the market with insightful research and strengthened the DMCC brand internationally.

An independently commissioned commodity trade index launched

concurrently, ranked UAE as the #1 country for commodity trade in the world.

We expanded our international outreach programme, increased the number of conferences and seminars hosted by DMCC and our flagship roadshow Made for Trade Live, visited 10 cities and hosted over a thousand business representatives.

One of the most exciting highlights of 2018 has to be the soft launch the DMCC Coffee Centre. The state-of-the-art facility is the first of its kind in the region and will attract trade valued up to AED 367 million (USD 100 million) in its first phase.

We remained committed to serving the community around us. Construction of our world-class smart district, Uptown Dubai, proceeded at pace throughout the year and we underscored our commitment to managing the social, economic and environmental impact of our activity with the launch of the first DMCC Sustainability Report.

It is encouraging to report, that in the last decade, DMCC has recorded an impressive average annual growth rate of 30 per cent. The expansion of our commodity-focused enterprise has only been possible by our continuous focus on creating and enhancing a commercial ecosystem that is welcoming to investment, reduces the barriers to business and drives global trade.

The efficacy of our approach is symbolised by the strong performance in 2018, and I would like to express my gratitude to everyone connected to DMCC for their continued support.

**Ahmed Bin Sulayem
Executive Chairman and
Chief Executive Officer
DMCC**

The Year in Review

DMCC witnessed positive growth in 2018 which was particularly encouraging given the challenging global economic environment. Business targets were met, significant projects were launched and DMCC continued to be recognised as the world's leading Free Zone.

2018

DMCC voted world #1 Free Zone for record fourth consecutive year by the Financial Times' fDi Magazine

06



Companies in the Free Zone

1,868 New Company Registrations

15,000+ Registered Companies

12% growth

Home to some of the world's leading companies

 <p>pepsi</p>		
<p>BVLGARI</p>		<p>DE BEERS</p>
<p>DURACELL</p>	 <p>Because health matters</p>	
<p>RioTinto</p>		
		

ECONOMIC CONTRIBUTION

10% DMCC's contribution to Dubai's GDP

100,000+ People live and work in DMCC's Jumeirah Lakes Towers (JLT) district



60,000+ People employed in the Free Zone



600+ F&B outlets in JLT



7 Companies registered every single working day



30% Annual growth rate over decade



50+ Events, seminars and roadshows across the year



TRADE FLOWS

Diamonds

A record breaking year

AED 1.205B

(USD 328M)

worth of diamonds traded through 27 tenders staged on the floor of the Dubai Diamond Exchange (DDE)

DGCX

A record breaking year

22.26M

28% increase in volume

contracts were traded on the Exchange

DMCC Tea Centre

53m

kilos of tea handled and processed up

09

DMCC Coffee Centre

AED 367M

(USD 100M)

projected annual trade value of green coffee beans processed in the first phase

10 MoUs Signed to enhance trade with:

- China Council For The Promotion Of International Trade (CCPIT)
- Ningbo Meishan Logistics Industry Administrative Committee (NMLIAC)
- Royal Fund Investments (RFI)
- Astana International Financial Centre (AIFC)
- Institute of Directors - India
- Women's Empowerment Principles (WEPs)
- CropData Technology
- Emirates Post Group
- Islamic Bank of Afghanistan
- Duracell



Named the world's leading Free Zone by the Financial Times' fDi magazine for a record fourth consecutive year.

The Number One Free Zone in the World

DMCC was named the world's leading Free Zone in October by the Financial Times' prestigious fDi Magazine for a record fourth consecutive year.

The latest industry accolade for DMCC reflects its ability to attract foreign direct investment, drive market-friendly reform and foster a commercial environment that removes barriers to trade, intrusive regulations and prohibitive bureaucracy.

60 free zones from around the world were assessed for the 2018 competition and were ranked across a comprehensive range of industry and performance criteria.

DMCC was also the recipient of the 'Middle East Free Zone of the Year', 'Global Free Zone of the Year for SMEs' and 'Middle East Free Zone of the Year for SMEs' awards, and officially recognised for excellence in the following six categories: 'China Strategy'; 'Smart Strategies'; 'Economic

Impact'; 'Red Tape Reduction'; 'Facilities Upgrade'; and 'Thought Leadership'.

Commenting on the award, Ahmed Bin Sulayem, Executive Chairman and Chief Executive Officer, DMCC, said:

"To be ranked the Global Free Zone of the Year for a record fourth time in a row is a significant moment for everyone connected to DMCC. This accolade demonstrates that our long-term strategy to lead from the front is working, and we continue to deliver for the companies we host.

Taken collectively, DMCC member companies contribute over 10 per cent to Dubai's GDP, and play a critical role in the UAE's economic diversification plan. Looking ahead, we will continue to help the companies within our Free Zone to realise their ambitious commercial targets and together, shape the future of trade."



Free Zone

Located in the heart of Dubai, DMCC continues to be recognised as a state-of-the-art international hub for commodities trade and enterprise.

In order to maintain DMCC's leadership position, work continued in 2018 to enhance the organisation's management structure, and align Free Zone policy with international best practice.

At the centre of the Free Zone growth strategy has always been the commitment to meet the needs of existing DMCC member companies.

In order to track progress in this regard, and to gauge the general sentiment of the companies we serve, the DMCC Customer Satisfaction Survey is distributed to member companies on a quarterly basis.

The overall member company satisfaction score in Q4 of 2018 was 89 per cent, an increase from 84 per cent the previous year. Other results of note include a 93 per cent score for customer loyalty, and 91 per cent of respondents confirming that they would recommend DMCC as a Free Zone to others.

In terms of new business, 2018 saw an acceleration of DMCC's outreach programme. Digital marketing channels were optimised, with campaigns launched throughout the year designed specifically to engage potential customers in target markets.

Running alongside the various external awareness campaigns was a comprehensive drive internally to streamline processes, and deliver a world-class customer service experience.

DMCC secured 1868 new member company registrations during the calendar year.

This number of company registrations underscores the strength of DMCC's value proposition to the market in 2018.

95%

of companies that come to DMCC are new to Dubai





Property

Located in the heart of Dubai, DMCC's Jumeirah Lakes Towers (JLT) district is a unique destination on every level.

Located in the heart of Dubai, DMCC's Jumeirah Lakes Towers (JLT) district is a unique destination on every level.

68 purpose-built residential and commercial towers are maintained to the highest standards, and the drive to enhance the physical environment continued in 2018.

To meet the need of the community is critical for DMCC, and much work was done throughout the year to improve the experience of the thousands of residents within one of Dubai's fastest growing communities.

- **Co-working Space**
DMCC added a total of 39,453 sq/ft of serviced offices and desks across various business centre locations

within DMCC, taking the total area of co-working space for start-ups and SMEs to 366,894 sq/ft

- **Unique Grade A Commercial Space**
DMCC's One JLT - a LEED Gold Standard commercial building - continued to attract interested from the market with an occupancy rate at the year-end of 91 per cent
- **Smart District Strategy**
Launched in 2018, the Smart and Sustainable District strategy has the environment integrated into its goals and forms a dedicated theme for DMCC's environmental objectives. DMCC puts a strong focus on developing new projects and properties with lower environmental impacts.

Uptown Dubai

Construction of DMCC's much anticipated Uptown Dubai district proceeded at pace in 2018, with piling and raft works completed for the first supertall tower.

BESIX, through its Dubai-based entity Belhasa Six Construct, was awarded the contract to build the 78-storey 'Uptown Tower', offering breath-taking views of Dubai's waterfront and iconic skyline.

2018 also saw the Rockwell Group appointed the interior designer for the Uptown Tower, which will comprise of luxury hotel rooms and suites, high-end restaurants, health spas, extensive conference facilities, grade A offices, and 237 uniquely designed branded residences.

In April, DMCC announced its partnership with Accor Hotels to bring their spirited luxury lifestyle hotel brand, SO/, to Uptown Tower - a first in the Middle East.

More than 150 piles were installed for the tower throughout the year with another 140 put in place to support the first phase of a podium, which features a two-level central plaza with world-class F&B outlets, cutting-edge retail spaces and entertainment zones.

The raft foundation - comprising of 2,500 tonnes of steel and over 12,000m³ of concrete - was poured over a continuous 46-hour operation.

Over the next decade, the landmark development will create over 10,000 new jobs in Dubai.



Left to right - Paul Ashton, Executive Director - Property, DMCC, Ahmed Bin Sulayem, Executive Chairman and Chief Executive Officer, DMCC, Sami Nasser, Chief Operating Officer, Luxury Brands, Accor Hotels ME, Gautam Sashittal, former Chief Executive Officer, DMCC



ابتاون دبي

UPTOWN DUBAI

Proceeding at pace



Appointed
Rockwell Group
as the Interior
Architect



Awarded
Uptown Dubai
raft foundation
to HLG



Partnered with
SO/ to bring
AccorHotels' to
the ME



**DMCC. Placing Dubai
at the centre of
global trade.**

Gateway to Trade

DMCC is the Government of Dubai Authority on commodities trade and enterprise, and is dedicated to enhancing the emirate's position as the world's leading gateway for the international trade and enterprise.

We do this by creating an environment in which businesses have everything they need to flourish. We provide the best physical, financial and digital infrastructure, as well as the regulatory frameworks, services and expertise needed to build a marketplace in which success is achievable.

We serve our members by helping to connect them for the purpose of trade with businesses in Dubai and the wider UAE, and throughout the world. We do this by leveraging our resources to shape and grow key industries and commodities markets. We are committed to doing everything we can to facilitate the future of trade.

Commodities

Attracting, facilitating and promoting global commodity trade through Dubai.

DMCC completed a number of significant initiatives in 2018 to enhance global trade in commodities, and to support members in building and strengthening mutually beneficial trade relationships.

Throughout 2018, DMCC supported the UAE Government in introducing the Value Added Tax (VAT) Reversed Charge mechanism for investors in gold, diamond and precious metals.

DMCC also supported the UAE Government in developing the federal law specifying regulations on trading in, and hallmarking and certification of precious metals and stones, and gold, silver and platinum jewellery.

The Dubai Precious Metals Conference 2018 convened the industry and saw record attendance.



Gold

DMCC member company base serves the entire gold value chain, from research and refining to trading and investing. With the support of DMCC, Dubai now accounts for around 25 per cent of global gold trade.

- DMCC supported the UAE Government in developing the federal law specifying regulations on trading in, and hallmarking and certification of precious metals and stones, and gold, silver and platinum jewellery



Diamonds

DMCC has played a pivotal role in developing Dubai into one of the world's top three diamond trading hubs.

- AED 1.205 billion (USD 328 million) worth of diamonds traded through a record 27 tenders staged on the floor of the Dubai Diamond Exchange (DDE)
- Continued assessment of DMCC rules, regulation and procedure relating to diamond trade to ensure they remained aligned with the policy of the Organisation for Economic Co-operation and Development (OECD)
- Expanded high-level stakeholder engagement programme with the Responsible Jewellery Council and United Nations Global Compact (UNGC)





Tea

Launched in 2005, the DMCC Tea Centre has helped the UAE maintain its position as a leading global trade hub for tea.

- In 2018, 53 million kilograms of tea was handled through the DMCC Tea Centre
- Shai Dubai, DMCC's own signature blends of tea, continued production and distribution
- Global Dubai Tea Forum 2018 saw record attendance, and placed DMCC at the heart of the global discussion on tea
- The Tea Centre was awarded FSSC, ISO 22000 certification



Agricultural

With growing awareness of global food security issues, agricultural goods occupy an increasingly strategic role in DMCC's commodities portfolio.

- The DMCC-Cropdata Technology joint project launched and that will have impact on the UAE and India agricultural sector
- The DMCC Food Trade Group grew in 2018 with an increase in membership

DMCC Coffee Centre

Building on the success of the DMCC Tea Centre, 2018 saw the soft launch of the DMCC Coffee Centre with a goal to making Dubai a new global hub for coffee.

- From crop to cup, the Centre offers cost-effective logistical support and services that connect producers to buyers. Core services include warehousing, logistics, green coffee cleaning, contract roasting and packing, as well as more specialised offerings for re-bagging of green coffee, sample evaluation and training
- The Centre houses a coffee quality laboratory, cupping labs and a Specialty Coffee Association (SCA) Premier Training Campus, in addition to a range of commercial office space
- The Centre is projected to handle up to 20,000 tonnes of green coffee bean annually - with an estimated annual trade value of around AED 367 million (USD 100 million)

DMCC Tradeflow

DMCC Tradeflow is a dedicated online platform for registering possession and ownership of commodities stored in UAE-based facilities.

- In what was a very successful year for DMCC Tradeflow, the platform recorded a record total value of AED 126 billion, an increase of 37 per cent on 2017
- 2018 saw continued growth of the platform. The Blockchain based platform is designed to facilitate trading and clearing of commodities' forward contracts for India based farmers
- Increase in DMCC Tradeflow Islamic products transaction value by 50 per cent
- A range of RFID (Radio-Frequency Identification) clients were introduced and on-boarded to the platform







DGCX (Dubai Gold and Commodities Exchange)

DGCX as the world-class derivatives exchange, with a well-established clearing house DCCC, continued to be recognised as the leading Middle East bourse for the trade of derivatives.

- 2018 was a record breaking year for DGCX's highest annual volume traded with an aggregate 22.26 million contracts, valued at AED 1.744 trillion (USD 475 billion)
- DGCX had a record 2018, breaking its annual volumes record trading 22.26 million contracts
- The total notional value traded on DGCX was a record-breaking AED 1.744 trillion (USD 474.94 billion)
- Average Daily Volume (ADV) also finished the year at an all-time high, reaching 86,615 lots
- DGCX upgraded its trading and clearing technology platform that saw lower round-trip times, increased capacity, and a new market data protocol that led to improved bandwidth
- The first ever Shari'ah Compliant Spot Gold was launched, a physically-backed Sharia-compliant Gold contract first-of-its-kind and marked the Exchange's entry into the Islamic Finance sector
- A strategic memorandum of understandings (MOU) was signed with FXCN Group - to collaborate on new FX products, and Dubai Islamic Economy Development Centre (DIEDC) - to share knowledge and promote Shari'ah Compliance finance in the region

Community

DMCC's Jumeirah Lakes Towers (JLT) rests at the heart of Dubai and is a burgeoning residential and commercial community.

Creating a positive impact for the local community is critical for DMCC. In 2018, DMCC continued to create a vibrant and participatory community environment and stages a variety of activities covering six key themes: fitness and sports, family and kids, markets, culture and community, sustainability, and corporate social responsibility.

DMCC continued to promote national 'Year of Zayed' initiative, and the spirit of giving by encouraging employees to volunteer for good causes. Over 100,000 people participated in community events organised by DMCC in 2018.

Sustainability

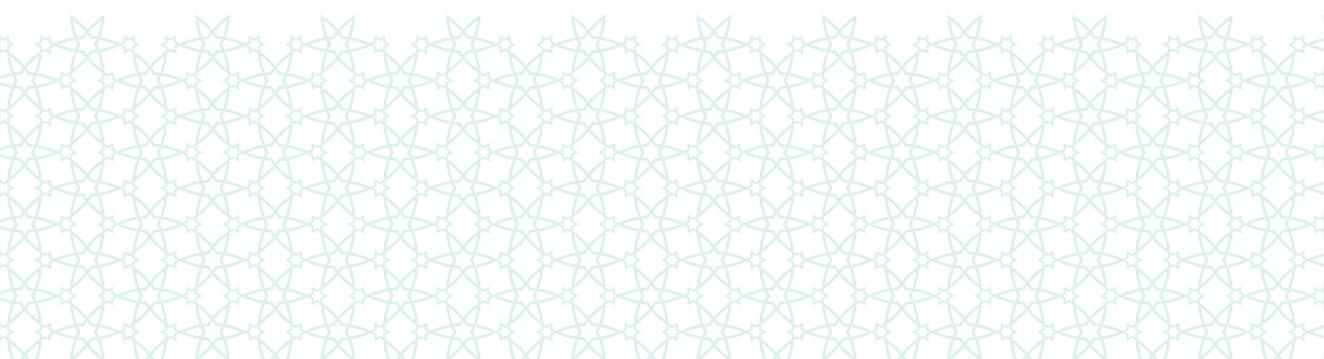
As a world-leading Free Zone and a Dubai Government Authority, it is incumbent on DMCC to place sustainability at the forefront of its growth strategy.

Underscoring its committed to the UN's 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), DMCC announced a range of measures in 2018.

- Prepared in line with the Global Reporting Initiative (GRI) Standards, the first DMCC Sustainability Report

was released in 2018 as part of our commitment to the United Nations Global Compact (UNGC)

- In 2018, DMCC also became the first Free Zone in the UAE to sign the UN Women's Empowerment Principles (WEPs)





Our Brand

The DMCC brand continued to strengthen in 2018, within much work was done throughout the year to ensure that DMCC is a trusted symbol of quality, dynamism, and integrity across all strategically important markets and geographies.

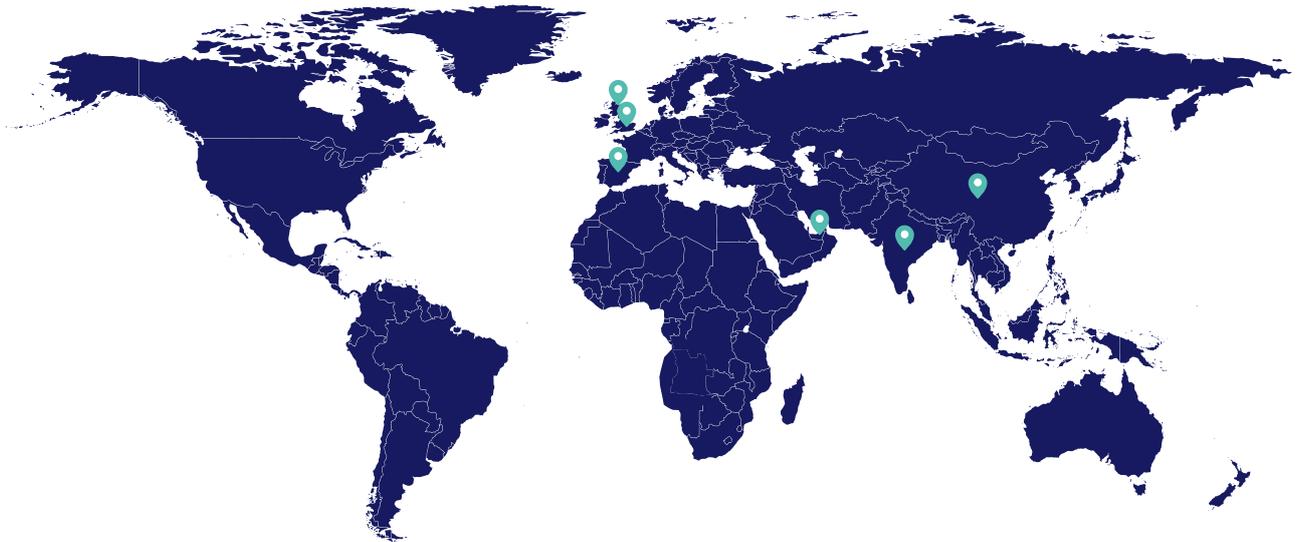
Notable achievements for the year included:

- We refreshed our corporate brand identity to amplify the impact of our international outreach strategy
- Our Thought Leadership programme, including reports published on Blockchain, Food Trade, VAT, and Brexit, is helping drive engagement.
- 20 per cent of people that register on our website, have discovered DMCC through Thought Leadership
- 1,200 prospects in focus geographies visited 'Made for Trade Live' roadshows. Events have so far taken place in the UK, China, India and Germany



International Outreach

DMCC's international outreach programme is designed to drive awareness and attract new business to Dubai.



50+
EVENTS

📍 **United Arab Emirates**
Dubai

📍 **India**
Mumbai
Hyderabad

📍 **United Kingdom**
London
Leeds
Manchester

📍 **Spain**
Madrid
Barcelona

📍 **Scotland**
Edinburgh

📍 **China**
Wuhan

Connecting Markets Across the World



Made for Trade Live global roadshow, Mumbai



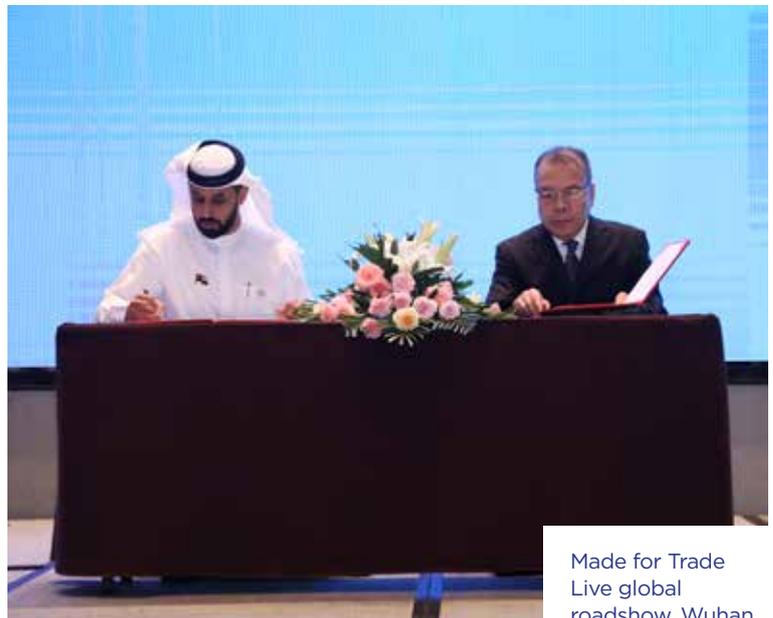
Made for Trade Live global roadshow, London



The Global Dubai Tea Forum, Dubai



Made for Trade Live global roadshow, Manchester



Made for Trade Live global roadshow, Wuhan

Industry Awards and Performance Recognition

DMCC, and a number of its senior employees, were the recipients of a range of prestigious awards in 2018. Listed below are some of the highlights.

- **Financial Times' fDi Magazine**

DMCC received four awards:

- Middle East Free Zone of the Year;
- Global Free Zone of the Year for SMEs;
- Middle East Free Zone of the Year for SMEs;
- Global Free Zone of the Year

DMCC was also officially recognised for excellence in the following six categories:

- China Strategy
- Smart Strategies
- Economic Impact
- Red Tape Reduction
- Facilities Upgrade
- Thought Leadership



- **PRCA MENA Awards**
DMCC's Future of Trade research received the Best Integrated PR Campaign Award 2018
- **Future & Options World (FOW) Global Investor Awards 2018**
DGCX awarded EMEA Exchange of the Year 2018
- **Global Investor MENA Awards 2018**
DGCX awarded Exchange of the Year 2018

