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Abu Dhabi Industries

**Manufacturing sector
sees strong growth**

Industry 4.0

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Abu Dhabi industrial sector sees strong growth

The emirate's industrial sector continues to drive growth for the emirate, as a key contributor to its GDP and driving diversification away from oil and gas-based businesses



Officials at the launch of the UAE's first Artificial Intelligence Centre of Excellence



Mohamed Ali Al Shorafa Al Hammadi

Riding high on its new industrial strategy, Abu Dhabi's industrial sector is continuing to perform its key role, contributing some AED83.5 billion (\$22.73 billion) to the emirate's GDP in 2021, according to Mohamed Ali Al Shorafa Al Hammadi, Chairman of the Abu Dhabi Department of Economic Development (ADDED).

According to him, the emirate has reached a record AED1.058 trillion (\$288.06 billion) in non-oil trade in the first half of 2022, up 17 per cent from a year earlier. Abu Dhabi has also registered strong growth with the number of new licences reaching 136, in the first half of the year, according to a new report.

NEW INDUSTRIAL STRATEGY

Under the new Abu Dhabi industrial strategy, Abu Dhabi is investing AED10 billion (\$2.72 billion) across six transformational programmes to "more than double the size of the manufacturing sector to AED172 billion (\$46.83 billion) by 2031 and create new 13,600 skilled jobs, with a focus on hiring Emiratis".

Launched by Sheikh Khaled Bin Mo-

hamed Bin Zayed Al Nahyan, member of the Abu Dhabi Executive Council and Chairman of the Abu Dhabi Executive Office in June, the new Abu Dhabi Industrial Strategy aims to strengthen the emirate's position as the region's most competitive industrial hub.

It will further boost Abu Dhabi's trade with international markets, with a goal to increase Abu Dhabi's non-oil exports by 143 per cent to AED178.8 billion by 2031.

POSITIVE INDICATORS

Confirming a strong growth of the emirate's industrial sector in the first half of 2022, the Industrial Development Bureau (IBD), part of ADDED, said new industrial licences (Rowad) reached 136, and those transitioning to the construction phase reached 62, with the number of licences having moved from under-construction to in-production reaching 44 factories. The total number of active in-production licences was 866 by end of June 2022, according to the IBD manufacturing report.

The total value of Capital Expenditures (capex) of industrial establishments that switched to in-production stage rose to

AED3.1 billion compared to AED1.03 billion in the same period last year.

The report revealed positive indicators including the growing number of government tenders awarded to companies with In-Country Value (ICV) certificates, under the Abu Dhabi Local Content programme (ADLC), reaching 466 tenders, up from 95 tenders in H1-2021. The value of tenders won by ICV holding companies rose from AED550 million in the first six months of 2021 to AED970.5 million in H1-2022.

The number of tenders with local content value represented 41.9 per cent of tenders awarded to ICV certificate holding companies, which means AED407 million were re-injected in the local economy to support local products, compared with AED 215.2 million in the first half of 2021, said the report.

During H1, 2022, tenders awarded to ICV holding companies made up 56.1 per cent of 827 total government tenders, with 72 per cent of the total value of government tenders, amounting to AED1.33 billion.

The ADLC programme contributes to the growth of the Emirate's GDP, enhancing the knowledge economy attributes, technology utilisation, and increasing Emiratisation rates.

The number of highly skilled employees

in factories enrolled in the Electric Tariff Incentive Programme (ETIP) reached 41 per cent of the total.

The IDB's H1-2022 report also reflected a growing interest in the Golden List initiative, developed to increase demand on locally manufactured goods through government procurements.

The number of manufacturers that joined the list topped 127 by end of June 2021, an increase of 14.4 percent compared to 111 establishments as of December 31, 2021. The number of registered products in the list grew by 33.9 percent to reach 655 products from 489 the same period last year.

The report revealed that total value of customs fees exemption granted to manufacturers in Abu Dhabi during the first half of 2022 reached AED1.02 billion, with 5 new factories having earned Electric Tariff Incentive Programme (ETIP) certificates. The ETIP aims to boost productivity of industrial facilities and enhance their economic impact and energy efficiency, by providing competitive electricity tariffs.

Rashed Abdulkarim Al Blooshi, Under-Secretary of ADDED, said: "The strong indicators of IDB's H1-2022 report reflects the strength of the manufacturing sector in Abu Dhabi, which is a key priority for achieving our economic diversification objectives. The industrial sector is the largest contributor to Abu Dhabi's non-oil GDP in addition to its role in creating jobs and enhancing knowledge and innovation-driven initiatives."



Abu Dhabi plans to increase non-oil exports by nearly 150 per cent by 2031

"We are building on these successes and will continue our efforts to ensure ease of doing business, support industrial financing, and FDI attraction to achieve objectives of the recently launched Abu Dhabi Industrial Strategy to strengthen the Emirate's position as the region's most competitive industrial hub," Al Blooshi added.

As part of IDB's efforts to ensure compliance of industrial establishments with laws, regulatory framework, and licensing criteria as well as providing technical

and administrative guidance to enhance performance, 741 field visits were carried out covering 576 industrial facilities, including 417 in Abu Dhabi, 143 in Al Ain, and 16 in Al Dhafra. Total investments of these facilities exceed AED2.5 billion.

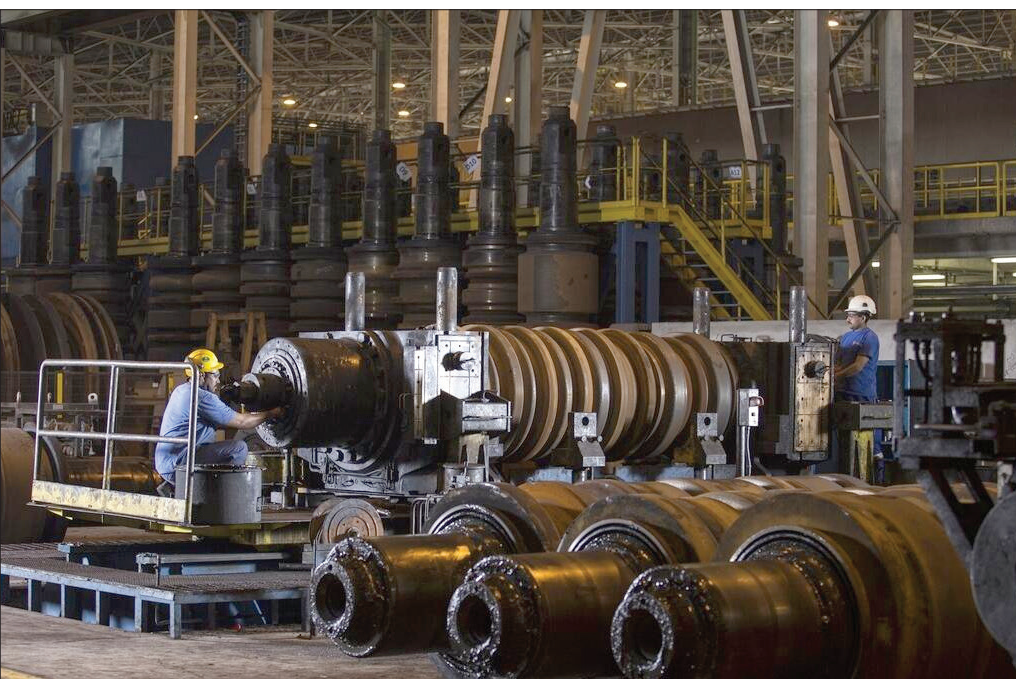
There are new initiatives aimed at attracting industrial investments to Abu Dhabi, including reducing electricity, water and gas tariffs, as well as industrial lands prices, he further added, highlighting the launch of the "Abu Dhabi Partners Initiative," which aims to attract local and international partners in key industrial sectors.

NEW AMBITIOUS TARGETS

The industrial sector is a key contributor to the national economy, amidst the current efforts to attract advanced and technological industries. Abu Dhabi's manufacturing sector has witnessed significant growth over the past years, with more than 850 industrial establishments being based in the emirate, in addition to seven operators of industrial zones that facilitate business and prosperity.

Going forward, the emirate plans to focus on a more industrial path and increase non-oil exports by nearly 150 per cent by 2031.

Also, one of the targets of the emirate's Vision 2030 plan is to raise the contribution of non-oil sectors to the emirate's GDP to 64 per cent by 2030. The contribution of these sectors has already reached more than 50 per cent of the emirate's GDP. ■



Abu Dhabi's manufacturing sector has witnessed significant growth over the past years

AD Ports consolidates free zones under 'Kezad Group'

Combining the portfolio's assets, the group will drive higher investments and develop a stronger portfolio of products and services for businesses and investors at the local, regional, and international levels



The launch of Kezad Group opens new opportunities to scale up adjacent businesses

AD Ports Group, the leading facilitator of trade, logistics, and industry, unveiled 'Kezad Group' as part of the plan to consolidate and grow its Economic Cities & Free Zones offering. This marks a new phase of evolution towards strengthening Abu Dhabi's position as the region's leading industrial and manufacturing destination, a statement by the AD Ports Group said.

The move follows the integration of Khalifa Industrial Zone Abu Dhabi (Kizad) and Specialised Economic Zones (ZonesCorp) into the newly formed Kezad Group (Khalifa Economic Zones Abu Dhabi Group), which comprises 12 economic zones with a total area of 550 sq km, including 100 sq km designated as Free Zones.

In addition, it has more than 300,000 sq m of prebuilt warehouse facilities and is home to more than 40 staff accommodation complexes with a capacity of over 450,000 beds (located in Abu Dhabi, Al Ain and Al Dhafra Region), including the 77,000 beds operated by Kezad Group.

Today, Kezad Group hosts more than 1,750 clients from 17 industrial and eco-

nomic sectors catering to a range of key industries such as pharmaceuticals, metals, automotive, polymers, building materials recycling, food & agtech, plastics & polymers, retail & logistics, hi-tech & green energy, oil & gas, and specialty chemicals, each offering direct access to all industry and economic verticals from processing and storage to distribution.

Established to align with the UAE's Industrial Strategy, the economic vision of Abu Dhabi and the recently launched Abu Dhabi Industrial Strategy, Kezad Group is designed to offer greater opportunities for investors looking to streamline every segment of their supply chain. Combining the portfolio's assets, it will drive higher investments and develop a stronger portfolio of products and services for businesses and investors at the local, regional, and international levels.

It will leverage the collective strength of a combined organisation to enable expanded competitive choice of locations, greater pricing options, quality of infrastructure, ease of doing business and integrated services through unified process-

es, superior service delivery, and focused offerings for customers.

Kezad Group will be solely responsible for managing the process of planning, developing, operating, regulating, and promoting combined assets (Kizad, ZonesCorp and Kizad Communities) under the AD Ports Group's Economic Cities & Free Zones portfolio, that makes up 55 percent of the UAE's industrial area.

The launch of Kezad Group opens new opportunities to scale up adjacent businesses, such as Kezad Communities which provides integrated solutions for staff residential communities, as well enabling the Group to unlock the value of its significant land bank. In addition, Kezad Group will look to invest in dedicated infrastructure for key industrial sectors to enhance the ecosystem and creating multiple new revenue streams, such as enhanced gas networks for metal and other heavy industries, and wholesale marketplaces for food and automotives.

Captain Mohamed Juma Al Shamisi, Managing Director & Group CEO, AD Ports Group, said: "The launch of Kezad Group, which brings together our Economic Cities & Free Zones assets, supports the expansion of dedicated ecosystems for strategic industries, boosting access to international markets, integrating advanced technologies, and accelerating the transition to a circular economy.

"From a business perspective, Economic Cities & Free Zones provides AD Ports Group with revenue generated by long-term contracts, and stimulates further growth across our other operations, as clients deploy our logistics, ports and digital services."

Abdullah Al Hameli, CEO of Economic Cities & Free Zones, AD Ports Group, said: "Kezad Group will leverage synergies across its combined assets and utilise our collaborative expertise to fully support the priority industrial sectors identified by our wise leadership in the Abu Dhabi Industrial Strategy. We see major opportunities for growth as we scale up adjacent businesses to better support our clients." ■

Kizad to welcome Abu Dhabi's first EV assembly facility

Set for completion in Q4 2022, the facility can assemble 10,000 electric vehicles (EVs) per year for the UAE and wider regional market



NWTN showcasing its range of electric vehicles in Kizad, Abu Dhabi

Kizad, part of AD Ports Group's Economic Cities & Free Zones, has signed a lease agreement with NWTN to establish an Electric Vehicle (EV) assembly facility in Abu Dhabi to serve the growing demand for sustainable transport options.

Set for completion in Q4 2022, the facility can assemble 10,000 EVs per year for the UAE and wider regional market.

Under the agreement, NWTN plans to initially operate a 25,000 sq m manufacturing, research and development, vehicle testing and logistics facility constructed by Kizad with an annual capacity of 5,000-10,000 units for the assembly of semi-knocked-down (SKD) EVs. In phase two, NWTN plans to introduce several new EV models and expand capacity to 50,000 units annually.

AI TECHNOLOGIES

Founded in 2016, green mobility technology company NWTN has its headquarters in the UAE and aims to produce Smart Passenger Vehicles (SPV) that deploy AI technologies and personalised passenger experiences.

Set to be the first assembly facility for EVs in Abu Dhabi, the announcement follows recent regulatory updates by the Abu Dhabi Department of Energy (DoE) that seek to accelerate the development of EV infrastructure as part of Abu Dhabi's Low Emission Vehicle Strategy.

NET-ZERO

The new production facility is also well

aligned with UAE Net-Zero by 2050 agenda as it will strengthen industry expertise and increase the availability of low-emission vehicles in UAE.

Captain Mohamed Juma Al Shamisi, Managing Director & Group CEO, AD Ports Group, said: "AD Ports Group is committed to driving sustainable manufacturing, and this key strategic partnership in Kizad will support our wise leadership's vision to advance industrial competitiveness while protecting the environment.

"Attracting EV manufacturers to Abu Dhabi will play a significant role in enabling the economic vision of Abu Dhabi and is aligned with the recently announced Abu Dhabi Industrial Strategy. We are pleased to welcome NWTN into our ecosystem at AD Ports Group and to facilitate their contribution to a cleaner environment for communities and for future generations."

BROADER STRATEGY

Alan Wu, Chairman & CEO, NWTN, said: "NWTN's partnership with AD Ports Group's Kizad forms a cornerstone of our broader worldwide growth strategy by enabling us to efficiently service a wider range of consumers both in the Middle East and the wider Northern Africa and European markets." ■



Officials at the signing ceremony in Kizad to mark the occasion



New blockchain, virtual assets strategy planned

The Abu Dhabi Blockchain and Virtual Assets Committee (ADB-VAC) has been established to improve the emirate's competitiveness in the blockchain and virtual asset space

The Abu Dhabi Blockchain and Virtual Assets Committee (ADB-VAC) held its first meeting, under the chairmanship of Mohamed Ali Al Shorafa, Chairman of the Abu Dhabi Department of Economic Development (ADDED) and Chairman Securities and

Commodities Authority (SCA), to discuss strategy for blockchain and virtual assets, which is aligned with the Emirates economic strategy.

The committee emphasised the importance of regulating blockchain and virtual asset activities to comply with Anti Mon-

ey Laundering/Combating the Financing of Terrorism international and local rules and regulations and to make an ecosystem that is safe, sound, and transparent, which will help build trust and attract more companies to Abu Dhabi.

The committee has been established to improve Abu Dhabi's competitiveness in the blockchain and virtual asset space, coordinate efforts of entities active in the industry, liaison with regulators, and promote compliance of industry participants with global standards and regulatory requirements, particularly AML/CFT regulations, and support exchange of information and best practices.

Addressing the first meeting, Mohamed Ali Al Shorafa said, "The formation of Abu Dhabi's Blockchain and Virtual Assets Committee reflects our leadership farsighted vision and approach, which enabled Abu Dhabi to nurture a supportive business environment, unparalleled connectivity and infrastructure and an entrepreneurial mindset that presents investors with growth opportunities.

"The committee is bringing together all the relevant stakeholders to build a robust, credible, and comprehensive regulatory and business ecosystem that addresses key risks and major governance issues, such as AML/CFT, investor protection, tech governance, and custody risk, to promote blockchain and virtual assets.

"This will allow us to capitalise on blockchain technology and virtual assets to achieve Abu Dhabi's aspirations." ■

Investopia, SALT to host key leadership forum

INVESTOPIA, the global investment platform launched by the UAE, has announced a new strategic partnership with SALT, a premier global thought leadership forum, that will see the duo collaborate for a joint event to be held next year in Abu Dhabi.

As strategic partners, SALT and Investopia will jointly organise an invitation-only conference featuring the world's leading investors, entrepreneurs and policy experts. It will mark Investopia's second annual conference and SALT's second Middle East edition, following the success of the 2019 event.

A key entity, Investopia has been designed to drive global investments, gen-

erate growth, accelerate innovation, and contribute to the prosperity of future generations.

Its mandate is to position the UAE as the "leading catalyst" for advancing Future & Now Economies and understanding Future Investment Trends, said a statement from the group.

Investopia is supported by a number of local and global partners including Abu Dhabi Department of Economic Development, Crypto.com, BlackRock, Deloitte Middle East, Accenture Middle East, and Sharjah FDI Office (Invest in Sharjah).

The agreement was signed by CEO Mohamed Naser Al Zaabi and Chair-

man of SALT Anthony Scaramucci in the presence of Abdulla Bin Touq Al Marri, UAE Minister of Economy and Chairman of Investopia, and Mohamed Ali Al Shorafa, Chairman of ADDED at a ceremony held at SALT New York 2022.

On the tie-up, Al Marri said: "Investopia's main objective is to create a global ecosystem for investment. Through this partnership, the duo will collaborate to bring together investors and business leaders from all over the world to discuss trends shaping the future of investment and identify investment opportunities in sectors that will define the economy in years to come." ■