

Address by: H.E. Eng. Sultan Saeed Al Mansoori,
UAE Minister of Economy

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Your Excellencies,

Distinguished Guests,

Ladies and Gentlemen,

It is my great pleasure to be here in Chile and address this meeting. Thank you for your warm welcome and kind hospitality.

The United Arab Emirates has an excellent relationship with Latin America. Favorable economic conditions in this region have opened up huge investment opportunities for foreign investors, particularly those from the UAE who are looking to expand their investment portfolio in South America.

High-profile investors from the UAE are already actively pursuing various investment projects in some of the major South American countries.

As one of South America's most stable and prosperous nations and a market-oriented economy with a high volume of foreign trade and strong financial institutions, Chile holds considerable potential and has a special place in Latin American economy.

Chile is also a large contributor to the world commodities market, being the world's top copper producer.

Chile and the UAE have established bilateral trade relations since 1970, which was further enhanced in 2007 with the opening of the Trade Commission of Chile in the UAE and later the Embassy in 2009.

The UAE considers Chile an important economic partner, and we are keen to expand the scope of our ties to promote economic cooperation, investment and trade development.

Ladies and Gentlemen,

I would like to take this opportunity to provide an overview of the UAE economy, which is one of the biggest in the Middle East.

Being a major regional economy, the UAE is a place of incredible opportunity for millions of people from around the world. Thanks to the vision and continued dedication of our leaders, people of over 200 different nationalities now call the UAE home.

Together, we have become a strategic gateway to the markets in the Middle East, North Africa and South Asia region just as Chile is for the Latin America region. As a result, more than 25 per cent of Fortune 500 companies have set up their regional or global headquarters in the UAE.

As a crucial economic hub – and with the ability to connect one-third of the world's population within just a four-hour flight – the UAE is the perfect example of a country that bridges geographic, cultural and generational divides.

Today, the UAE has one of the most open and dynamic economies in the world. The UAE's tax-free status, world-class infrastructure, low tariffs and 100 per cent ownership for foreign investors in selected zones, make it the ideal location for setting up new business.

We are a world class aviation hub, linking developed and emerging parts of the world. Last year, over 70 million passengers came through the UAE's two biggest airports.

This connectivity has also allowed us to become a key global player in the shipping and ports industry. Today the UAE is home to some of the world's top 10 container ports.

The UAE is also one of the world's preferred trade and logistics hubs, with the World Bank naming it as the best performing trade logistics service provider in the Gulf. Consequently, trade between the UAE and the various economies – both in the West and the East - has increased exponentially over the years.

In particular, our trade volume with Chile was around 200 million dollars in 2012 which represented a 20 percent as compared to 2011. Our exports to Chile were 50 million dollars and imports from Chile were around 150 million dollars in 2012.

Ladies and Gentlemen,

The UAE's growth is often attributed to oil wealth. While oil revenues certainly helped nurture our economy in the 1960s, our growth has been fundamentally led by the non-oil sector.

Today, non-oil sectors, including trade, logistics, financial services, aviation, tourism, hospitality, small and medium enterprises, real estate and construction, are the primary drivers of our economy.

Increased non-oil trade activities have led to increased optimism in the economy. While the non-oil GDP of the UAE has been growing at constant prices at a rate of between 2.3 per cent and 3.5 per cent annually, it is expected that this growth will reach four per cent, and possibly 4.5 per cent this year, the fastest pace since 2008.

Within the framework of the UAE Vision 2021, we established a roadmap that aims to mark the UAE as one of the most advanced countries in the world by 2021, through focusing on the creation of a diversified and flexible knowledge-based economy.

As the UAE proceeds with its diversification strategy, our target is to increase the contribution of the knowledge economy up to 5% of the GDP by 2021.

Today, the UAE has moved into the ranks of the 20 most productive global economies.

In the Global Competitiveness Report issued by the World Economic Forum for 2013-14, the UAE advanced five positions in the total competitiveness of its economy in just one year.

In the report, we moved from 25th position last year to 19th this year out of 148 countries, coming ahead of countries such as France, Ireland and Australia.

The UAE has also been ranked first in the Middle East and North Africa in terms of Ease of Doing Business and the availability and quality of transport infrastructure, communication and the use of information technology.

Over the past 40 years we have extensively invested in our infrastructure – which enabled us to become the centre of trade, logistics and innovation.

In addition, investment inflows enjoy definite advantages when moving to the UAE in view of its solid economic fundamentals and investment friendly economic policies based on openness, diversity and flexibility. The annual foreign direct investment inflow into the UAE is estimated to have surged 25 per cent to \$9.6 billion in 2012 from \$7.7 billion in the previous year.

The UAE also offers massive investment potential through a number of free zones across the country.

Ladies and Gentlemen,

Over the past 40 years the UAE embarked a diversification strategy that is building an economy based on various economic sectors.

The UAE was established in 1971, at that time oil contributed 90 percent of the UAE's GDP. In 2012, oil contribution to our GDP went down to less than 30 percent. Today, the new pillars of our economy are the manufacturing, services tourism and other sectors.

In this regard, I am proud to mention that today the country with the 5th largest oil reserve worldwide, the UAE, is an excellent example for countries trying to reduce its reliance on oil.

While our countries have established growing trade ties, I believe there are still many areas for potential collaboration which need to be tapped effectively.

We can share our strengths and experiences in important sectors and drive potential investments through public-private partnerships.

We need to eliminate obstacles that curb trade and economic relations by activating agreements as we both complement each other, particularly in aviation, oil and gas, ports, logistics and transportation.

A Key area of cooperation is renewable energy in which has established itself as an international player; we are aiming for a 7% renewable energy target by 2020.

Ladies and Gentlemen,

The United Arab Emirates believes in the power of collaboration. We understand that the world's myriad challenges cannot be addressed in isolation. They can only be solved if we work together – as true partners.

We have the opportunity to hold meaningful and productive dialogue and collaborate on creating a solid roadmap for our present and future investment engagements.

As I have mentioned, we need to focus on collaborative efforts to drive growth, identify and nurture priority areas for capacity building to improve investment, promote sustainable investment awareness, and identify key growth areas.

Let us work together for a stronger trade and investment partnership between Chile and the UAE.

Once again, I would like to express my heartfelt appreciation for your gracious hospitality.

Thank you.