

ROAD TO **EXPO 2020**

DISCOVER MIDDLE EAST

EXPO BUSINESS
LEVERAGE PROGRAMME



Haere Mai, Welcome

This session will be recorded.



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and your camera is disabled for
this event.



Please use the Q&A function to
ask questions during the
session.



Use the chat function if you
would like to message hosts,
panellists or other attendees.



We'll be starting soon...

TODAY'S SPEAKERS



Kevin McKenna
Consul General,
Trade Commissioner
UAE, Qatar, the Levant & Africa
New Zealand Trade & Enterprise



Ahmad Zakkout
Trade Commissioner
Saudi Arabia, Oman, Bahrain & Kuwait
New Zealand Trade & Enterprise



Rachael Kerr
Regional Director
India, Middle East & Africa
New Zealand Trade & Enterprise



Cameron Thomas
General Manager, Middle East
Tait Communications EMEA



Ken Hetherington
Regional Director
FRESCO NZ DMCC



Nick Crofts
Chief Executive Officer
Mateenbar

ROAD TO **EXPO 2020**

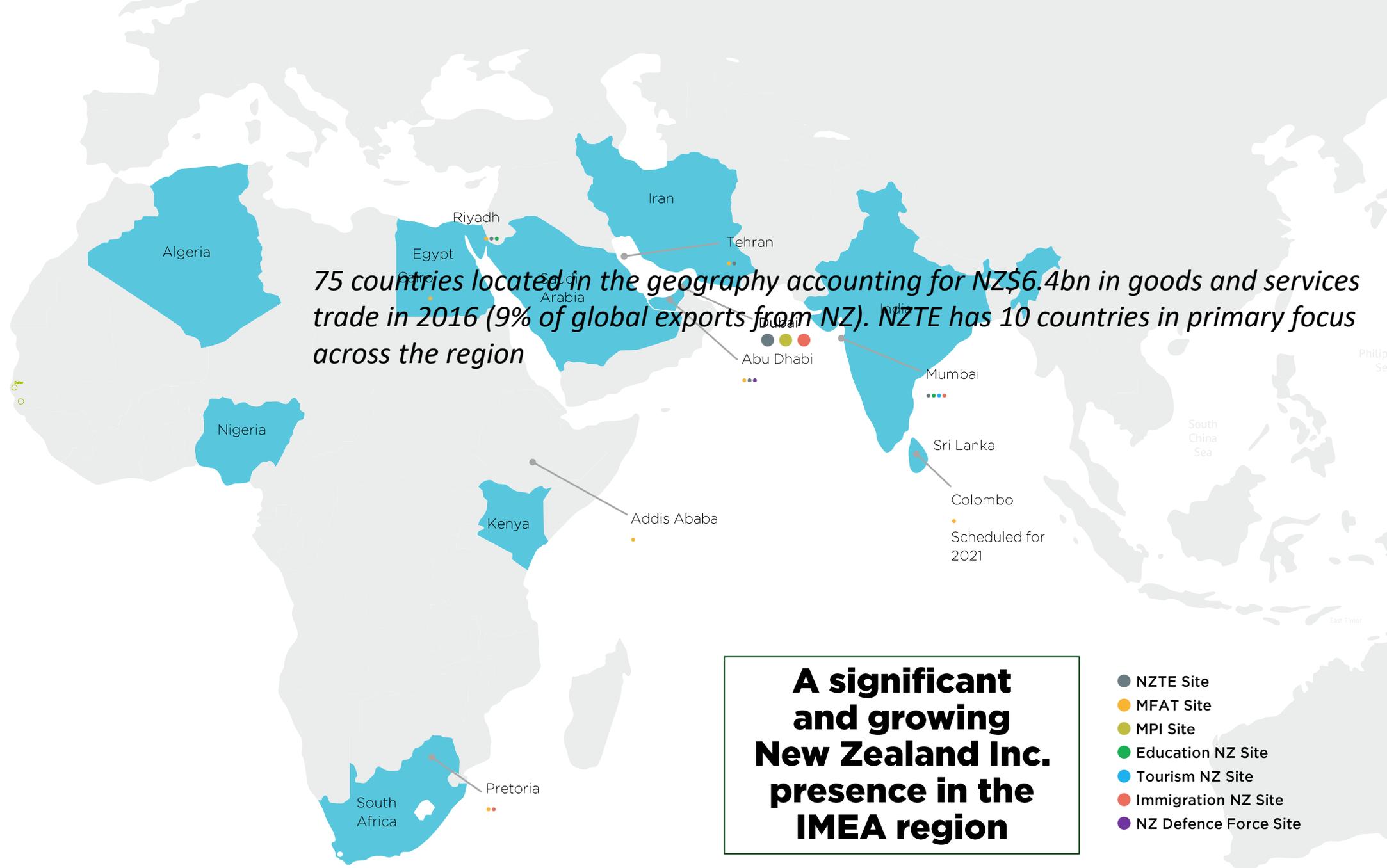
DISCOVER MIDDLE EAST

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NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono





75 countries located in the geography accounting for NZ\$6.4bn in goods and services trade in 2016 (9% of global exports from NZ). NZTE has 10 countries in primary focus across the region

A significant and growing New Zealand Inc. presence in the IMEA region

- NZTE Site
- MFAT Site
- MPI Site
- Education NZ Site
- Tourism NZ Site
- Immigration NZ Site
- NZ Defence Force Site



Kevin McKenna
UAE, Qatar, Levant, Africa



Ahmad Zakkout
Saudi, Bahrain, Oman and Kuwait



Ralph Hays
South Asia

THE UNITED ARAB EMIRATES



DUBAI: THEN AND NOW...



“My grandfather rode a camel, my father rode a camel, I drive a Mercedes, my son drives a Land Rover, his son will drive a Land Rover, but his son will ride a camel.”

In this quote, Sheikh Rashid, the ruler of Dubai when the UAE was formed in 1971, reflected on his concern that oil would dry up within a few generations, reversing the success of Dubai. He therefore focused on making Dubai a transport hub, so it could survive after the end of oil production

DUBAI: THEN AND NOW...



In 1995, UAE's GDP was 65 billion NZD, 25 years later in 2019, it was 650 billion NZD

THE SEVEN EMIRATES

ABU DHABI

- Capital of the UAE, the center of government power and site of most oil reserves.
- Largest emirate, accounts for around 87% of the total land area.

DUBAI

- Hub for business, finance and tourism.
- Most populated Emirate (3.4 million or approx. one-third of total).

SHARJAH

- A cultural hub and very connected to Dubai. Many who work in Dubai live in Sharjah city, where rents are cheaper.
- Seen as more conservative. Sale of alcohol is prohibited.

FUJAIRAH

- Known for its mountains and beaches.
- Local industries include cement and mining.

RAS AL KHAIMAH

- A mountainous emirate with a fast-growing tourism industry and a strong ceramics industry.

AJMAN

- The smallest emirate in terms of land mass

UMM AL QUWAIN

- The least populous emirate. Has had a recent push of government initiatives to attract businesses via free zones.



Sheikh Mohamed bin Zayed bin Sultan Al Nahyan
Crown Prince of Abu Dhabi and the de facto ruler of Abu Dhabi



Sheikh Mohammed Bin Rashid Al Maktoum
Vice President and Prime Minister of the UAE and Ruler of Dubai



THE UAE ROYAL FAMILIES

A BALANCE OF POWER

- There are six royal / ruling families in the UAE. The royal families of Abu Dhabi and Dubai are the direct descendants of the same tribe - the Bani Yas tribe.
- Abu Dhabi is ruled by the Al Nahyan family. They have ruled Abu Dhabi since 1793 and are descended from the Bani Yas tribe.
- Dubai is ruled by the Al Maktoum family. Sheikh Mohammed Bin Rashid Al Maktoum is the current Vice President and Prime Minister of the UAE.
- Since the formation of the UAE in 1971, the ruler of Abu Dhabi has always been President and the ruler of Dubai is the Prime Minister.



Sheikh Mohammed Bin Rashid and Mohamed Bin Zayed

THE UAE TODAY: IN NUMBERS



10 MILLION
POPULATION
FROM OVER 200
COUNTRIES



16/190 WORLD BANK'S EASE OF
DOING BUSINESS RANKING
(SAME SCORE AS TAIWAN)



AED **27,830**
NZD **10,485** AVERAGE ANNUAL SPEND
ON F&B PER DUBAI HOUSEHOLD:
NON-EMIRATI
AED **62,300** **EMIRATI**
NZD **24,000**



225 MEN PER
100 WOMEN
IN DUBAI



13% POPULATION EMIRATI
50% SOUTH ASIAN



1.7% UNEMPLOYMENT RATE
(WORLD AVERAGE IS 5.4%)



36% OF POPULATION
ARE MILLENNIALS



34TH COUNTRY IN THE
WORLD BY GDP
(NZ IS 64TH)

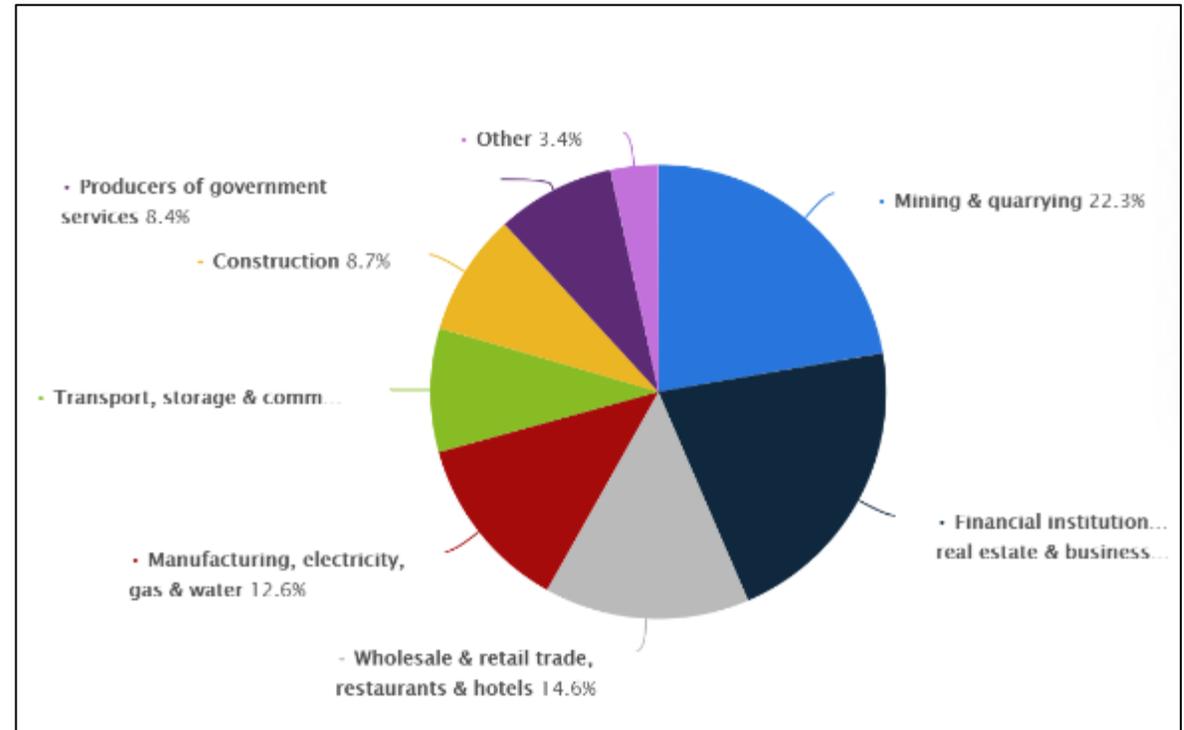


NZ\$17B IN FOREIGN AID
GIVEN BY THE UAE IN 2019
THIS REPRESENTED 0.55% OF
ITS GNI (US GAVE 0.16%, NZ 0.28%)

BLACK GOLD

- Petroleum and natural gas contribute to approximately 30% of the UAE's economy
- Abu Dhabi is home to the bulk of oil & gas resource – 92 billion barrels compared to Dubai's 4 billion
- Oil accounts for less than 1% of Dubai's GDP
- Dubai's main revenues are tourism (20%), real estate and financial services
- The UAE government has put significant efforts behind strategies to diversify its economy
- To execute this planned diversification, state sponsored initiatives such as the 'UAE Vision 2021' and the 'National Innovation Strategy' have been introduced

Share of GDP by Economic Activity in the UAE
2017



Source: <https://www.statista.com/statistics/1011033/uae-share-of-gdp-by-economic-activity/>

UAE-NZ TRADE



- The UAE is our 10th largest trading partner and a critical air and sea hub – linking NZ exports & people with the MENA region and beyond.
- In 2020, NZ goods and services exports to the UAE totalled \$900 million.
- New Zealand's top exports to the UAE in 2020 were dairy, preparations of cereals, flour and starch, fruit, vehicle parts and meat.
- New Zealand exports to the UAE, and GCC have seen sustained growth in the past 10 years.
- The UAE is the leading petroleum oil exporter to New Zealand and a critical energy security partner.

DOING BUSINESS IN THE UAE

OPTIONS FOR SETTING UP A COMPANY

- The UAE offers a variety of options for setting up a business. These include a **mainland business**, a **free zone** or **offshore**.
- The decision you make will depend on the nature of your business and its activity.

MAINLAND COMPANIES

- A mainland company allows you to do direct business in the UAE and the GCC without involvement of a third-party or distributor.
- For mainland business setups, the Department of Economic Development (DED) is responsible for registration, licensing, commercial compliance and consumer protection.
- Traditionally, if you wanted to wholly own your business, a free zone set up would be the best option.
- However new laws in effect from March 31, 2021, allow full foreign ownership for mainland companies in many circumstances (subject to industry and local government approval).
- There is no corporate tax for a mainland company for the majority of industries (this is also the case with a free zone company).



Quick story: *DP World and Virgin Hyperloop are collaborating to create hyperloop tech for cargo. CEO of DP World notes that cargo is often a catalyst for transport innovations, and this will be a “new era of ultra-fast, sustainable movement of people and goods”*

DOING BUSINESS IN THE UAE

FREE ZONE

- A free zone is a geographical area that's been established by the UAE government to **encourage direct foreign investment** into the UAE.
- There are **40-plus free trade zones** in the UAE, most of which are in Dubai.
- There are **no foreign ownership restrictions for free zone companies** and there is no need for a UAE national partner or service agent on the licence.
- A recommended route for companies that want to sell tangible goods from a free zone, is to **work with a local distributor, an agent or a third-party logistics company that has a mainland licence.**
- There is **no corporate or personal tax** to pay across most industries (this is also the case for mainland companies).



Jebel Ali Free Zone in Dubai is one of the largest free zones in the world.

DOING BUSINESS IN THE UAE

EXPORTING TO THE UAE

- Customs duties usually around 5% (higher for alcohol and tobacco).
- Zero customs duties on goods imported into free zone.
- All labelling and packaging must have some Arabic details.
- As an importer, you must ensure your merchandise meets the regulations set by the UAE Government and does not appear on the list of prohibited or restricted goods.

LICENSES

There are more than 2,100 business activities available in Dubai. There are 3 types of licenses that will determine your business:

Commercial license: all kinds of trading

Industrial license: manufacturing or industrial

Professional license: professions, services, craftsmen



DOING BUSINESS IN THE UAE

TAXATION

- The UAE is widely considered a tax-free country for both personal and corporate income.
- However, there is currently corporate tax of up to 20% for some foreign banks, utilities and oil, gas and petrochemical companies.
- A standard Value Added Tax (VAT) rate of 5% is applied on all goods and services.
- Any business will be able to recover VAT on purchases of goods and services, if those purchases are used for business services. This is subject to certain conditions.
- Other current taxes include:
 - Local municipal property tax of 5% of the rental value
 - 10% local tax on hotel services
 - 100% tax on alcohol, energy drinks, sugary drinks & tobacco
 - Fees on government services



SAUDI ARABIA



THE MAIN CENTRES

Saudi Arabia encompasses the bulk of the Arabian Peninsula: almost 10 times the size of NZ and 13th largest country in the world by land mass

Saudi borders Jordan, Iraq and Kuwait to the north; UAE, Bahrain (via causeway) and Qatar to the east and Yemen and Oman to the south

Left of map: Makkah region

Mecca, holy city: 1.6 million

Jeddah, coastal port city that is less conservative: 4.6 million

Centre of map: Riyadh region

Riyadh is the capital and major business centre. There are 7.6 million people

Right of map: Eastern region

Dammam Metropolitan Area (Dhahran on this map) is home to the country's oil industry, the world's largest oil reserve and 1.3 million people



SAUDI TODAY: IN NUMBERS



34 MILLION
POPULATION



17TH LARGEST COUNTRY
IN THE WORLD BY GDP
(BETWEEN SPAIN AND AUSTRALIA)



60% ACCOUNTS FOR 60% OF
ALL FOOD CONSUMPTION
IN GULF: IN 2018, SAUDI F&B
MARKET WAS WORTH NZD 68B



2/3 OF POPULATION
IS UNDER 35



80% OF PEOPLE LIVE IN URBAN
CENTRES, MAINLY RIYADH,
JEDDAH & HOLY CITY OF MAKKAH



70% POPULATION SAUDI;
30% EXPATRIATE



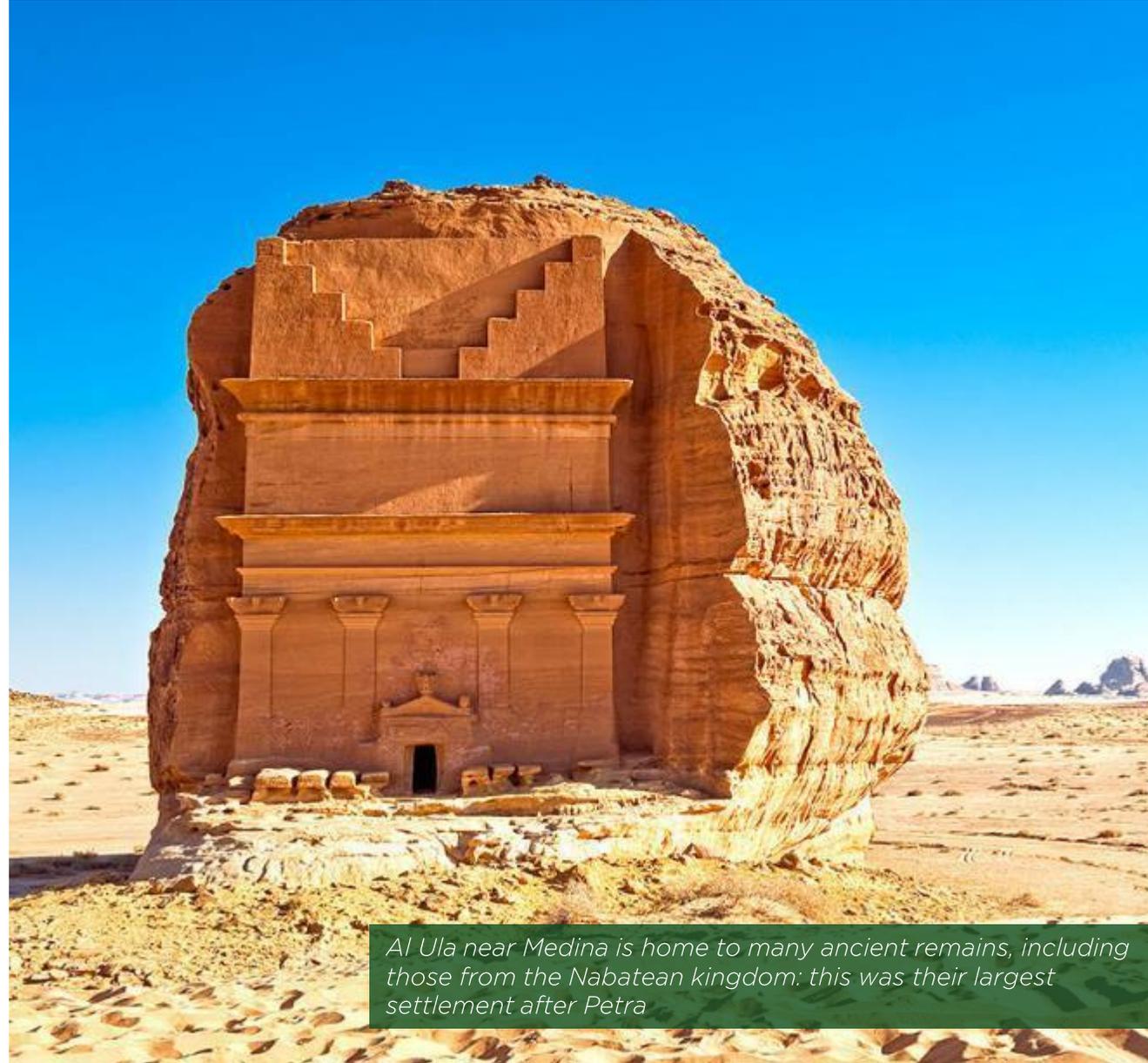
62/190 WORLD BANK'S EASE OF
DOING BUSINESS RANKING
(BETWEEN BULGARIA & INDIA)



20-33% LABOUR FORCE PARTICIPATION OF
WOMEN WENT FROM 20% TO 33%
BETWEEN 2018 - 2020

A LONG & VARIED HISTORY

- Saudi Arabia has evidence of human inhabitation from 20,000 years ago.
- Ancient trade route to Babylon, Egypt, Persia, Greece, Rome and more.
- Birthplace of Islam: Prophet Mohammed (PBUH) born in the year 570 in the town of Mecca, and Islam was revealed in the year 610 when the prophet was 40 years.
- The Kingdom of Saudi Arabia was established in 1932 by King Abdulaziz and named after the Saud family, previously part of the Arabia Peninsula. Al Saud remain the ruling family in the patriarchal monarchy.
- Government's Vision 2030 aims to increase tourist numbers from 18 million to 100 million in 10 years and double household spending on entertainment. Ultimately about reducing dependence on oil and creating more private sector jobs and activity.
- Live music performances; women driving for the first time since the 1950s; cinemas open to public for the first time since 1980s (goal: 2,600 screens by 2030).
- Young, excited population: two-thirds of people are under 30; 70% Saudi nationals, 30% expatriate.



Al Ula near Medina is home to many ancient remains, including those from the Nabatean kingdom: this was their largest settlement after Petra

A QUICK HISTORY OF SAUDI ARABIA



1

1932 - 1953



2

1953 - 1964



3

1964 - 1975



4

1975 - 1982



5

1982 - 2005



6

2005 - 2015



7

2015 - present

1. King Abdulaziz
Ruled Saudi Arabia during this time. Since his death, 6 of his sons have ruled Saudi in succession.

He was King during the 1938 discovery of petroleum and large-scale production after WW2.

2. King Saud
Established a number of Ministries during his era, including ones for education, agriculture, commerce and communications.

3. King Faisal
Started a policy for reform and modernization with the first 5-year plan for economic development that Saudi committed to.

4. King Khalid
During his reign, the country saw significant developments due to the increase in oil revenues.

5. King Fahd
During his reign, Saudi became the world's largest oil producer. Credited with introducing the Basic Law of Saudi Arabia in 1992.

6. King Abdullah
Officially succeeded King Fahd in 2005. Instituted mild reforms and modernizations in areas such as women's education. King Abdullah foreign scholarship program for all Saudis

7. King Salman
Vision 2030, the end of the cinema ban, women driving, and tourism - all took place during his tenure. His son, Mohammed bin Salman is Crown Prince and chair of the Public Investment Fund.

IN 2016, SAUDI ANNOUNCED VISION 2030, WHAT IS IT?

A strategic plan for the country that aims to reduce dependence on oil, turn the nation into “a global investment powerhouse” and create a “vibrant society” by “emphasizing a moderate Islam”.



SAUDI GIGA PROJECTS



QIDDIYA

Entertainment city with theme parks 40 KM outside of Riyadh; will have a Six Flags and a Jack Nicklaus golf course.

NEOM

Huge area near Jordan and Egypt along 460 KM of Red Sea coast. NZD700 billion investment from Public Investment Fund. Aims to become Saudi's answer to Silicon Valley. The plan is for Neom to be powered only by renewable energy sources, and it's actively seeking high-innovation tech. First major project: The Line (a carless city). Saudi's Crown Prince has said Neom will have its own tax and labour laws and unique judicial system.

RED SEA PROJECT

Ultra-luxury, Maldives-like destination, more than 90 islands on the country's west coast, however only 22 islands will be developed. Preserving ecology part of the planning process.

AMAALA

A planned wellness tourism destination along the Red Sea. It is being billed the 'Riviera of the Middle East'.

There are opportunities across sectors on these projects, and supplier and vendor registration can be found on their websites (talk to NZTE Riyadh for more info).



Amaala Airport



SAUDI-NZ TRADE



NZ\$**861.1** MILLION WORTH OF
NZ EXPORTS TO
SAUDI ARABIA IN 2020



300% INCREASE IN EXPORTS OF
MANUKA HONEY FROM NZ
TO SAUDI ARABIA FROM
2019 TO 2020.
GENERAL YEAR-ON-YEAR EXPORT
SAW A 24% INCREASE FROM 2019 TO 2020,
DESPITE COVID-19



6TH MOST ENROLLED INTERNATIONAL STUDENTS
WERE SAUDI ARABIAN STUDENTS
IN NZ UNIVERSITIES IN PRE-COVID:
CHINA (46%), INDIA (9%), USA (8%), MALAYSIA (4%)
AND SAUDI ARABIA (3%)

WHAT MAKES SAUDI F&B CONSUMERS TICK?



- Many young Saudis study abroad which, coupled with increasing cosmopolitanism in the Kingdom, makes consumers very receptive to Western trends.
- Appetite for fine dining and high-end ingredients is established: Saudi is home to Nobu, Cipriani, Novikov and many more.
- According to a 2019 survey, people order food for delivery around 15 times a month on average: likely to increase as delivery infrastructure does.
- Consumers in Saudi Arabia value brands that tailor products and promotions to coincide with important local events such as Ramadan, Eid Al Fitr and Saudi National Day. Food entering Saudi must be halal, some items must be certified halal.
- Saudis look for quality products and are willing to pay, but do seek the best value for money and savings. Brands need to communicate prices clearly and offer good deals.

DOING BUSINESS IN SAUDI ARABIA

EXPORTING TO SAUDI ARABIA

- Exporters should do their homework on this early to avoid headaches. We also recommend seeking legal advice, perhaps via an NZTE beachhead, early on.
- Deregulation: 100% foreign ownership now allowed in trading activity on a case-by-case basis (talk to NZTE Riyadh team for more information).

LICENSE

- Whether it's running business activities, buying property, or otherwise investing in the Kingdom - you'll need to obtain the appropriate business licence.
- The gateway for all licensing is the **Ministry of Investment of Saudi Arabia (MISA)**.

TAXATION

- Effective 1 July 2020, the standard VAT rate in Saudi Arabia is 15%.
- There may be other taxes applied to monetary transactions that are defined by the nature and destination of the operation. This can be further clarified by a Saudi tax advisor.

LOCAL LABOUR FORCE

- There are labour regulations that require foreign companies operating in the Kingdom to employ and train Saudi nationals. Specifications of the requirements, as well as incentives for hiring Saudi nationals, vary and are governed by the Ministry of Labor and Social Development.



DOING BUSINESS IN SAUDI ARABIA

FAST FACTS

- Ministry of Investment of Saudi Arabia reported 348 MNC's were granted licenses to operate in Saudi in Q1 2020.
- 73% of all new investments in Q1 2020 were for full foreign ownership and 27% were joint ventures with local Saudi partners.
- Top five countries for new international companies: US, UK, India, Lebanon and Egypt.



ROAD TO **EXPO 2020**

EXPO BUSINESS LEVERAGE PROGRAMME

FAST-TRACK YOUR
GLOBAL CONNECTIONS



NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono



WHY ENGAGE ?

SIX MONTHS OF GLOBAL CONNECTIONS

Expo 2020 Dubai runs from October 2021 to March 2022

INTERNATIONAL TRADE RECOVERY

190+ participating countries; will attract the *world's* business community

BRAND EXPOSURE

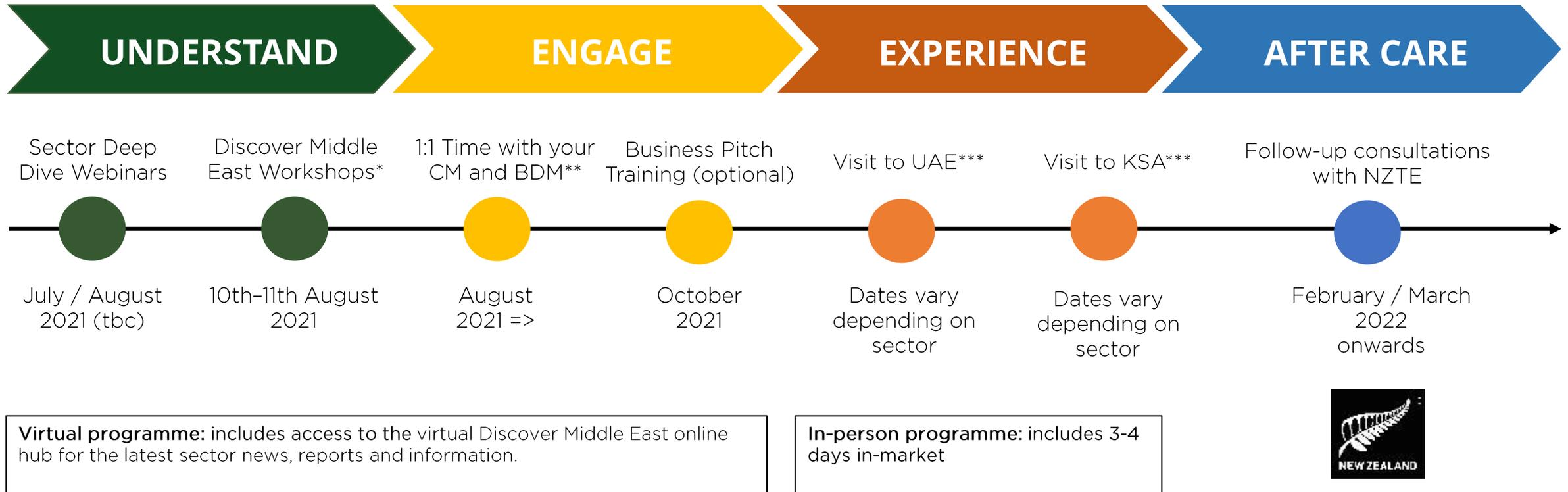
Strong NZ presence has potential to raise profile of Kiwi companies, goods and services in front of a range of trading partners

FAST FACT: The Expo 2020 Dubai site is the same size as the whole of the Auckland CBD



DISCOVER MIDDLE EAST

What to expect from the programme?



* For those unable to join in August, the Discover Middle East Workshops will be repeated in October.

** This 1:1 time will be an opportunity to work closely with your Customer Manager and BDM in-market to build your market strategy.

*** Participants can visit one or both markets