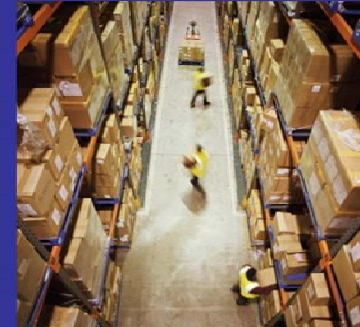
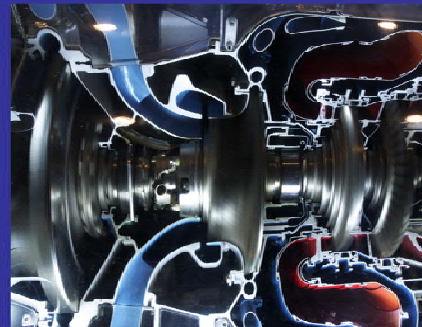


Boston Strategies International, Inc.

November 2007



Global Infrastructure Series



Global Supply Chain Management: Dubai

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Summary

- **Historical view of shipping in the region**
 - Trade in the Middle East is booming
 - Dubai is a major trans-shipment hub
 - The majority of Middle East trade is conducted with Asia and Europe
 - Lots of intra-regional trade
 - The UAE's reliance on oil is decreasing rapidly
- **Dubai and the changing face of the GCC**
 - Infrastructure is extensive and increasing in capacity
 - Dubai Internet City, Dubai Media City, and other complexes
 - Planned industrial infrastructure projects
 - Planned commercial and residential infrastructure projects
 - New transit system between Dubai and Jebel Ali
 - Planned airport infrastructure projects
- **Logistics case studies**
 - Jebel Ali Free Trade Zone
 - Jebel Ali Free Trade Zone – Port
 - Jebel Ali Free Trade Zone – Warehouses
- **Outlook: the promises and challenges of growth**
- **Advice for doing business in the UAE**

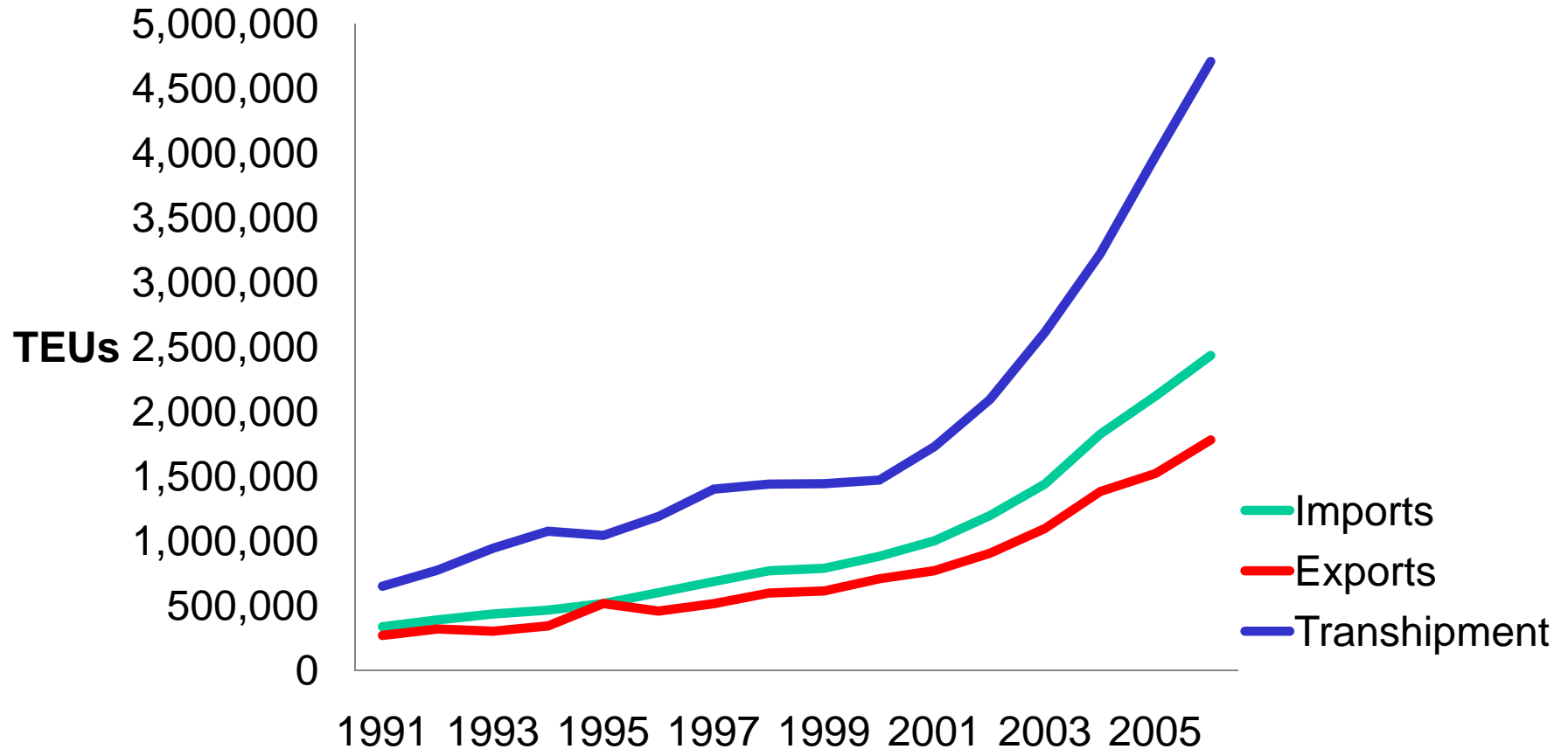


Historical view of shipping in the region



Trade in the Middle East is booming

Historical evolution of trade in and out of Dubai

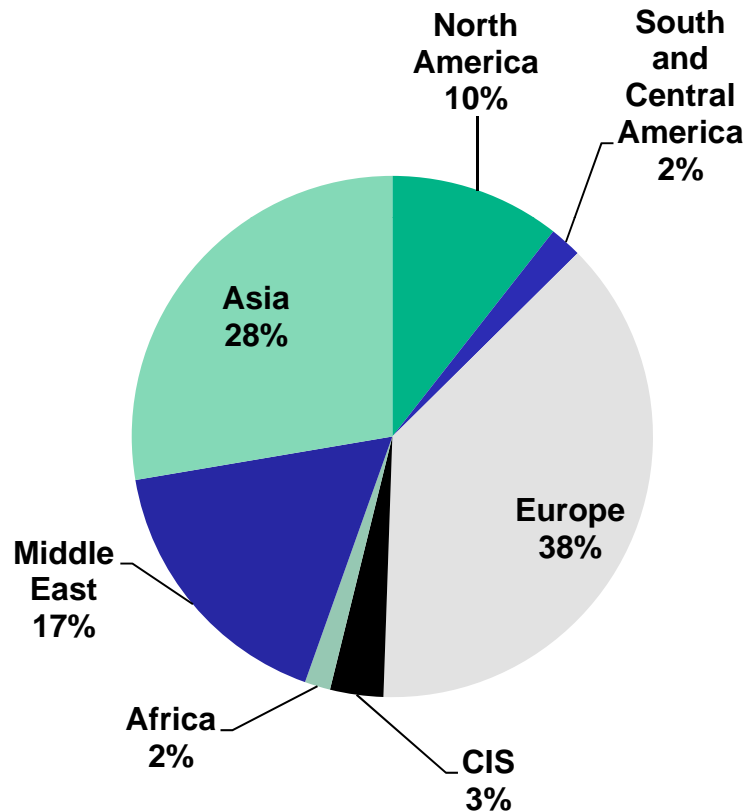


Source: DP World

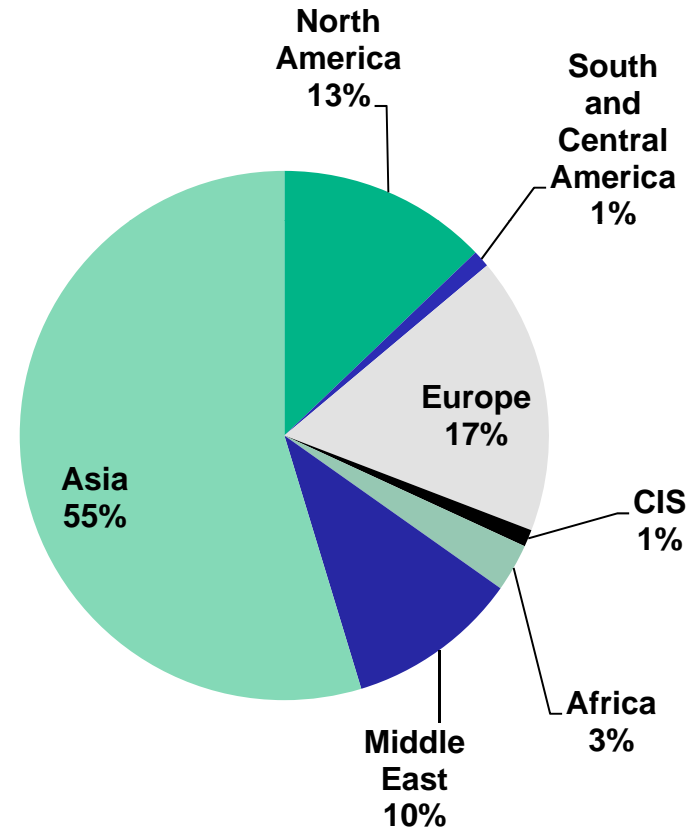
The majority of Middle East trade is conducted with Asia and Europe

Excerpt

Merchandise imports of the Middle East by region



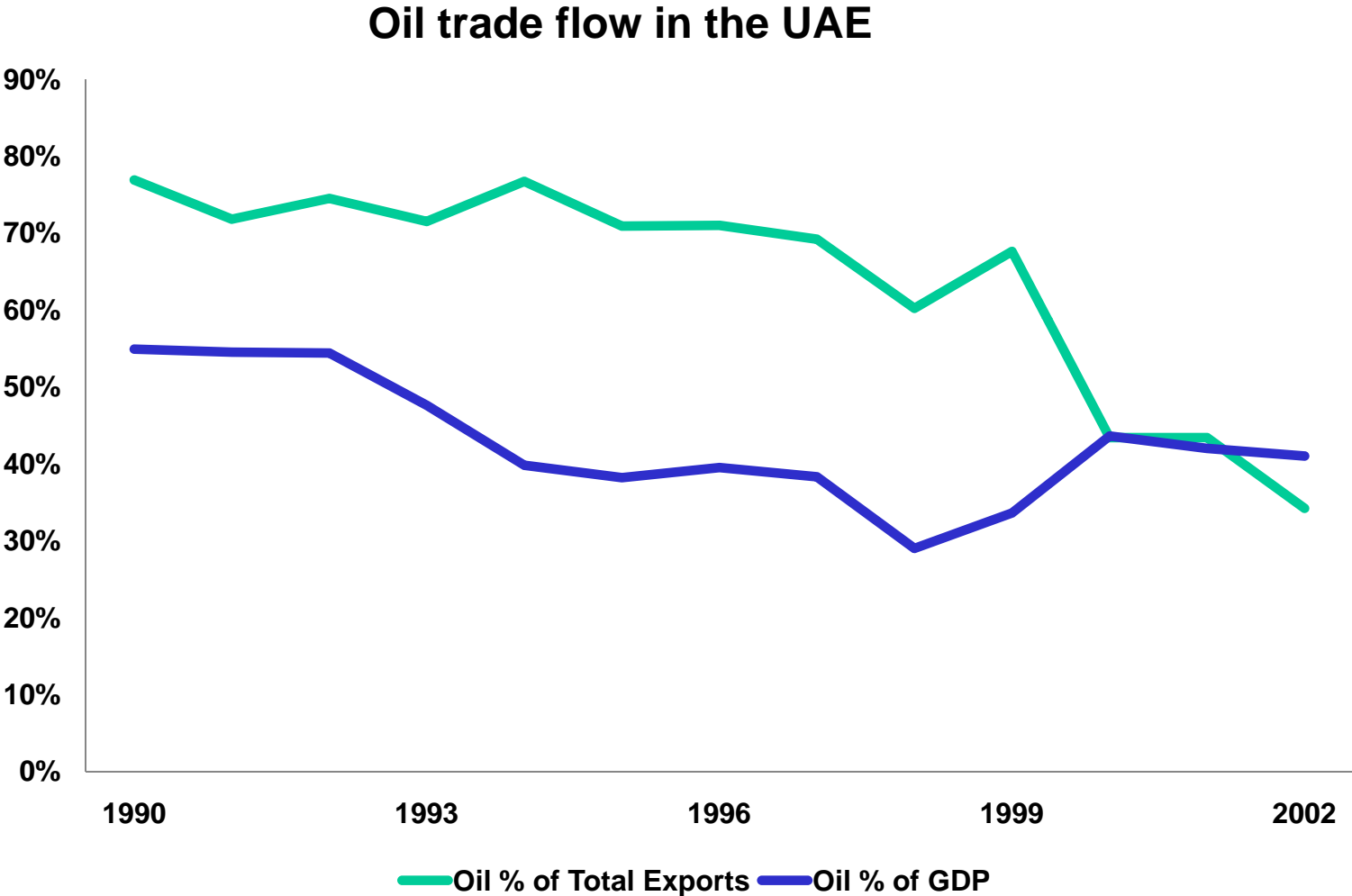
Merchandise exports of the Middle East by region



Source: World Trade Organization



The UAE's reliance on oil is decreasing rapidly

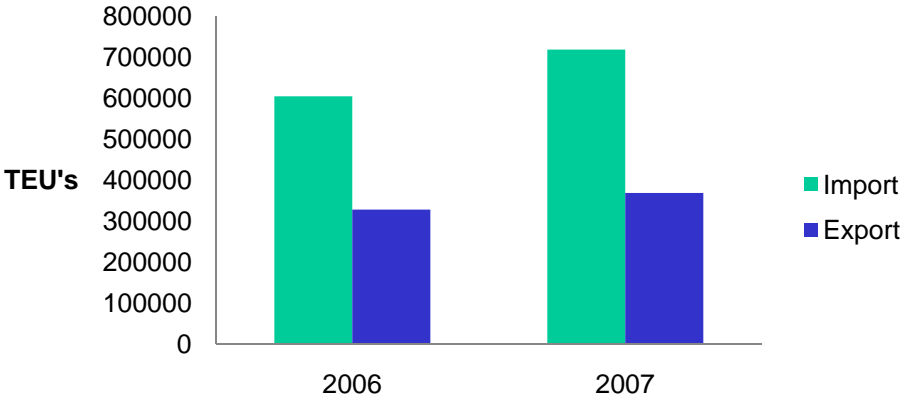


Source: FCCI UAE

Dubai is a major trans-shipment hub

- Dubai trans-shipped 1.9m containers so far this year, vs. 700,000 TEUs imported and 350,000 TEUs exported.
- 64% of all value is trans-shipped
- Jeddah Islamic Port
- Jebel Ali
- Port Rashid

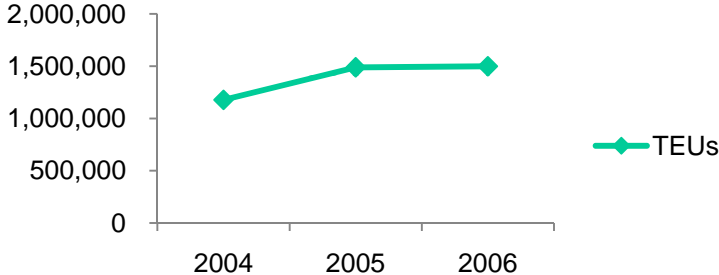
Jebel Ali and Port Rashid Cargo Flows



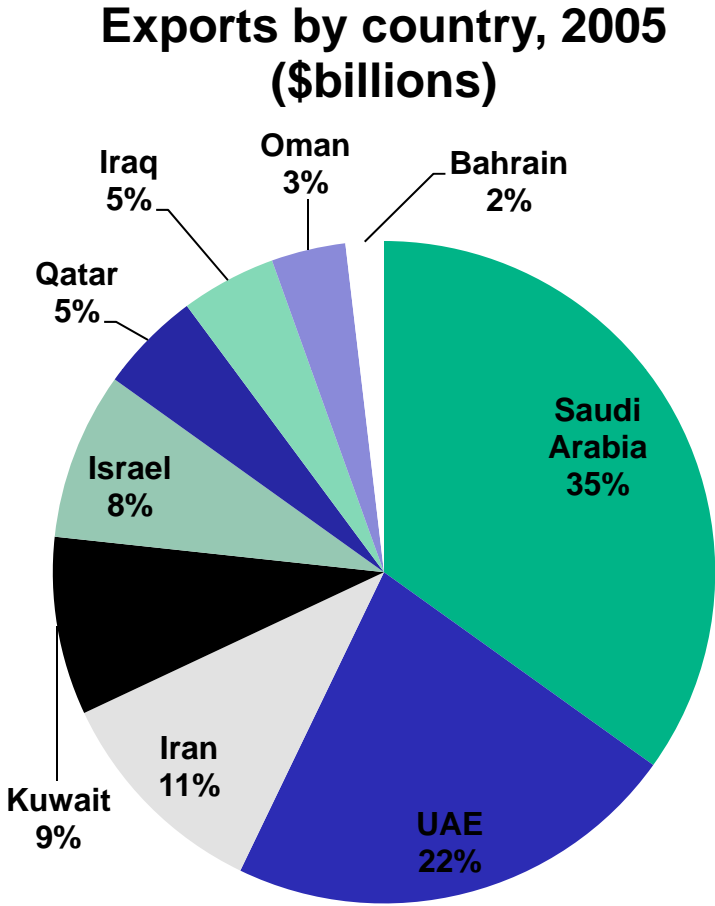
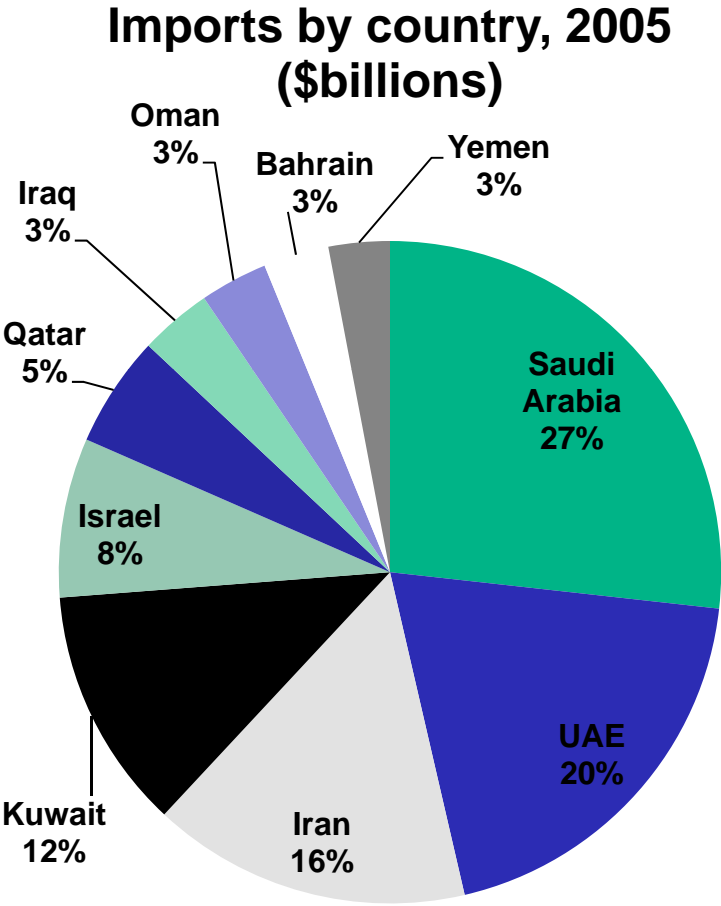
*Note: 2007 figures are through August 2007

Sources: Saudi Ports Authority, DP World

Jeddah Islamic Port Transshipment Containers



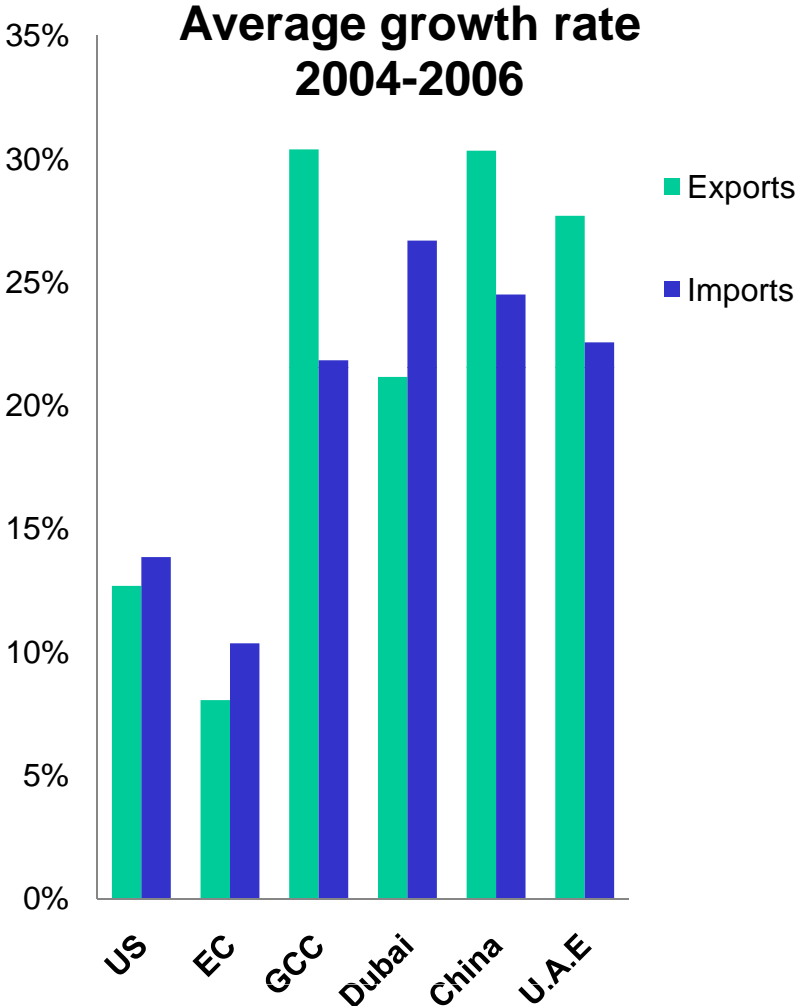
Lots of intra-regional trade (\$54b)



Source: World Trade Organization

Major inter-regional trade flows in the GCC

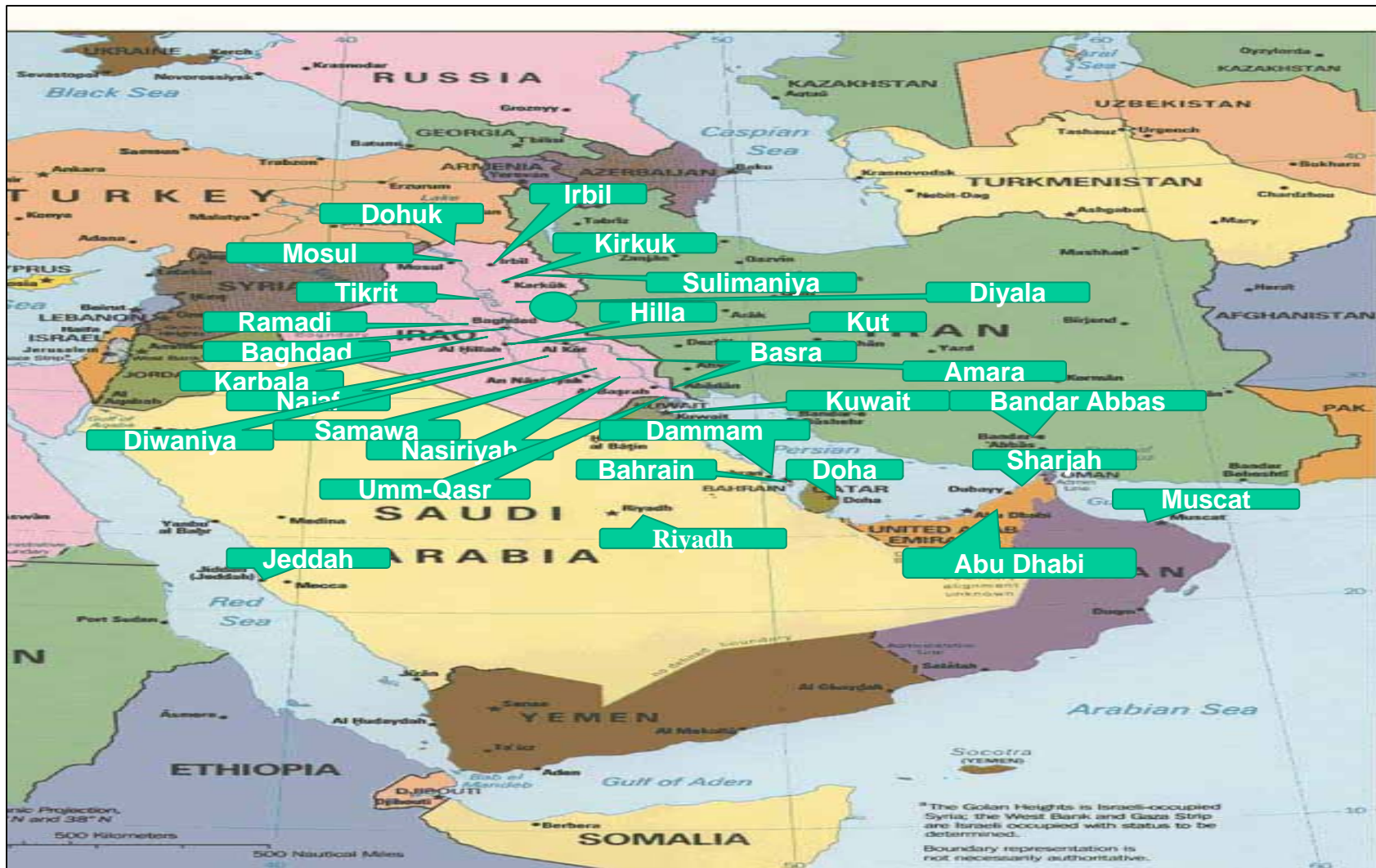
	Dubai as % of UAE 2005	Dubai as % of UAE 2006	Dubai as % of GCC 2005	Dubai as % of GCC 2006
Exports	23%	20%	7%	6%
Imports	63%	63%	27%	28%



Source: Analysis by Boston Strategies International, Inc.

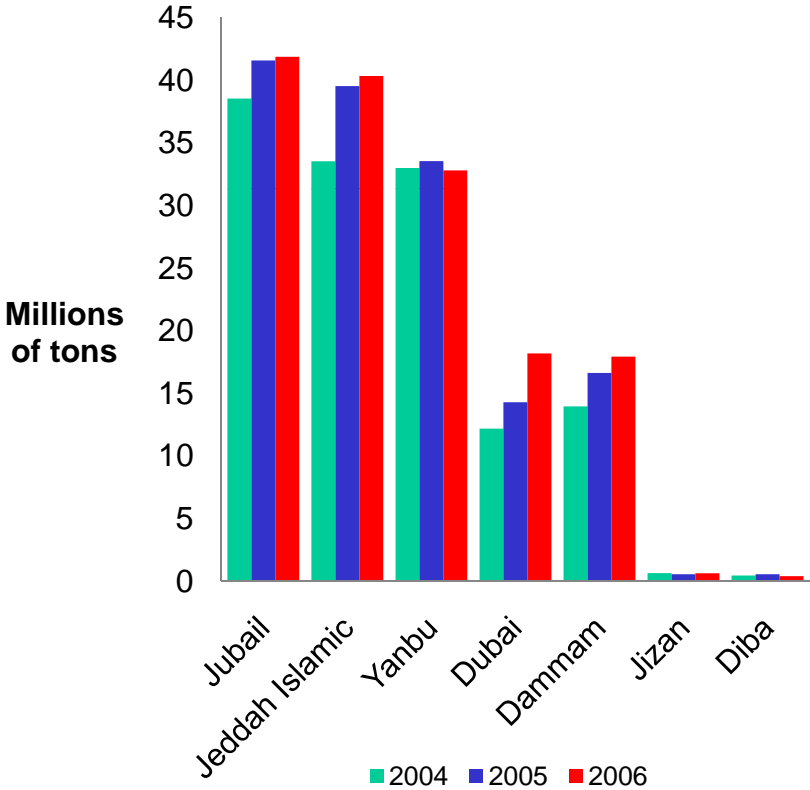
Infrastructure is extensive and increasing in capacity

Excerpt

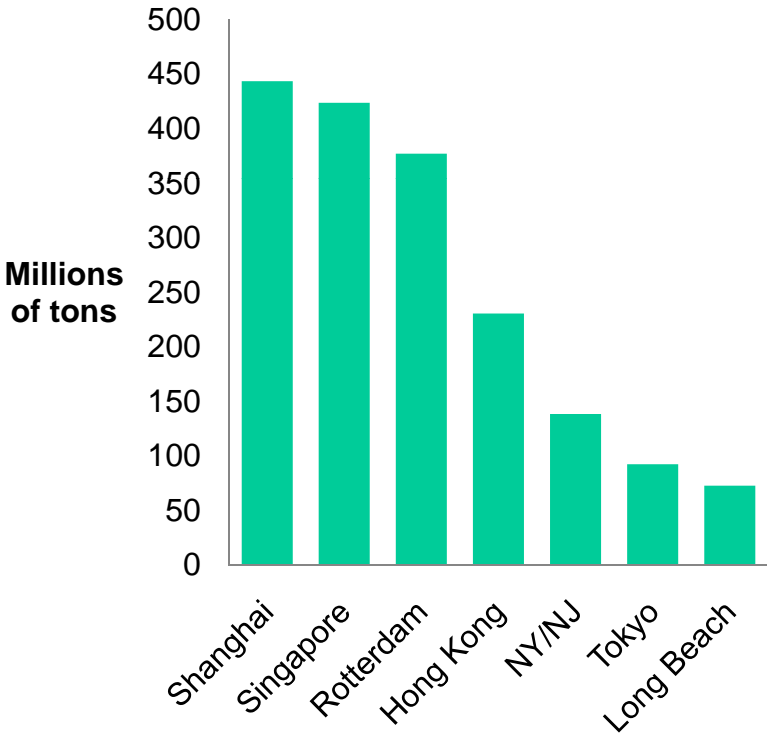


Ports are small but growing fast

Saudi Arabia and U.A.E. Ports Total Throughput Tonnage 2004-2006



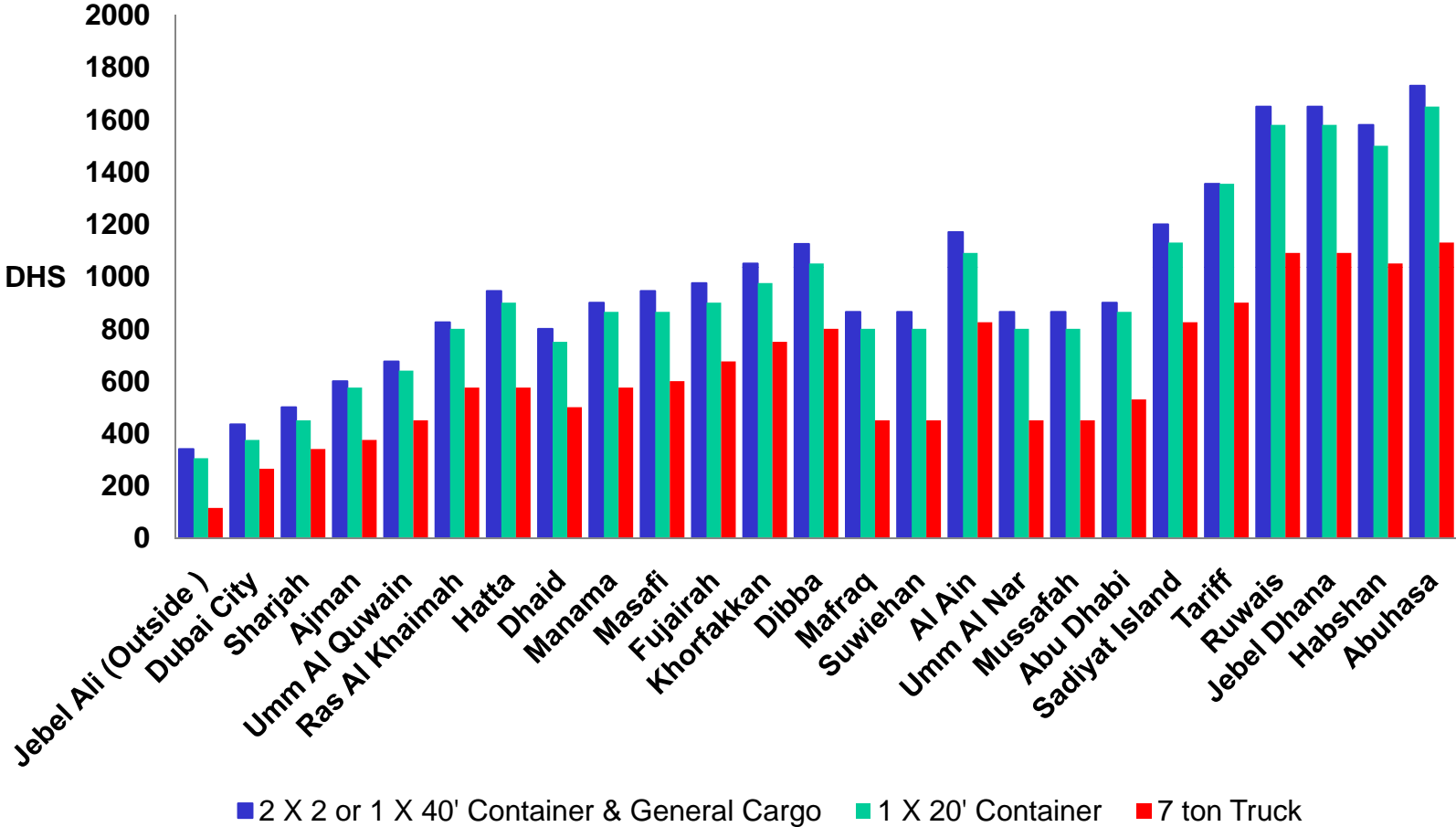
Reference Points: World Port Ranking Total Throughput Tonnage 2005



Sources: Saudi Ports Authority, AAPA

Trucking connections are extensive

UAE Trucking Tariffs ex Jebel Ali



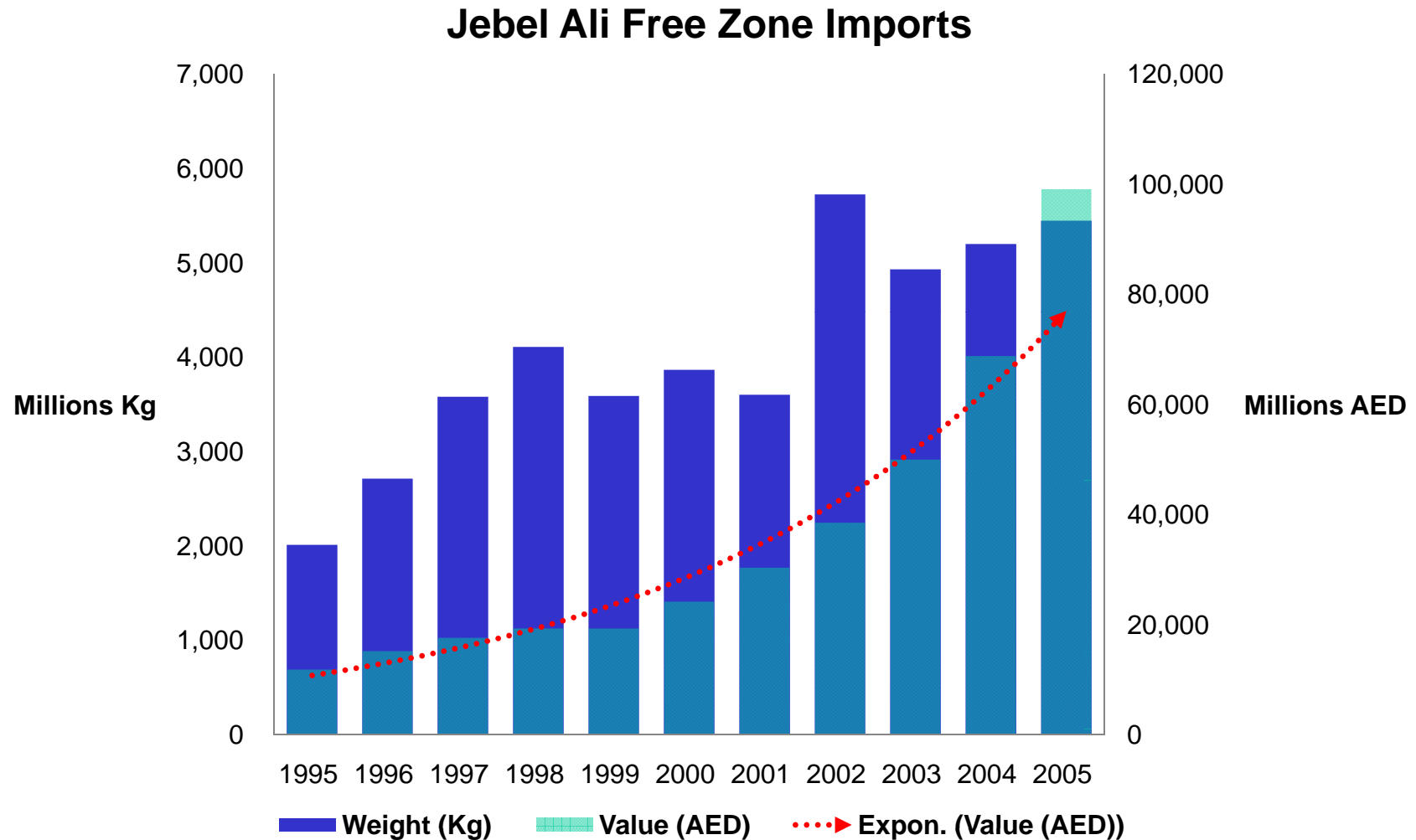
Source: DP World

Dubai and changing face of the GCC



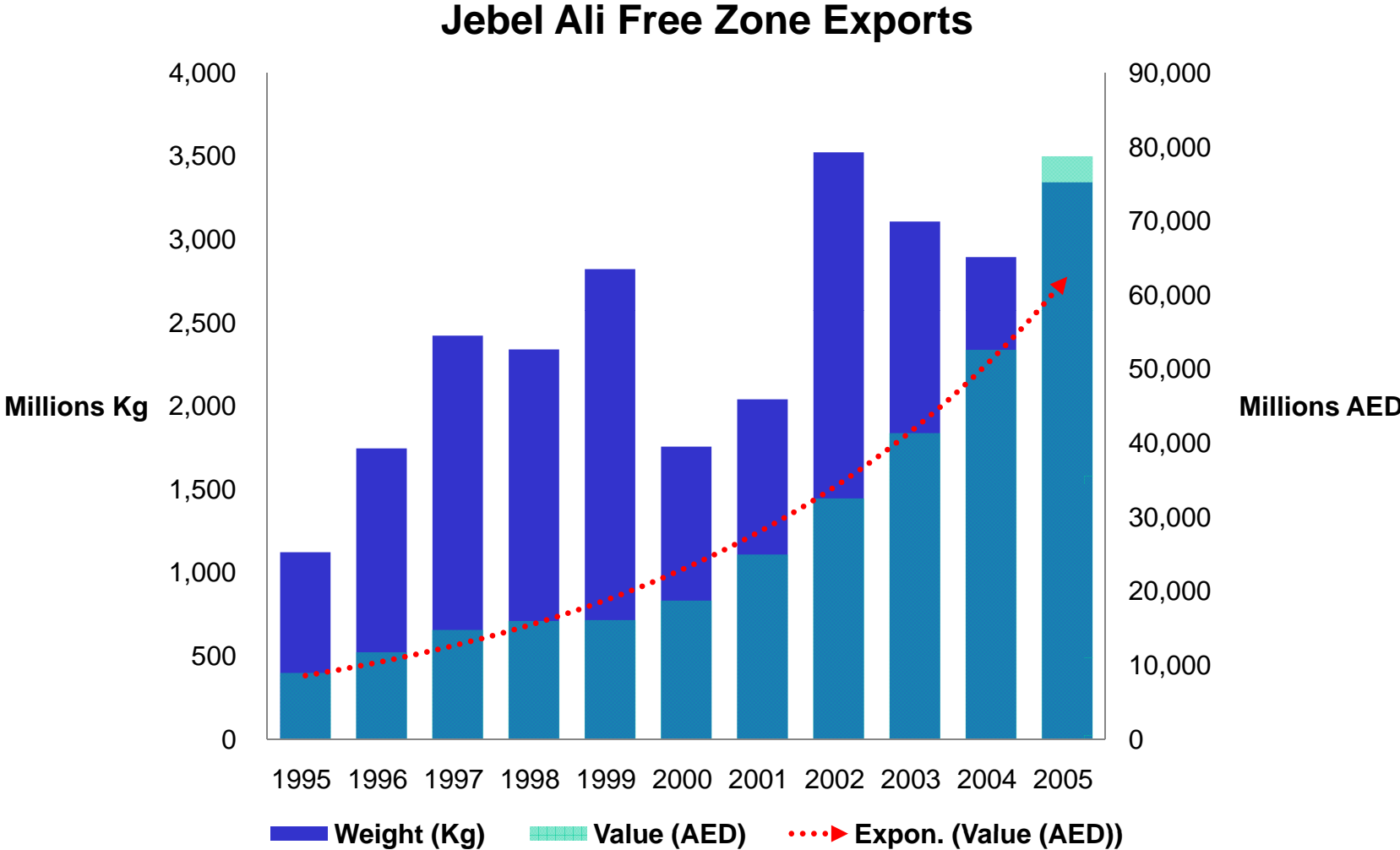
Jebel Ali Free Zone's cargo intake is increasing rapidly...

Excerpt



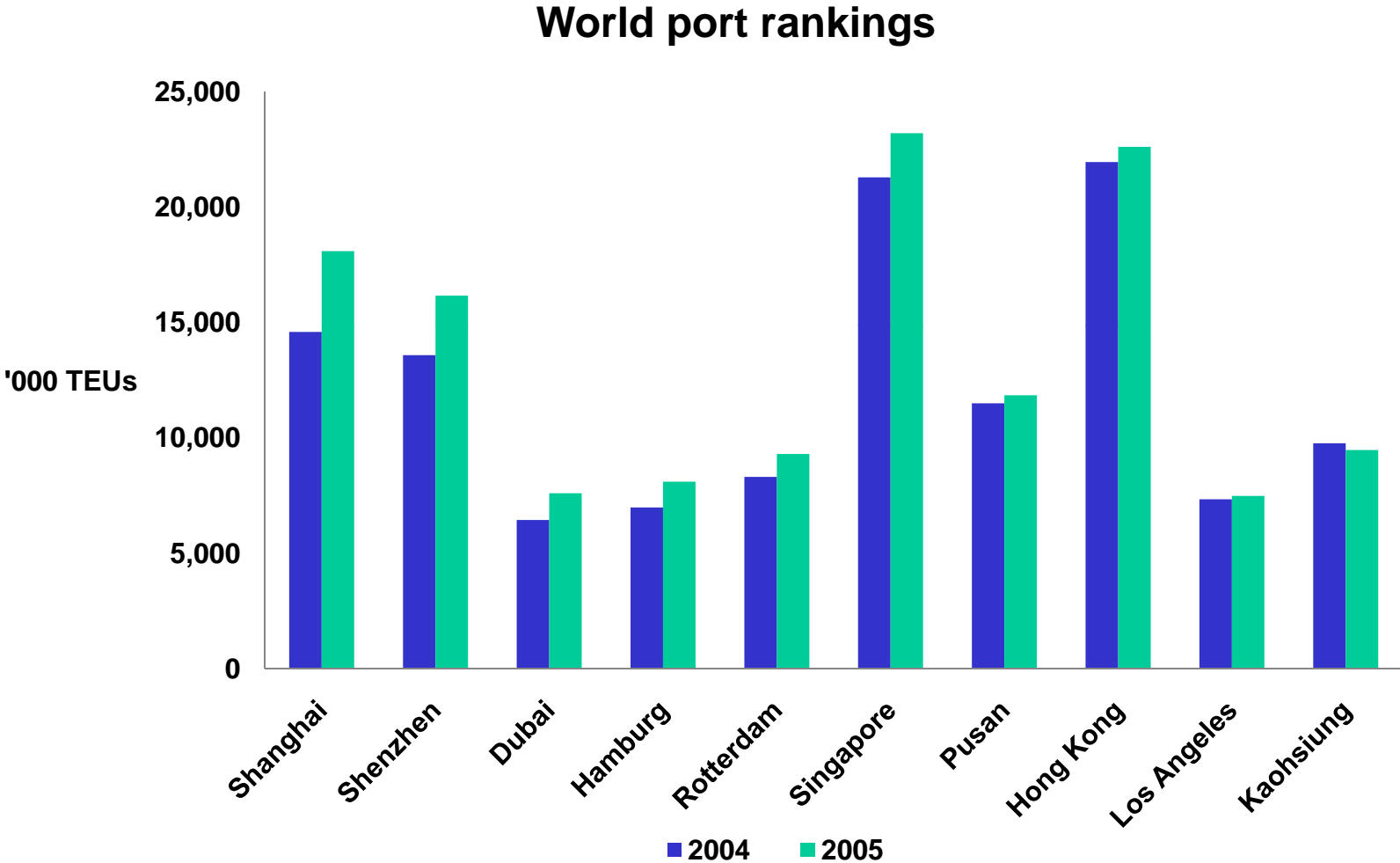
Source: Analysis by Boston Strategies International, Inc.

...as well as the output



Source: Analysis by Boston Strategies International, Inc.

Dubai growth in perspective



Source: Analysis by Boston Strategies International, Inc., Hong Kong Port Development Council

Planned industrial infrastructure projects

- \$300 billion in GCC projects between 2007-2012
 - \$100 billion in power generation
 - \$50 billion in industrial sector
 - Hydro-carbon sector which contributes to 47% of the GCC's GDP will account for the remaining project dollars.
- Relocation of main cargo port Mina Zayed to Khalifa Port by 2011

Sources: U.S.-Arab Chamber of Commerce, UAEINTERACT



Planned commercial and residential infrastructure projects

Excerpt

- Fully-automated Dubai Metro system lines with a total of 47 stations, 10 underground, and 2 in Sharjah
- Emirates Industrial City - 7.7million square meter industrial park
- Emirates City – 72 residential and commercial towers
- Al Qaiwain – waterfront community of villas and apartments
- Mina al-Arab - \$2.7 billion beachfront development with resorts, 5-star hotels, and 3,500 residential units
- Fujairah Paradise and Fujairah Dana – villas, hotels and malls
- DEWA power generation capacity expansion and desalinated water production- \$5.45 billion by 2012

Source: U.S.-Arab Chamber of Commerce



Planned airport infrastructure projects

- Over 20 years, airport development will exceed Dh75 billion (US\$20.43 billion)

Infrastructure Project	Estimated Cost (Dh)	Estimated Cost (US\$)
Abu Dhabi International Airport redevelopment	30 billion	8.17 billion
Expansion of Dubai International Airport	15 billion	4.08 billion
New Dubai World Central development	30 billion	8.17 billion
Sharjah International Airport redevelopment	227 million	61 billion
Ajman new airport	2.9 billion	800 million
Fujairah terminal & associated structures expansion	183 million	49 million
Al Ain International Airport redevelopment	75 million	20.43 million
Ra's al-Khaimah airport expansion	1 billion	272 million

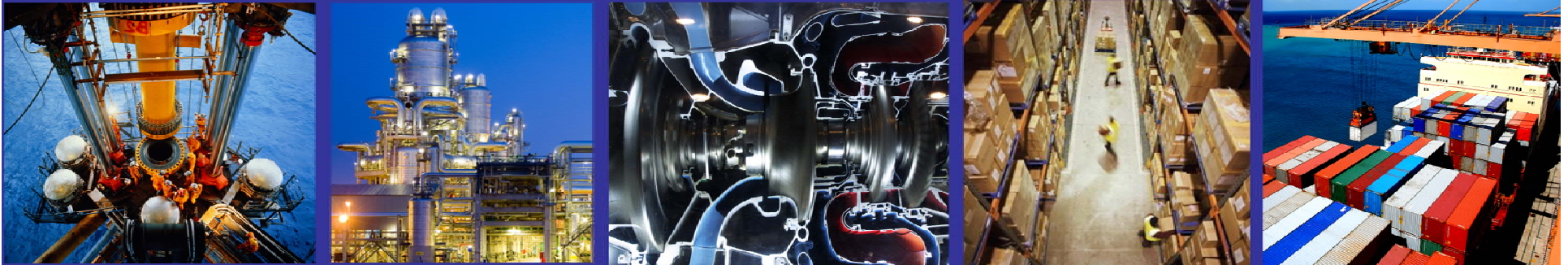
Source: UAEINTERACT

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