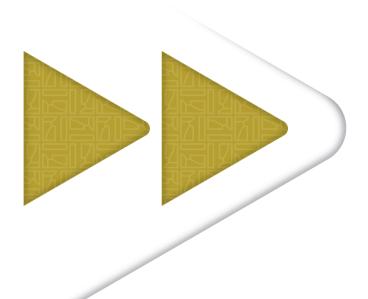




## **Policy in Action**

Dubai Trade - Building Competitive Advantage
Through Collaboration



**Fast-Forwarding the Nation** Issue 3 | 2012

هيئة اتحادية | Federal Authority

### **Policy in Action Series**

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## I. Introduction

Today, the UAE is one of the world's preferred trade and logistics hubs. In 2012 the World Bank Doing Business Report ranked the UAE 5<sup>th</sup> for the ease of Trading Across Borders, out of 183 countries.<sup>1</sup> This is significant in a world of rising global interdependence and growth in international trade. Trade is a key economic activity in the globalized economy, as reflected in the dramatic rise in exports internationally. Between 1994 and 2009, total world exports increased by 120% from US\$5 trillion to US\$11 trillion,<sup>2</sup> surpassing world GDP growth.

This case study explores how the UAE created competitive advantage in trade through improving the efficiency of its trade processes. It showcases *Dubai Trade*, an innovative, independent physical and online trade network that has been remarkably successful in facilitating trade of goods and services through the UAE. Established in 2006 on the foundations of UAE's visionary policies and the trade and logistics infrastructure, *Dubai Trade* is an extensive public and privately-funded network of government entities and private service providers in the trade value chain that has become an important gateway for trade flows through the country. *Dubai Trade* (accessed through www.dubaitrade.ae), remains relentlessly focused on its mission to "make trade easier, faster and cost effective for all stakeholders through continued improvement of business process and application of technology."

In the past six years, *Dubai Trade* has been remarkably successful in facilitating trade of goods and services through the UAE. This case study will explore how the UAE has benefitted from improvements in the trade process, and will highlight the valuable lessons *Dubai Trade* offers both the public and private sectors for creating competitive advantage by: 1) leveraging an inherited location advantage to create a competitive advantage; 2) having a strong customer-centric business strategy; and 3) fostering innovative public and private sector synergies. The case study concludes with a partial analysis of the impact of improved trade on the public sector, business growth and on the economy more broadly.

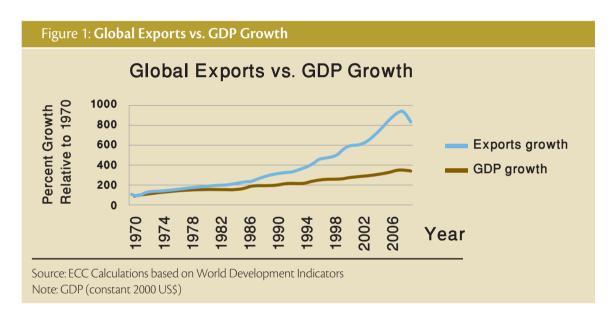
<sup>&</sup>lt;sup>1</sup> World Bank Doing Business 2012

<sup>&</sup>lt;sup>2</sup> World Development Indicators

# II. Background: Competitiveness and the Importance of Trade

Global trade has developed at a steady pace over recent decades. Fundamental changes in international commerce and finance, such as lower transport costs, advances in telecommunications technology, and the decline in trade barriers have fueled a rapid increase in global economic integration. This has led to heightened competition amongst companies in both national and international goods and services markets.

Figure 1 below, demonstrates the trend of a dramatic rise in the percent of growth in exports internationally relative to GDP growth from 1970 to 2009.



Trade has become a vital element for countries' economic development, as countries are becoming less likely to produce all the goods and services they need within their borders. Goods and services in today's globalized economy move freely across the world, as both final and as intermediary products. When countries lower trade barriers, they create enormous potential benefits for business and households alike. These include improved access to overseas markets and imported technologies for firms; access to a range of competitively priced goods and services for consumers; increased competition in local markets to improve efficiency and accelerate structural transformation; and a more attractive business environment to stimulate investment. Increased trade levels and the greater wealth of many economies create new market opportunities.<sup>3</sup>

In this context of rising global interdependence and international trade, what contributed to the UAE's trajectory of improved trade performance?

<sup>&</sup>lt;sup>3</sup> Marcos Arocha, USAID Briefing Note 9, Intermediate Results, June 2010

Trade has been an important contributor to the UAE's economy. The country's central geographical location has given it a comparative advantage, and in recent years it has turned this location advantage into a strategic, competitive advantage. The UAE government has pursued a strategy to encourage a robust business-enabling environment that advances economic growth and increases UAE's competitiveness and productivity. Policies to promote trade are an important feature of this strategy, and the country has developed an invaluable infrastructure that has allowed it to become a major player in international trade. The UAE has invested heavily in world-class infrastructure, including roads across the country; state-of-the-art airports and cargo hubs in Dubai, Abu Dhabi and Sharjah, and model seaport facilities at Port Jebel Ali (See Figure 2, below). With this infrastructure in place, the UAE has gone even further to create competitive advantage in trade by improving the efficiency of its trade process.

### Figure 2: Port Jebel Ali

As early as the 1970s forward-looking leadership in the UAE recognized the tremendous opportunities presented by growth in regional and global trade, and sought to strengthen the UAE's position as a trading hub.

Port Jebel Ali was constructed in the late 1970s at the behest of His Highness Sheikh Rashid bin Saeed al Maktoum, founder and then-ruler of Dubai. In 2009, Port Jebel Ali was ranked he world's 7<sup>th</sup> busiest container port. <sup>4</sup>

The Port is located within the Jebel Ali Free Zone which houses more than 6,000 companies engaged in manufacturing, trade, logistics and industrial and service-orientated sectors. The port is the world's largest man-made harbor and the largest container port between Rotterdam and Singapore. Located 35km to the southwest of Dubai, on the United Arab Emirates Arabian Gulf coast, the port's strategic geographic location close to the major east-west trades has enabled it to act as a maritime link between the Far East and the western hemisphere. It provides gateway access to a market of 1.5 billion people as one of the most modern ports in the region, Jebel Ali is fully equipped to meet the needs of local and international land transportation. It is a technologically advanced facility, employing state-of-the-art equipment, including the world's largest gantry cranes capable of lifting four 20 foot containers or two 40 foot containers simultaneously - a total capacity of 80 tons, twice that of traditional cranes. These improvements will enable the port to cater to the new generation of mega-ships (14,000 + TEU 5). Today Jebel Ali port is a model for the industry and the region, in everything from size to efficiency and security. In 2010 it handled 11.6 million TEUs of sea cargo for the UAE region. 6

In the current environment of increased global trade, efficient logistics processes relate directly to the competitiveness of a country's economy. The less time-consuming and more cost-effective it is to export and import, the easier it is for traders to be competitive and reach international markets. Understandably, the business community engaged in international trade is keenly interested in how easily and quickly their intermediary and final products can transit through a country, and choose to invest in countries or regions that are most conducive to trade. Similarly, in a trade-enabling environment, firms within the country are encouraged to export their goods to external markets and participate in global value chains, contributing to the country's export sector growth.

<sup>&</sup>lt;sup>4</sup> American Association of Port Authorities (AAPA Survey)

<sup>&</sup>lt;sup>5</sup> TEU (twenty-foot equivalent unit) is the standard unit to describe a ship's cargo carrying capacity, or a shipping terminal's cargo handling capacity. A standard forty-foot (40x8x8 feet) container equals two TEUs (each 20x8x8 feet).

<sup>&</sup>lt;sup>6</sup> DP World statistics

### III. Dubai Trade–The Birth of a Trade Facilitation Network

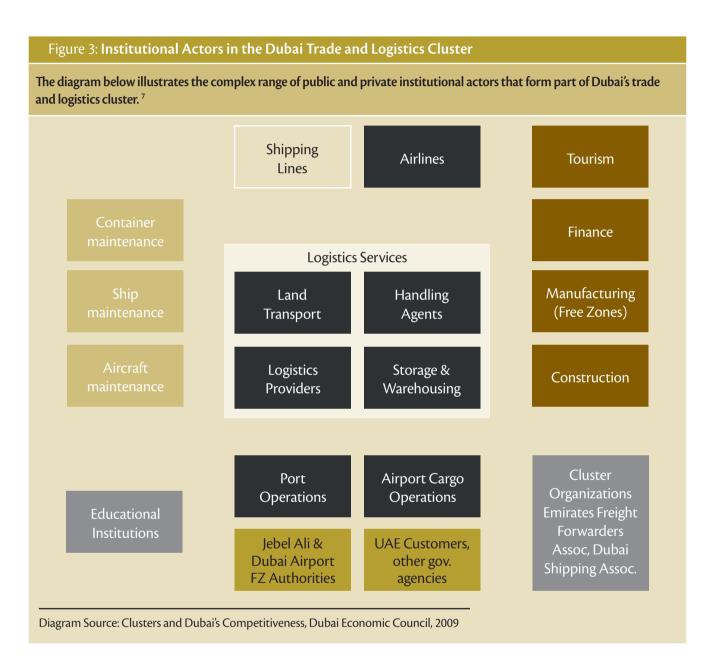
Before the 2000s the trade process in the UAE had evolved into an administrative labyrinth. From a trader's perspective the process was bureaucratic, cumbersome and time-consuming. To ship goods businesses had to interact independently with numerous government entities such as customs, health authorities, licensing entities, free zone and sea or airport services to name a few. They were required to submit an array of paper documents in person, often for overlapping administrative requirements. Businesses also had to engage the services of a host of private firms including freight companies, trucking companies, shipping lines and brokers and the like

In the early 2000s, leadership within Dubai Ports, Customs and Free zone Corporation (PCFC) realized the potential lost trade from the existing fragmented, inefficient processes in Dubai. PCFC was the Dubai-based entity that preceded *Dubai trade* in managing part of the trade value chain. PCFC recognized an opportunity to consolidate the trade process by bringing together relevant government and private entities. Their efforts led ultimately to the creation of the independent network or "single window" to that was to become *Dubai trade*. This single window would allow traders to submit import/export regulatory documents to multiple agencies online with a single entry point online.

To consolidate and streamline the trade process, PCFC took a strong business-oriented, customer-service approach and focused on understanding the challenges of their main end customers, the trading community. PCFC consulted with the business community and found that traders wanted to reduce red-tape, simplify procedures, eliminate duplication and overlapping information requirements of various administrative entities, and wherever possible, cut down on the need for submitting physical documentation. Traders also requested faster processing of shipments through customs so that merchandise was not unduly delayed, risking spoilage, unfulfilled contracts and other unprofitable outcomes. In sum, end customers wanted to transform the trade process into an efficient, integrated, streamlined automated one, and PCFC was determined to provide it.

To meet their customer requirements for efficient, streamlined and integrated service PCFC would need the cooperation of several government and private trade-related entities. The scope of such an undertaking was enormous. Moving goods internationally for trade is a complex process involving a large number and variety of institutional actors and would bring together government entities ranging from customs, various ministries, licensing and regulatory authorities, to ground, sea and air transportation authorities. See Figure 3: Institutional Actors in the Dubai Logistics Cluster

To accomplish an integrated trade network, two important conditions were necessary: 1) trade-related entities with processes and databases of their own would have to agree to integrate their services and share data to create a consolidated trade process and 2) an IT platform would have to be developed to support the collaboration, modernize the trade process, and make it paperless.



As they contemplated the best structure for a functional umbrella initiative, the PCFC leadership considered a range of questions: How could the government processes such as security, customs and other trade related services be aligned? How would this be accomplished while maintaining the integrity of national security and the jurisdictions of the various authorities? What would entities need to cede some control and information so that services could be offered on a single online platform? Additionally, PCFC wanted to bring private sector firms such as brokers, trucking companies and clearing agents into the network to enhance the trade process for businesses.

<sup>&</sup>lt;sup>7</sup> A business or industrial cluster is a concentration of businesses and institutions in a particular sector that are closely interconnected. Typically these firms and institutions are physically located in close proximity, allowing networks to develop with opportunities to share knowledge and create for value added goods and services.

These significant challenges were offset by a strong commitment by UAE's leadership for government entities to participate in the proposed online trade portal. During PCFC's initial consolidation efforts, a directive was issued by then-Crown Prince of Dubai, His Highness Sheikh Mohammed bin Rashid Al Maktoum, for government entities to provide e-enabled, service-oriented government to deliver world class services to its customers. This edict provided a powerful incentive for government entities to join hands on the proposed integrated trade IT platform. PCFC's efforts began to bear fruit and in early 2000s, the institutional collaborations began gaining momentum, as illustrated in Figure 4, below.

Figure 4: Creation of Dubai Trade-Key Institutional Collaborations/Milestones Achieved			
Period	Dubai Trade Collaborations/Milestones Achieved		
2000-2002	<ul> <li>MyJAFZA, Online portal for Free Zone is launched</li> <li>MyDPA, Online portal for ports is launched</li> <li>E-Mirsal Launched</li> </ul>		
2003-2005	<ul> <li>Dubai trade Portal launched to consolidate PCFC e-services on MyJAFZA, MyDPA and E-Mirsal.</li> <li>* DMCC launches its first eServices through Dubai trade Portal</li> <li>240 e-services reached</li> </ul>		
2006-2007	<ul> <li>Dubai trade launched as an independent department</li> <li>Mirsal II launched</li> <li>E-Token launched</li> <li>400 e-Services reached</li> </ul>		
2008-2009	<ul> <li>Rosoom E-Payment Gateway launched</li> <li>Techno Park and Dubai Auto Zone join <i>Dubai trade</i></li> <li>DP World launches PROMIS and General Cargo e-Services</li> <li>* ESEA Award Program initiated</li> <li>680 e-services reached</li> </ul>		
2010-2011	<ul> <li>UAE ranked #3 in "Trading Across Borders" topic of the 2011 Doing Business Report</li> <li>Emirates SkyCargo joins <i>Dubai trade</i></li> <li><i>Dubai trade</i> infrastructure security certified &amp; monitored by CERT.ae</li> <li>765 e-services reached</li> </ul>		

Source: Dubai trade

In 2003 the *Dubai trade* portal was launched and by 2006, a series of institutional collaborations resulted in the birth of *Dubai trade* as an independent entity. *Dubai trade* is a physical and online network effectively linking traders with different parts of the trade value chain, including various government entities that regulate and license trade such as Dubai Customs, DP World <sup>8</sup> and private trade intermediaries such as shipping lines, clearing and forwarding agents, customs brokers, trucking companies, freight forwarders and free zone licensees. Physically, trade in Dubai is facilitated by the country's major sea and air ports, the flagship Jebel Ali Port, and the extensive expressway system.

<sup>&</sup>lt;sup>8</sup> DP World is a major stakeholders in the trade and logistics value chain: it is the world's 3rd largest ports operator, managing more than 49 ports across 31 countries around the world

<sup>\*</sup> DMCC: Dubai Multi Commodity Centre

<sup>\*</sup> ESEA: E-Services Excellence Award

**Dubai Trade** has grown into an extensive network which focused on its mission to make trade faster and easier through improvement of business process and technology. A key component of **Dubai Trade**'s functionality has been its use of technology in response to the end customer request for paperless, efficient trade. The public face of **Dubai Trade** is an extensive online single window that facilitates the flow of information about goods that enter and leave the UAE. There is growing demand for the e-services of the network and the menu has proliferated over 800 offerings from the initial 50 services, including include bookings for tanker berths, No Objection Certificates and vehicle clearance services. **Dubai Trade's** community is made up of over 52,000 members including traders, government, private sector companies and not-for-profit organizations. <sup>9</sup> In 2010, **Dubai Trade** registered a record 11.4 million online trade transactions, representing an increase of 25% from 2009. <sup>10</sup>

New e-initiatives include collaborations with financial institutions to provide electronic services to automate the entire export and import process, and a platform to facilitate mobile phone transactions "on-the-go" is planned. Currently, *Dubai Trade* is working with different regulatory and government agencies such as Roads & Transport Authority (RTA), Dubai Municipality, General Directorate of Residency and Foreign Affairs of Dubai to improve the cargo clearance process, reduce inspection timelines and enforce security measures.

On the ground, the implementation of e-services has resulted in unprecedented opportunities to build capacity within SMEs and across sectors, while facilitating the end goal of speeding up trade processes and increasing trade volume. *Dubai Trade's* E-Token is an online system developed to replace the need for inperson visits and submissions of physical documents for pick-up and delivery of containers at the Jebel Ali port. Initially, following E-Token's launch however, truck drivers were not using the system. They continued to come in person, queuing to submit physical documents, and causing time delays at the port. On investigating, *Dubai Trade* found that many had limited computer literacy and facility in English. In response, *Dubai Trade* developed creative methods to train truck drivers to use the system, including E-Token training camps in the Jebel Ali Port parking lots. Drivers received training in computer basics and E-Token services in their native languages, and a dedicated, easily navigable e-Token website with visual cues was developed. *Dubai Trade* placed kiosks at key locations for drivers to conveniently transact on the *Dubai Trade* portal. By May 2011, the E-token service was used by drivers for over 93% of all containers entering and exiting Jebel Ali Port

Similarly, in 2008, when *Dubai Trade* began a concerted launch of electronic services, end customers were not adopting key trade facilitation services of DP World at the rate *Dubai Trade* expected. Upon investigation, they found customers could not complete transactions on-line because there was no e-payment method. In response, *Dubai Trade* worked with DP World to launch the Rosoom Electronic Payment Gateway, which offered customers several payment options, including credit cards (issued domestically and abroad), direct debits from their bank accounts from leading banks in the country, and pre-paid instruments such as the eDirham. The system was a success and a catalyst for adoption of the other e-services. The gateway now receives around 31,000 payment requests every month, and as of June 2011, AED 360 million (approximately US\$98 million) was collected through e-payments.

<sup>&</sup>lt;sup>9</sup> **Dubai Trade** statistics

<sup>&</sup>lt;sup>10</sup> **Dubai Trade** statistics

# IV. What Have Been the Results of Trade Facilitation?

Since the establishment of *Dubai Trade* in 2006, there have been solid results in reducing the cost, time and paperwork involved in international trade through the UAE, and the UAE has become a world standard-bearer when compared for speed and cost for importing and exporting. As Table 1 below shows, in 2006, it took up to 12 days and 7 documents to export a container; in 2012, this was reduced to 7 days and 4 documents. In 2008, the UAE was ranked 24<sup>th</sup> for ease of Trading Across Borders; in 2012, that rank was improved to 5<sup>th</sup>. <sup>11</sup> These improvements have resulted in UAE's standing as a trading partner.

Table	Table 1: UAE Trading Across Borders Improvements Since 2008						
Year	Trading Across	Documents	Time to export	Cost to	Documents	Time to import	Cost to
	Borders Rank	to export	(days)	export (US\$ /	to import	(days)	import (US\$ /
		(number)		container)	(number)		container)
2006		7	12	462	8	12	462
2007		7	12	462	7	9	462
2008	24	5	9	462	7	9	462
2009	13	5	9	618	7	9	587
2010	6	4	8	593	5	9	579
2011	3	4	7	521	5	7	542
2012	5	4	7	630	5	7	635

Source: World Bank Doing Business database

Internationally, the UAE is also a regional leader and ahead of OECD countries by a wide margin. As Table 2 below illustrates, in the UAE, it takes only 7 days to export a container at a cost of US\$630 and 7 days to import at a cost of US\$635. By comparison, in high income OECD countries it takes 10 days to export and 11 days to import, and the cost per container is over US\$1,000 for import or export - almost double that in the UAE. <sup>12</sup> Businesses in the UAE thus benefit from one of the world's most efficient, lowest priced trade locations. At an aggregate level, this translates to relatively greater economic benefit to the country.

Table 2: Speed and Cost to Trade—UAE compared to MENA and OECD Countries in 2012				
Indicator	United Arab Emirates	Middle East & North Africa	OECD	
Documents to export (number)	4	6	4	
Time to export (days)	7	20	10	
Cost to export (US\$ per container)	630	1,057	1,032	
Documents to import (number)	5	8	5	
Time to import (days)	7	24	11	
Cost to import (US\$ per container)	635	1,238	1,085	

Source: World Bank Doing Business database

<sup>11</sup> World Bank Doing Business 2012

<sup>&</sup>lt;sup>12</sup> World Bank Doing Business 2012



### V. How Has This Benefitted the UAE?

These improvements in trade have had an impact and have been advantageous to both the public and private sectors in the UAF:

**Benefit to the Government Entities:** *Dubai Trade* is added value to members as well as to its customers. The entities within the *Dubai Trade* network benefit by sharing information systems under a single umbrella. Systems do not have to be duplicated, resulting in potential cost saving. Moreover, the electronic system has resulted in better managed and more transparent administration of customs and trade authorities, increasing the capacity to move goods across UAE's borders efficiently and securely. This efficiency of the trade sector in turn promotes growth in trade, with a concomitant rise in revenues for entities such as customs and portmanagement and transportation authorities.

**Benefit to Traders:** A major benefit of improved trade process in the UAE is the time that traders save allowing them to conduct more trade with almost 50% reduction in time to import and export containers. As shown, whereas in 2006 it took 12 days to import or export a container, and today it takes just 7 days. <sup>13</sup> For businesses this translates to significant savings in time - and their money - that can potentially be used to conduct more trade. In a fiercely competitive globalized economy where both time and cost are of the essence, businesses transiting goods through the UAE are able to be more competitive.

**Growth in Trade:** Over the past two decades, trade in Dubai has increased at a rate of over 12 times that of global growth. Globally, from 1994 to 2009 total world exports increased 120% from US\$5 trillion to US\$ 11 trillion; <sup>14</sup> during that same time period, Dubai's exports rose by 1500%, to a value of US\$14 billion. <sup>15</sup> The spectacular rise trade growth rates, even compared to high international growth, demonstrates that the UAE's policies for openness to trade are working and that it is taking advantage of globalization; factors that cannot be explained without taking into account the trade facilitation efforts of *Dubai Trade*.

The trade-to-GDP ratio (Import + Export=Trade/GDP) often called the «trade openness ratio», represents a country's interest and ability to facilitate trade within the opportunities of a globalized economy. As Table 3 below illustrates, in 2009, reflecting the effectiveness of its trade policy and the reforms implemented through initiatives like *Dubai Trade*, the UAE's trade openness ratio was 172.7, placing it among the top 10 countries most open to trade. <sup>16</sup>

Table 3: <b>Trade Openess Ratios in 2009</b>			
Rank	Country Name	Trade Openness Ratio	
1	Singapore	409.0*	
2	Hong Kong SAR, China	380.5	
3	Luxembourg	305.6	
4	Seychelles	246.9	
5	Slovak Republic	203.2	
6	United Arab Emirates	172.7*	

Source: ECC ranking based on data from World Development Indicators and World Trade Organization
Note: Figures marked with asterisk (\*) are obtained from the World Trade Organization and are estimates for 2007-2009

<sup>&</sup>lt;sup>13</sup> World Bank Doing Business 2012

<sup>&</sup>lt;sup>14</sup> World Development Indicators

<sup>&</sup>lt;sup>15</sup> **Dubai Trade** statistics

<sup>&</sup>lt;sup>16</sup> Emirates Competitiveness Council (ECC) ranking based on data from World Development Indicators and World Trade Organization

**Potential Impact on GDP:** It is difficult to compute the exact impact of trade facilitation given the large number and complexity of variables involved. Factors that enable trade in a country include its macroeconomic and political stability, policies favoring trade and the general growth of the economy. Economists and academics including the World Trade Organization, the Organization for Economic Cooperation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD), and the World Bank have demonstrated amply that increased trade is enormously beneficial to the business community and governments alike, potentially accounting for billions of dollars in revenues generated from improved trade processes. As trade rises the general welfare within a county also increases. Below we highlight the main ways in which trade facilitation and increased trade in the UAE has been advantageous to the public and private sectors in the UAE.

A partial analysis of the gains from reducing time to trade in the UAE demonstrates that the impact is sizeable. As Table 4 below shows, a partial calculation of the impact on trade by reducing time to trade potentially accounts for total savings of over \$40 billion - about 17% of the UAE's 2009 GDP. <sup>17</sup> The calculation takes into account that cost of trade includes the amount of capital that is tied up in trade processes, compared to available liquid assets which could potentially be invested. As time to trade is reduced, not only do the number of trade deals per year increase, but the capital that is freed up can now be potentially used more efficiently by the private sector. The calculation below is based on the fact that in the UAE between 2005 and 2009, the number of days to export and import goods dropped by 3 days each.

Table 4: Calculating Potential Savings and Gains from Reducing Time to Trade			
UAE Trade 2005		US\$ millions	Days to Trade
Exports	Total merchandise	117, 287	12
Imports	Total merchandise	84, 654	12
UAE Trade 2009		US\$ millions	Days to Trade
Exports	Total merchandise	185,000	9
Imports	Total merchandise	150, 000	9

Assuming that the cost of capital is 15% per year (or 0.04% per day), we can calculate the dramatic impact of reducing the time to trade. For instance, between 2005 and 2009 in the UAE, the number of days to export and import goods dropped by 3 days each. The potential savings at 15% annual cost of capital results in a total savings of more than \$40 billion. This represents about 17% of the UAE's 2009 GDP - a significant amount.

### Reductions in time to trade across borders

- From 2005 to 2009, time to export dropped from 12 days to 9 days = 3 days saved
- From 2005 to 2009, time to import dropped from 12 days to 9 days = 3 days saved
- 15% = average annual opportunity cost (or 0.04% average daily opportunity cost)

#### Savings to traders

- Savings in export: 3 days X 0.04% x \$185 000 million = \$22.2 billion
- Savings in import: 3 days X 0.04% x \$150 000 million = \$18.0 billion

#### In summary:

Potential Savings for UAE at 15% average annual cost of capital, 2009	US\$ billions
Savings in Export to Traders	22.2
Savings in Import to Traders	18.0
Total	40.2

**Additional Gains:** Whereas in 2005 a trader could do 30.4 deals a year at 12 days (365/12), in 2009 as a result of the reduction in time a trader could potentially conduct 40.6 deals a year at 9 days (365/9).

<sup>&</sup>lt;sup>17</sup> ECC calculation based on World Trade Organization data. It is static model that assumes that the capital would be used to the fullest potential

## VI. Lessons Learned from Dubai Trade

**Dubai Trade** provides a valuable example of an initiative that harnessed the interests and resources of various parts of the trade value chain in the public and private sectors towards, ultimately impacting economic development. Some key lessons that can be learned from **Dubai Trade** are universally applicable in the public and private sectors are:

**Create a Competitive Advantage from a Comparative Advantage:** *Dubai Trade* took the comparative location advantage of the UAE and turned it into a competitive one. The county's early move to set in place its world-class infrastructure built its capacity as a logistics hub, provided the foundation of an important logistics hub for the region and the world. Savvy policy makers recognized an opportunity to further develop this into a competitive advantage as a center for trade excellence and fostered an enabling environment in which *Dubai Trade* developed the network, services and processes that would maximize both existing and emerging conditions for trade.

**Ensure a Customer-Centric Focus:** *Dubai Trade* began with, and maintains, a strong customer-centric focus, based on understanding the needs of traders as end users. This strong customer orientation enabled *Dubai Trade* to develop systems and solutions which meet the customers' needs and create tailored services that are valued—and so effectively utilized—by the end users. Customer loyalty and feedback have facilitated further improved processes, higher efficiencies, better business performances, leading to increased economic growth through increased trade.

**Develop Networks for Competitive Advantage:** Innovation is generally thought of as the creation of improved products and processes. *Dubai Trade* has demonstrated that effective networks can also be innovative. By bringing together synergistic relations that did not exist before, *Dubai Trade* created new value through partnerships between government entities, companies and individuals. These synergies are what bring its strategies and polices to life and are at the heart of this sustainable industry network. *Dubai Trade*'s success in this process is what gives it its inimitable quality. The synergies among the various actors inspired collaboration, improved processes and also healthy competition. Competition along different segments of the value chain where public and private actors seek to provide better value has been a driving force fueling *Dubai Trade*'s rise—and UAE's trade facilitation—to world-class status.

**About this Article:** This case study is based on an interview with Eng. Mahmood al Bastaki, Director of **Dubai Trade** Department, Dubai World, conducted by the Emirates Competitiveness Council (ECC). The ECC is grateful to Eng. Al Bastaki and his team for their time and insights. Al Bastaki has led **Dubai Trade** to become one of the most innovative trade and supply chain e-hubs of the world. Al Bastaki has played a major role in the advancement of e-business in the region. Al Bastaki served as the Chief Information Officer of Corporate Services of Dubai World before taking up his current position at **Dubai Trade**. He was selected as one of the Government Technology Leaders by "The Who's Who of Government Technology—Middle East" in 2006. Al Bastaki is also the former Acting Director of E-Services of Dubai E-Government where he formulated the 2005 E-Government Strategy. Al Bastaki holds a B.Sc. degree in Electronics Engineering Technology from the University of Arkansas, USA, and a Master's degree with honours in Electrical Engineering with an emphasis in Digital Signal Processing and Speech Analysis from Oregon Graduate Institute, USA.

Analysis for the paper was conducted by Emirates Competitiveness Council



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