

UAE

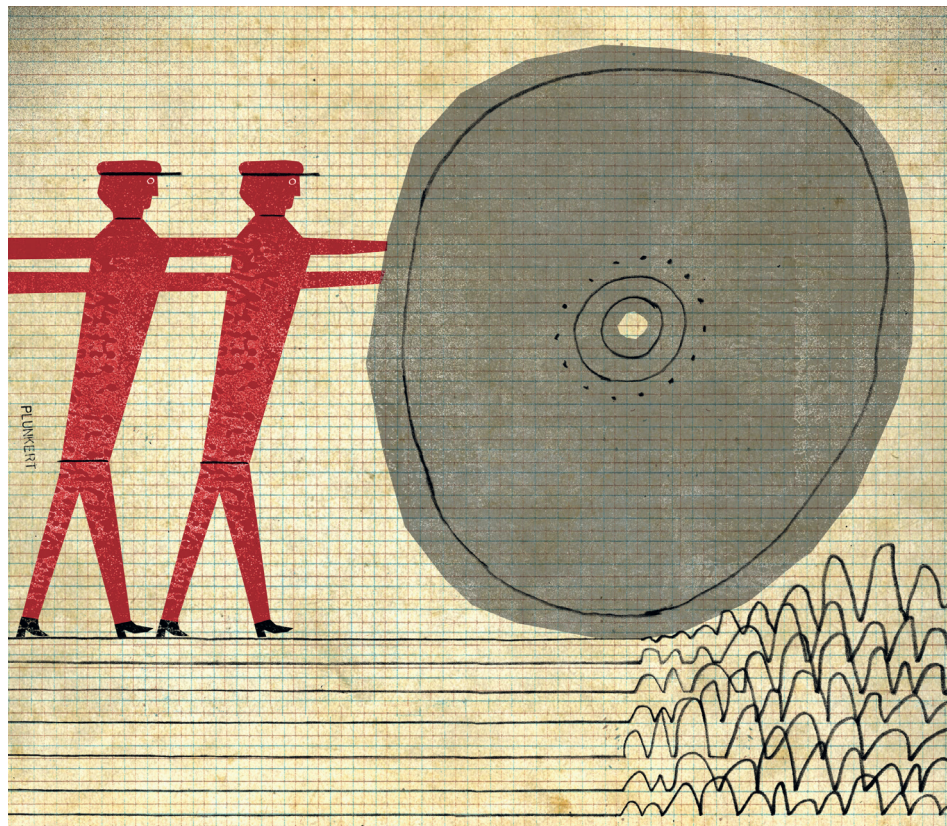
Hits the Gas on the Belt & Road

CHINA'S BELT AND ROAD INITIATIVE HAS ITS supporters and critics in equal measure. But one strong supporter is a country that may not be on the radar in conversations about BRI: the United Arab Emirates. In fact, the country has thrown itself so strongly behind the BRI that it has literally redrawn the map.

The trade routes of the BRI, which seeks to connect about 70 countries economically, until recently did not include a stop in the Arabian Gulf. So the UAE created one.

The move guarantees further access to what is now the world's second-largest economy. In return, Chinese businesses in the UAE gain an important platform from which they can access vast emerging markets in the Gulf region, whose seven nations alone total close to 100 million people.

In July, His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, witnessed the signing of numerous agreements and memoranda of understanding between a number of Emirati and Chinese private businesses in the energy, transportation and agriculture sectors during an official visit to the nation, his second in four years. Similar agreements were also signed in 2018 during a reciprocal visit to the UAE by President Xi Jinping.



Building on the Emirates' historic relationship with CHINA, the UAE is redrawing trade maps, says Brunswick's SIMON PLUCKROSE.

It's not exactly a new relationship. More than 4,000 Chinese companies already operate in the UAE. Non-oil trade between the two countries exceeded \$53.3 billion in 2017. Bilateral trade has grown an incredible 800-fold since 1984, and it is expected to reach \$70 billion by 2020. In 2000, the Hong Kong Trade Development Council chose Dubai for its regional office.

And the relationship goes even further back. Archaeologists recently found 700-year-old Chinese pottery in excavations of emirate sites.

Today, common interests between the two nations include areas such as education, science, technology, culture, tourism, space and artificial intelligence. In April, a 60-million square foot "Traders Market," an international station for the BRI, was announced for Dubai, opposite the Expo 2020 site. The market will see an investment of \$2.4 billion to store and ship Chinese products to the world.

In December 2018, China's COSCO Shipping Ports and Abu Dhabi Ports inaugurated the CSP Abu Dhabi Terminal at Khalifa Port, positioning Abu Dhabi as the regional hub for COSCO's global network of 37 ports. Abu Dhabi Ports also has a 50-year agreement with the Chinese Jiangsu Provincial Overseas Cooperation and Investment Company to develop a 2.2 square kilometer China-UAE Industrial Capacity Cooperation Demonstration

Zone at nearby Khalifa Industrial Zone Abu Dhabi to attract even more Chinese investment.

Chinese search engine giant Sogou this year chose the UAE for its first artificial intelligence news anchor through a deal with Abu Dhabi Media. Another state conglomerate, ENOC Group, secured a five-year \$690 million term loan from a Chinese consortium of banks in June. The deal included Industrial and Commercial Bank of China, Agricultural Bank of China, and China Construction Bank—China’s top three banks in terms of size, assets and profits.

Of course, there are many other partners of BRI, with China’s direct investment in partner countries exceeding \$90 billion, while under the Belt and Road Initiative, it has reached more than 170 agreements with over 120 countries. From 2013 to 2018, the trade volume between China and other BRI countries surpassed \$6 trillion.

Big numbers—no wonder the UAE and so many others want to be a part of it. ♦

SIMON PLUCKROSE is a Director in the Dubai office. Prior to joining Brunswick, he worked for 20 years as a journalist in the United Arab Emirates and the UK.

Owning coffee’s Arabic past, a new Coffee Centre explodes the potential for the booming bean’s future, says Brunswick’s **LULWA RIZKALLAH**.

producers and buyers, the Coffee Centre is the first facility of its kind in the Middle East, with services that include warehousing, logistical support, green coffee cleaning, contract roasting and packing, and training, as well as more specialized offerings.

At the official launch, Ahmed Bin Sulayem, Executive Chairman and Chief Executive Officer of DMCC, said: “The DMCC Coffee Centre places Dubai firmly at the heart of the global coffee trade.”

Dubai is a doorway to a significant emerging markets corridor extending through the Middle East, North Africa and South Asia. Because of its long history with coffee, it is also well connected to the coffee-producing regions of Africa, China, India, Latin America and South East Asia, Mr. Bin Sulayem said.

“Until now, the region simply did not have the capacity, equipment or expertise to facilitate global coffee trade on this scale,” Mr. Bin Sulayem said. “We anticipate further growth in the industry, especially with the establishment of the Coffee Centre.”

Dubai hopes to become the regional hub for coffee, complementing its current status as a commodities, finance and logistics hub. The facility’s presence on an important trade route should create opportunities for coffee producers. In turn, it will enable more businesses to accommodate and cater to the growing consumer demand. ♦

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DUBAI ARABICA

THE WORLD CONSUMES VAST AMOUNTS OF COFFEE. Every day, around 2.25 billion cups of coffee are poured, creating an industry estimated to be worth over \$100 billion.

The plant, with its aromatic bean, is thought to have originated in Ethiopia. However, the earliest accounts that describe the making of a hot beverage from roasted beans come from Arab scholars and date from the 15th century. The practice spread quickly from Yemen to Mecca and Cairo and through the Arab world, which dominated North Africa, Turkey, Spain and parts of Eastern Europe.

The name “arabica” in fact comes from Linnaeus’ 18th century scientific classification of the “*Coffea arabica*” plant—a nod to coffee’s Arab associations.

Coffee still forms an integral part of Middle East culture. By 2021, Euromonitor estimates the region’s growing coffee industry will be worth \$4.4 billion.

In February, Dubai Multi Commodities Centre, the UAE’s largest free trade zone, inaugurated a state-of-the-art 7,500 square-meter temperature-controlled Coffee Centre. Designed to connect coffee

