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Covid-19 continues to be part of life as we know it. The GCC nations are gradually emerging from lockdown. There are nodes of optimism as the number of recoveries outpaces the confirmed cases, including in the UAE. Find out more about what policy makers are doing to plan for a transformed post-pandemic world and create a new development model.

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The UAE shows a mixture of head, hand and heart in public policy

The cabinet reshuffle, pandemic response and planned Mars probe all signal a desire to balance the past and future

Sheikh Mohammed bin Rashid, Prime Minister and Vice President of the UAE, reshuffled the Cabinet and merged ministries this week as a way to deliver a more nimble Government that is more able to make quick decisions to manage the country's post-pandemic future.

Earlier this year he said that the nation sought to develop a plan to ensure a fast recovery from restriction of movement orders, which were put in place to control the spread of coronavirus. This week that proposition began to emerge.

"Constant changes will remain the slogan of the coming period until

we reach the best government model that keeps up in this new era and achieves the aspirations of the Emirati people," he said, while setting the new Government a deadline of a year to meet its targets.

The reshuffle builds out an ever more collaborative form of government. One minister described the approach as a unified house that was flexible enough for officials to move portfolios with the ease of stepping from one room to another within that structure. Another official said the reshuffle and reorganisation would engineer deeper co-operation between departments.



- > Sheikh Mohamed bin Zayed, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces, visited some of the emirate's farms this week to view the methods they were using to increase food production and enhance food security.

His comments during the visit provided insight into the balance between the past and future that the UAE so often weighs, shifting what some might have seen as a prosaic factory visit into a statement about the present framed with rich historical reference.

"Supporting the agriculture sector is consistent with the UAE's strategy for sustainability, environmental protection and preserving natural resources," he said. "The late Sheikh Zayed attached great importance to agriculture. He was a visionary and always believed that agriculture is the backbone of any society. Sheikh Khalifa has continued that approach."

Taken together the two acts present a snapshot of how the UAE views its past, and how it engages with the world today and plans for tomorrow.

Sheikh Mohamed bin Zayed's comments referenced the Founding Father's interest in and advocacy for agricultural land as a path towards economic development. They also speak to dearly held themes of resilience, sustainability and of the need to build and develop infrastructure. Sheikh Khalifa made similar pronouncements on Tuesday, issuing a law to safeguard Abu Dhabi's natural resources.

The Crown Prince's farm visit also further underscored the country's long-standing commitment to finding new and innovative solutions to old-world problems, such as securing a stable supply of food.

Sheikh Mohammed bin Rashid made similar trips to a fish farm and to a coffee production centre last month to observe other projects. Government officials have also recently praised the ability of food factories to keep up with demand during the pandemic.

We can also see that balance between history and the future in the Cabinet and ministries reorganisation.

So much of the UAE's foundation story is represented by great challenges being

overcome through courage, clarity of thought and unity. The reshuffle gives that idea a contemporary twist.

The "one house" reference by Abdulla Al Nuaimi, the new Minister of Climate Change and Environment, speaks to a unified and nimble approach to 21st-century Government, as well as the historic union of seven emirates under one flag almost 50 years ago.

Noura Al Kaabi, the Minister of Culture and Youth, further noted that: "Since Covid-19 hit there has been more clarity in terms of what we do. It has shifted to a different kind of gear that focuses on how we can work more together as a federal system. There is more of a clear mandate."

That is an interesting point of reference. The country's coronavirus strategy has been delivered with a mixture of head, hand and heart: the first in the form of the widespread commitment to testing, the second through aid shipments overseas and the third in the willingness for officials and frontline workers to go out into communities to make sure the most vulnerable residents and citizens are looked after.

This approach has also settled for the longer term in a pronouncement that medicine, education and trade can and will change rapidly over the next few years. Sheikh Mohammed bin Rashid said the country "aims to be at the forefront of these changes".

Future generations will note that the UAE's pandemic response was also grounded in the same philosophies that brought the country together, but that it also harnessed technology to overcome hurdles.

That same spirit of collaboration and collective will can also be seen in the series of community and business initiatives Abu Dhabi has introduced over the past year under the umbrella term of Ghadan 21, which both honours the historical ideals of coexistence and tolerance and sets a course for transformation to create tomorrow's city today.

Running through the core of these examples is a sense that history is a platform to view the world from rather than as a beacon or a burden. There is also a clear correlation between the

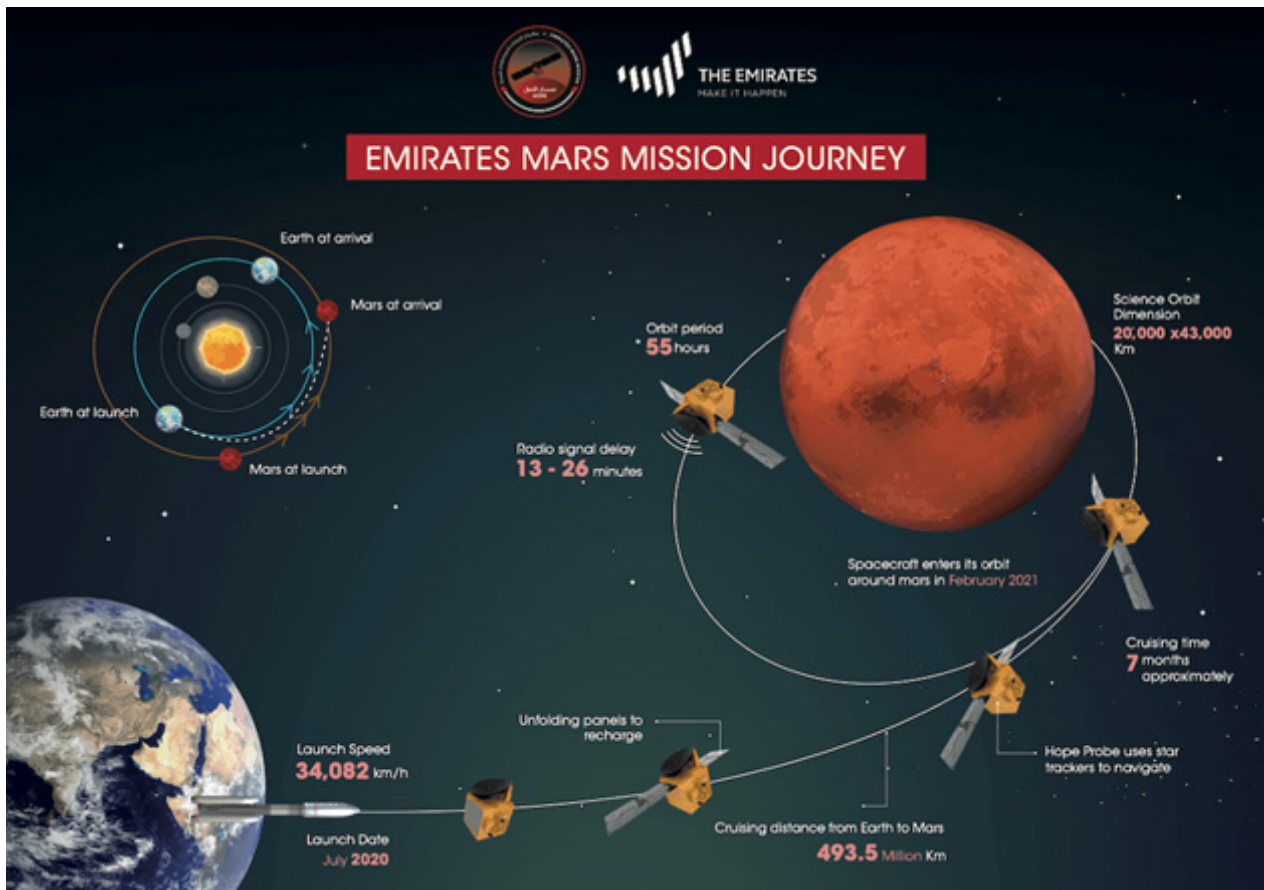
country's core values and the need to adapt and change to address the most dynamic circumstances.

Next week, the country will make history, weather permitting, when its Hope probe begins its mission to Mars. In a sense its journey to date and its expedition to come epitomises the country's story: cool heads and steady hands have brought it into being. Its beating heart will carry it forward to the Red Planet.

<https://www.thenational.ae/opinion/comment/the-uae-shows-a-mixture-of-head-hand-and-heart-in-public-policy-1.1046181>



UAE Hope Mission Launch:
Tanegashima, Japan



Beyond the scientific objectives of the Emirates Mars Mission are its strategic objectives that revolve around human knowledge, Emirati capabilities and global collaboration.

How GCC countries can adapt policies for a post Covid-19 world

As countries emerge from three-months of Covid-19 containment, policy makers need to plan for a transformed post-pandemic world and create a new development model

Covid-19 continues to be part of life as we know it. The GCC nations are gradually emerging from lockdown. There are nodes of optimism as the number of recoveries outpaces the confirmed cases, including in the UAE.

Stimulus packages across the GCC included a number of common policy actions - rate cuts, liquidity enhancing measures, deferment of loans and credit card payments. Also noteworthy is the support extended to small and medium sizes enterprises (SMEs) and affected sectors impacted by the pandemic-in-

duced lockdowns which include tourism, hospitality and aviation.

After almost 3 months of lockdowns, countries are phasing their recovery plans. As we gradually emerge from Covid-19 containment, policy makers need to plan for a transformed post-pandemic world, which underscores the need to create a new development model.

For the GCC countries, this means reviewing three broad policy measures related to monetary and fiscal policies as well as structural reforms.

Most GCC nations are pegged to the dollar except for Kuwait which pegs its dinar to a basket including the greenback. Hence, the countries follow the Fed's interest rate moves, which may limit the use of other instruments of monetary policy and might restrict other policy moves from the central banks other than stimulus packages to increase liquidity.

So what can the central banks do to support their economies, while maintaining a peg or moving to a currency basket? Two innovative ways of provid-



ing support would be the establishment of GCC central bank swap lines and monetising new government debt issued for deficit financing.

The establishment of GCC central bank swap lines, with an option for the larger central banks (SAMA, UAE) to tap the Fed or People's Bank of China (PBoC) would enable regional central banks to tap additional liquidity during times of market stress, support financial stability and provide a liquidity backstop.

Monetising new government debt issued for deficit financing can help avoid the crowding out of the private sector and inject liquidity, given the lack of developed local currency debt markets and central banks' limited ability to conduct open market operations.

On the fiscal policy front as part of their pivot towards diversifying their economies and becoming less reliant on oil revenues, a move towards deficit financing along with the institution of fiscal rules for long-term fiscal sustainability can help accelerate the development of local currency debt and mortgage markets to finance housing and long-term infrastructure projects.

Rationalising government spending either by reducing the size of government, shifting activities to the private sector, and moving to targeted subsidies is another element of fiscal reform. In conjunction governments can issue long

term debt that can be bought by central banks during a crisis period which is happening in the US and Europe today.

Diversify government revenues by improving the management of public commercial assets and increasing the efficiency of tax collection is an important element of fiscal reform. Consolidating the large number of fees and charges on consumers and businesses into fewer broad-based taxes, can help lower business- and living costs.

The Covid pandemic is also an incentive for "Green New Deals" through investment in public health, domestic AgriTech for food security, renewable energy, clean cities and technologies that will support job creation and economic diversification. Governments can take the first step to ensure a project pipeline, focusing on public-private partnerships, with targeted incentives for SME participation.

Accelerating the digitisation drive will also lower the cost of broadband internet and accessibility while speeding up the implementation of 5G.

The establishment of social safety nets and protection programs and pension schemes will also help reduce financial burdens that can come around in periods of crisis. For employees, a contribution towards a pension fund would ensure sufficient savings in the event of job losses or retirement and for employ-

ers, this provides them with an investment fund and support end-of-service or gratuity payments.

Structural reforms including the acceleration of privatisation, working closer with private sector participation is key. Developing insolvency frameworks to support out-of-court settlement, corporate restructuring and adequately protect creditors' rights is another important element. Enhancing the environment that continues to attract and retain human capital through a permanent residency programme could help generate significant economic gains.

A positive side-effect of Covid-19 is the realisation that working from home is a feasible option. Companies can offer flexible work options, reduce office space and rents, while employees can stay at cheaper home locations, save on rents, and telecommute. To realise these benefits, requires removing barriers by amending labour laws and liberalising voice over Internet Protocol (VoIP).

The Covid-19 perfect storm is an unprecedented opportunity for the GCC countries for a policy reset, to steer toward a new development model for a post-pandemic world and move away from business as usual.

<https://www.thenational.ae/business/comment/how-gcc-countries-can-adapt-policies-for-a-post-covid-19-world-1.1036395>

ADNOC AND ADQ FORM JOINT VENTURE

To catalyze the UAE's chemicals sector
and accelerate industrial growth



World-scale
downstream assets



Competitive and high-
quality feedstock



Close to five
decades of best-
in-class operational
experience



Kickstarts
downstream
derivatives
industry in
the UAE



Enhances Ruwais
Derivatives Park
investor value
proposition



Accelerates
UAE's economic
development and
diversification



Local and international
logistics and transport



Critical industrial
infrastructure and
enabling services



Abu Dhabi's largest
power and water
portfolio

DEVELOPING COUNTRIES COULD LOSE OUT AS AUTOMATION COMPETES WITH LOW-COST LABOUR



The COVID-19 pandemic will accelerate the rise of industrial automation and enable manufacturers in developed countries to compete with low-cost labour in the developing world; multinational corporations are already considering repatriating some manufacturing production as a result of the unprecedented disruption the pandemic has caused to global value chains; developing countries must respond by developing local industrial capabilities with new technologies and skills that will allow them to become more integrated into world trade.

Xiaozhun Yi, Deputy Director-General of the World Trade Organization (WTO), highlighted that more than a third of the predicted decline in world trade brought on by the COVID-19 pandemic was caused by a rise in trade costs and temporary disruptions to transport and logistics.

He stressed that the future structure of global supply chains depends on whether the pandemic accelerates two key trends that have been underway for several years. These include China moving up the value chain due to its industrial

strategies or rising labour costs, and the increasing adoption of labour-saving technologies in modern manufacturing. “We believe that this pandemic may accelerate the trend of production automation and we know that this trend may reduce some opportunities in low skilled manufacturing,” Yi said.

However, he added that governments of developing countries can still attract multinational companies by introducing measures to limit trade costs, such as lifting tariffs and minimising travel restrictions and border controls.

Cecilia Ugaz Estrada, Special Advisor, Directorate of Corporate Management and Operations, United Nations Industrial Development Organization (UNIDO), agreed that automation erodes the comparative advantage that low-cost labour gives developing countries over developed countries and this could lead to production being brought closer to the headquarters of transnational corporations that are at the head of global value chains. In response to this shift, developing countries should accelerate efforts towards more regional integration, allowing them to expand markets

and trade more with their neighbours, said Ugaz Estrada.

However, Bright Simons, Founder and President of Africa-based technology company mPedigree, said COVID-19 has affected regional trade in Africa as much as global trade and that in some cases regional trade is more impacted. He cited a number of barriers to expanding regional trade within the continent, including high transportation costs, which can make it more expensive to trade within Africa than to trade internationally. “It’s not that easy, even if you wanted to, to maintain a sourcing regime that involves cutting yourself off from global value chains,” he said.

Read more on: <https://www.gmisummit.com/gmis-media/news/developing-countries-could-lose-out-as-automation-competes-with-low-cost-labour/>

OCCUPATIONAL ACCIDENTS ARE MORE FATAL THAN THE COVID-19 PANDEMIC



The World Health Organisation's Chief Information Officer (WHO) and Lloyd's Register Foundation's CEO highlight how occupational accidents are still far too common and lead to more deaths than the coronavirus pandemic. Countries should increase efforts in digital technologies and tools that always existed to drive a better collective global response to a crisis, they said at the Virtual Edition of the Global Manufacturing and Industrialisation Summit (#GMIS2020).

The acceleration and scale-up of digital technologies will be key to building more resilience into critical infrastructure systems in order to better prepare for similar shocks in the future or a potential second wave of the current outbreak.

Bernardo Mariano, Chief Information Officer and Director of Digital Health and Innovation at the World Health Organization (WHO) said to develop successful health and safety protocols in the factory floor and public health security systems, we need a high level of preparedness. While innovation is vital to resolve immediate challenges caused by the pandemic, scaling-up these innovations is crucial.

"Today, countries are racing towards finding a vaccine. The real challenge is the supply chain – how do you scale up the production to make sure it reaches the whole world. Scale-up of innovation at every level, I think is an area, we should do better," Mariano said.

Richard Clegg, CEO of Lloyd's Register Foundation said that every year around 2.3 million people die from occupational accidents or work-related diseases around the world, about one every 15 seconds, and that addressing this requires a technology shift in safety accompanied by international regulations, codes, and standards.

Clegg said it is imperative that we harness the technologies of the fourth industrial revolution (4IR), such as Artificial Intelligence (AI), the Internet of Things (IoT) and robotics, for the betterment of humanity and to make the world a safer place. A study by Lloyd's Register Foundation revealed that the market for emerging safetytech technologies could be worth up to \$863bn by 2023. However, he added that it was important to anticipate and manage the risks associated with these new technologies to ensure they are applied safely.

The response to the pandemic from a technology point of view has been quite primitive in some ways, relying on "blunt and centralised" interventions such as lockdowns, social distancing, and testing, Clegg said. However, he predicted that the crisis would be a catalyst for improvements in technology and access to better data that would allow more sophisticated responses in the future.

"With better insight, we could make better interventions. The digital universe is growing all the time, and we need mechanisms to be able to share this data for epidemiological studies and developing AI tools to look for patterns in that data. This is an international challenge requiring international solutions, and that's where collaboration needs to happen," Clegg said.

Read more on: <https://www.gmisummit.com/gmis-media/news/occupational-accidents-are-more-fatal-than-the-covid-19-pandemic/>

COVID-19 EXPOSES COMPANIES WITHOUT A DIGITAL ROADMAP AND WIDENS THE DIGITAL DIVIDE



Senior representatives from Dell Technologies and Pirelli today agreed that the acceleration of digital transformation is necessary to prepare for future disruptions. While companies that embarked on digital transformation programmes years ago are now reaping the rewards and successfully navigating the disruption caused by the pandemic, those that didn't will fall further behind unless they invest in technology, they said at the second session of the Global Manufacturing and Industrialisation Summit (#GMIS2020) Digital Series.

The panelists agreed that while the COVID-19 pandemic has been harsh on many, businesses will learn valuable lessons from the crisis that should encourage them to future-proof their organisations by investing in advanced technologies, particularly those driven by Artificial Intelligence (AI). It was also agreed that stronger collaboration between governments and multinationals is essential in order to prevent the digital divide from widening and leaving behind developing countries in light of the Fourth Industrial Revolution.

Dr. John O'Shea, Proactive Business Intelligence and Transformation, Dell

Technologies, said the disruption caused by the pandemic has highlighted the growing importance of Artificial Intelligence (AI) technology and its ability to optimise business processes.

"You have to gather more insights using AI, machine learning, and deep learning, so you can better prepare yourself for the future," he said.

Pier Paolo Tamma, Senior Vice President & Chief Digital Officer of Pirelli, said the company's digital transformation programme had provided it with the data and insights to adapt the capacity of its manufacturing plants and adjust its supply chains to future demand trends.

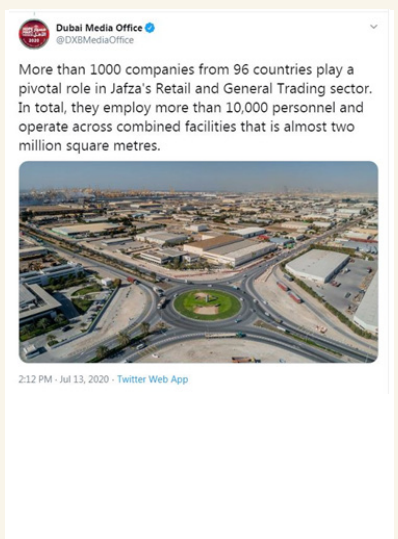
"We are working with artificial intelligence in order to optimise production, planning, and ultimately the efficiency and effectiveness of our sales force in order to address where demand will be generated," he said.

Though Dell Technologies and Pirelli are major global corporations, Dr. O'Shea and Tamma agreed that small and medium enterprises (SMEs) could also learn valuable lessons from the pandemic

that would help them to adapt to the new reality.

Read more on: <https://www.gmisummit.com/gmis-media/news/covid-19-exposes-companies-without-a-digital-roadmap-and-widens-the-digital-divide/>

The weekly sessions of the #GMIS2020 Digital Series that will lead up to the Virtual Summit on September 4-5, 2020 is available to watch on-demand at <https://bit.ly/2YHVHyY>. Participants can watch the GMIS Virtual Summit and Digital Series by registering on the following link: <https://bit.ly/3eYq75o>. The programme agenda is available on the following link: <https://bit.ly/2Al40r7>.



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