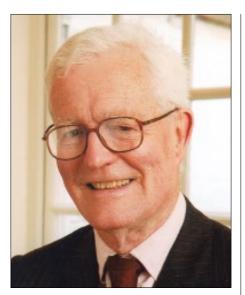
UNITED ARAB EMIRATES



Foreword by
The Rt Hon Lord Hurd
of Westwell CH CBE PC
Chairman, FIRST
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t gives me great pleasure to introduce this special FIRST report on the United Arab Emirates to mark the State Visit of His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE and Ruler of Abu Dhabi. We are very grateful to all those who have assisted in the production of this publication.

His Highness' State Visit to the United Kingdom is especially timely and will help focus the attention of international policy and business leaders on the many trade and investment opportunities that exist in the UAE. The UAE has benefitted from the wise leadership of His Highness the President which has allowed the country to forge a successful role in a notoriously unstable region.

This State Visit is particularly important and historic given that it is the first by a UAE President since that of the late Sheikh Zayed Bin Sultan Al Nahyan in 1989. I have happy memories of my own fruitful conversations with the late Sheikh Zayed in Abu Dhabi during my time as Foreign Secretary.

The close cooperation and friendship between our two countries is highlighted by the extensive schedule of high level visits. Her Majesty the Queen made a hugely successful State Visit to the UAE with HRH The Duke of Edinburgh in November 2010. During this visit the 1971 Treaty of Friendship between the UAE and UK was reaffirmed and ensures the enduring spirit of friendship. In November 2012 David Cameron, the Prime Minister, visited the UAE and agreed an ambitious plan to develop bilateral cooperation further, particularly in the areas of trade, investment, defence, education, infrastructure, technology transfer, global challenges, energy and climate change.

Boris Johnson, Mayor of London, recently paid a well publicised visit and the most recent high level visit to the UAE was made by William Hague, the Foreign Secretary, last week. Speaking on the eve of this State Visit, William Hague said "we were determined for a long time that if we

came into government we would do our utmost to strengthen and expand the many links between our peoples, our businesses, our governments. Those links are being intensified and were symbolised by Her Majesty the Queen's visit two and a half years ago. Her Majesty will welcome His Highness the President to London and I know that it will be a very successful State Visit".

The United Kingdom and the UAE share a long history of partnership dating from the 19th Century. Prior to the country's formation in 1971, the Emirates which now constitute the UAE were all members of the Trucial States and independent Sheikhdoms allied with the United Kingdom. They were designated as British protectorates by the General Maritime Treaty of 1820 – the impetus behind this relationship being to guarantee the passage to India. The Trucial States granted the United Kingdom control of their defence and foreign affairs. Ras al-Khaimah joined the other six Emirates in 1972.

The UAE has emerged as one of the fastest growing and most stable countries in the region and, despite the continuing challenges faced by the global economy, has continued to experience growth as a result of prudent economy policies. The UAE enjoys an open economy with high per capita income (US\$ 49,000 in 2012), a significant trade surplus and a current GDP real growth rate of around 5 per cent.

The government has increased spending, focusing investment on national infrastructure and on social, health and educational services as part of a three year plan launched in 2011 designed to improve facilities for local citizens and expatriates. The government's expenditure plan amounts to US\$36.2 billion with US\$12.14 billion approved for 2013. Announcing the budget the UAE's Vice President and Prime Minister, His Highness Sheikh Mohammed bin Rashid Al Maktoum commented "priorities for the 2013 budget will be health, education and social benefits for the citizens

as well as improving government services." The UAE's strategic plan also focuses on economic diversification and reducing the share of GDP based on oil and gas output to below 25 per cent.

The United Kingdom enjoys an important trading relationship with the UAE with some £11 billion of bilateral trade with a target of £12 billion within two years. The UAE is the UK's largest civil export market in the Middle East and is designated as one of the UK's High Growth Markets. Exports cover a number of sectors including infrastructure, energy, defence and security, education and training, financial and professional services. A number of UAE companies including Abu Dhabi National Exhibition Centre, TAQA, Masdar, and Dubai Ports are major long-term investors in the UK.

The principal mechanism for managing the UK-UAE strategic bilateral relationship is the UK-UAE Taskforce which was established in July 2010 by David Cameron and the UAE President to strengthen further UK-UAE relations. The Taskforce is headed by Foreign Ministers William Hague and His Highness Sheikh Abdullah, and focuses on investment policy, defence, consular and other issues. The impetus for the UK-UAE bilateral trade agenda is delivered by the UK/UAE Business Council.

In international affairs the UAE is playing an increasingly confident role in support of regional security and is a prominent member of the Gulf Cooperation Council. The developments in Syria have been followed closely by the UAE government which has joined fellow members of the GCC in recognising a coalition of opposition forces as the legitimate representation of the people of Syria. While pledging further support for relief operations in Syria, the UAE sees the continuing failure to resolve the Arab-Israeli conflict as the fundamental obstacle to peace and stability in the region. The UAE has also demonstrated its firm commitment to eradicating terrorism and has established in

Abu Dhabi a new Centre of Excellence for Countering Violent Extremism.

On the domestic front the government of the UAE has emphasised the importance of consolidating the values of tolerance, moderation and respect for religions. The combination of economic and social progress being enjoyed in the UAE coupled with the tolerance that characterises much of its way of life has minimised the social upheaval of the 'Arab Spring'.

We warmly welcome His Highness Sheikh Khalifa Bin Zayed Al Nahyan to this country. The State Visit to the United Kingdom, while providing an opportunity for private discussions, will give us all the opportunity to study developments in the UAE and to weigh carefully the opportunities to work together ever more closely.

The State Visit will also provide His Highness the President with the opportunity to hear from the Prime Minister about Britain's support for the political, trade and investment relationship and the role British business can play in this partnership.

We at FIRST are delighted to have produced this special publication to mark the State Visit of His Highness Sheikh Khalifa Bin Zayed Al Nahyan and hope that is contributes, in a small way, to its success and the further development of the UK-UAE relationship, especially in the areas of trade and investment.

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Prime Minister David Cameron, left, with President of the UAE, Sheikh Khalifa bin Zayed Al Nahyan at Al Rawda Palace in the city of al Ain in Abu Dhabi, United Arab Emirates

