



Machinery @ Equipment Sector in UAE

Dr. Faisal El Amir

4/18/18

Ref11 – Q2/2018

T +971 4 4455333
F +971 4 4455355

dedc.gov.ae

Dubai Exports

PO Box 123336 Dubai
United Arab Emirates

مؤسسة دبي
لتنمية الصادرات
صندوق بريد 123336 دبي
الإمارات العربية المتحدة

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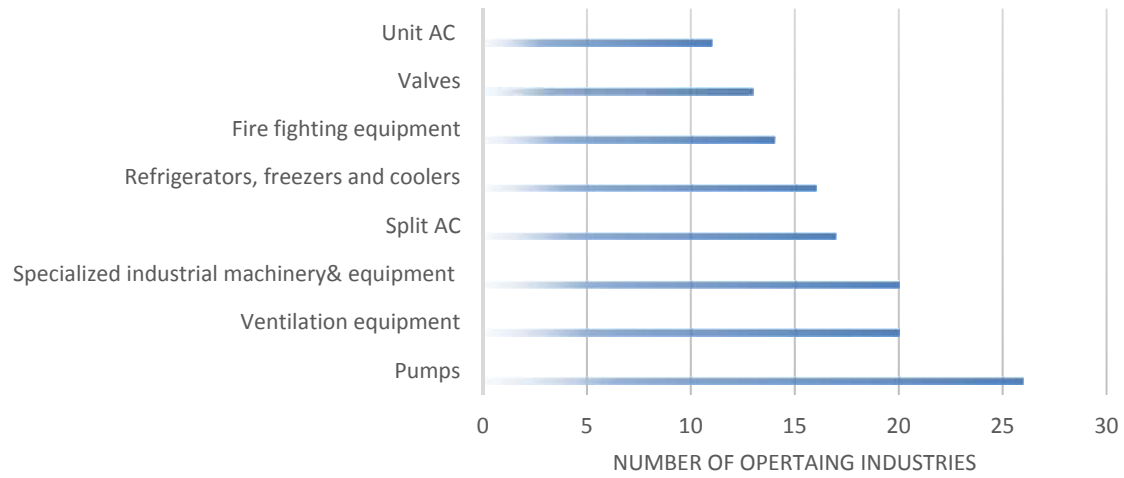
Summary

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Summary

- The sector is one of six strategic sectors fostered by Dubai Industrial Strategy 2030
- Its share in manufacturing GDP was 6%, in 2016 according to the latest economic survey conducted by Dubai Statistics Center
- The sector comprises a large number of manufacturing units exceeding 250 units in UAE and around 150 units in Dubai
- Labor force in the sector is about 11,000
- Production is estimated at 6.0 Billion AED while exports registered 3.5 Billion AED in 2017 and re-exports 5.3 Billion AED
- The sector production is characterized by high diversity including a broad range of manufacturing activities numbering 34
- The sector strength springs from demand from the oil and construction sectors and the fact that its potential conforms to the Dubai and UAE vision of fostering innovation and technology-led industry e.g. development of 3D printing, further it has low adverse impact on the environment
- Good potential export market for sector products exists in KSA, India and China
- Strategic markets for UAE exports for this sector are in GCC, and Asia

MACHINERY & EQUIPMENT MANUFACTURING ACTIVITIES IN DUBAI



1. Machinery & Equipment Sector Strategic Position

- The Machinery & Equipment Sector is one of the six focus manufacturing sectors adopted by Dubai Industrial Strategy 2030
- The contribution of the sector to the manufacturing GDP is estimated at 6% according to the latest survey by Dubai Statistics Center for 2016
- A special team is working to develop initiatives to boost the sector growth in the following areas:
 - > Schools
 - > M&E University Programs
 - > M&E Construction LCR Strategy
 - > M&E Technical Financing M&E SME Expansion
 - > M&E Value-Chain Ascension LCR Strategy
 - > M&E Trade Financing
 - > M&E Local Promotion
 - > Dubai M&E Association

2. Domestic Production

- **Annual production value is estimated at 6 billion AED, about 55% of production is exported (current exports is around 3.5 Billion AED in 2017)**
- **Production is highly diversified covering about 34 activities, around 150 companies are operating in the sector in Dubai**
- A large number of companies are operating in following manufacturing activities :

Pumps(26), Ventilation equipment(20), Specialized industrial machinery& equipment (20) , Split AC(17), Refrigerators, freezers and coolers(16), Fire fighting equipment(14), Valves(13), Unit AC(11)

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Manufacturing Licenses issued by ME for UAE until end of 2016

		Number of licenses by investment			
ISIC code		Total number of licenses	Less than 1 Mil AED	From 1 to 10 Mil AED	More than 10 and unto 50 Mil AED
29	Machinery & Equipment	157	105	41	9
		Number of license by legal structure			
ISIC code		LLC	Sole Proprietorship	Private JS	Partnership
29	Machinery & Equipment	132	22		3

3. Machinery & Equipment Manufacturing activities and number of companies operating in the activity

ISIC code	Manufacturing Activity	Number of units operating in the activity
291101	Turbines	3
291102	Engine spare parts	4
291201	Pumps	26
291202	Valves	13
291203	Pumps assembly	6
291301	Bearing & gears	4
291401	Cookers& stoves	9
291402	Food heating burners	2

291501	Handling ,loading & lifting	3
291502	Crane	8
291503	Access cradles	9
291504	Conveyor & transmission belt	2
291505	Lifts assembly	6
291903	Fire fighting equipment	14
291904	Water filters	3
291905	Split AC	17
291906	Unit AC	11
291907	Ventilation equipment	20
291908	Cold storage compartments	9
291909	Automatic gates & barriers	4
291910	Central Ac equipment	12
292102	Auto irrigation devices	2
292601	Swing machines & accessories	1
292901	Specialized industrial machinery& equipment	20
292902	Specialized precision equipment	3
292904	Gas& chemicals production systems assembly	1
292905	Clean room systems	1
292906	Measuring and control system assembly	2
293002	Electrical water heaters	3
293003	Refrigerators, freezers and coolers	16
293004	Washing machines & dryers	2
293005	Kitchen appliances	3
293006	Electrical home appliances	4

Source: Dubai Commercial Directory

4. SWOT Analysis

Strengths

- The sector support the oil industry and the booming construction industry
- Conforms to UAE/Dubai industrial strategy in being a base for innovation and high tech manufacturing
- Conform to environmental sustainability with minimal impact on environment

Opportunities

- Supply the oil industry in the GCC region
- Base for integrating with the maritime and aerospace sectors
- SME opportunities

Weaknesses

- Possible falling demand from the oil sector
- Needs time to restructure to less labor intensive manufacturing
- Needs time to attract and acquire proprietor technology

5. Foreign Trade

UAE Foreign Trade

- UAE ranking of value of exported products in world export is good ,particularly on export of engines
- Engines exports also showed high growth for the period 2012-2016 and a positive trade balance indicating that exports and re-exports exceeded imports. Note that ITC trade map export data include re-export.

Top products at 4 digits level exported by United Arab Emirates in 2016
detailed products in the following category: 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof

		Value exported in 2016 (USD thousand)	Trade balance 2016 (USD thousand)	Annual growth in value between 2012-2016 (%, p.a.)	Annual growth in quantity between 2012- 2016 (%, p.a.)	Annual growth in value between 2015- 2016 (%, p.a.)	Annual growth of world imports between 2012- 2016 (%, p.a.)	Share in world exports (%)	Ranking in world exports
'TOTAL	All products	298650942	27768868	-4		-10	-4	1.9	16
'8407	Spark-ignition reciprocating or rotary internal combustion piston engine	1620105	1267583	8	8	39	-2	3.6	10
'8411	Turbojets, turbopropellers and other gas turbines	1052750	-4195953	1	-11	27	4	1	21
'8471	Automatic data-processing machines and units thereof; magnetic or optical readers, machines ...	925433	-1426986	-41	-31	-21	-4	0.3	27
'8412	Engines and motors (excluding steam turbines, internal combustion piston engine, hydraulic ...	504805	372610	51	98	52	-3	2.8	8
'8479	Machines and mechanical appliances having individual functions, not specified or included elsewhere ...	391115	-49130	-2	-7	15	0	0.6	27
'8431	Parts suitable for use solely or principally with the machinery of heading 8425 to 8430, n.e.s.	362619	-703734	-36	-28	-16	-8	0.7	29
'8415	Air conditioning machines comprising a motor-driven fan and elements for changing the temperature ...	320378	-437255	-9	-6	-1	0	0.8	22
'8409	Parts suitable for use solely or principally with internal combustion piston engine of heading ...	292333	-70667	-9	26	-1	-3	0.5	26
'8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely ...	287867	-59468	-29	-12	-29	-5	0.3	26
'8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat ...	210629	-166822	-8	-6	6	1	0.5	28

Note; Exports include re-exports

Dubai Foreign Trade

- The sector exports & re-exports from Dubai registered around 57 Billion AED in 2017
- Exported products are highly diversified, export destinations are mainly in the region as also re-export destinations

Dubai Trade in Machinery & Equipment 2107

EXPORT	3,519,471,870
IMPORT	91,613,921,456
RE-EXPORT	52,784,158,436
Grand Total	147,917,551,762

Export destination 2017

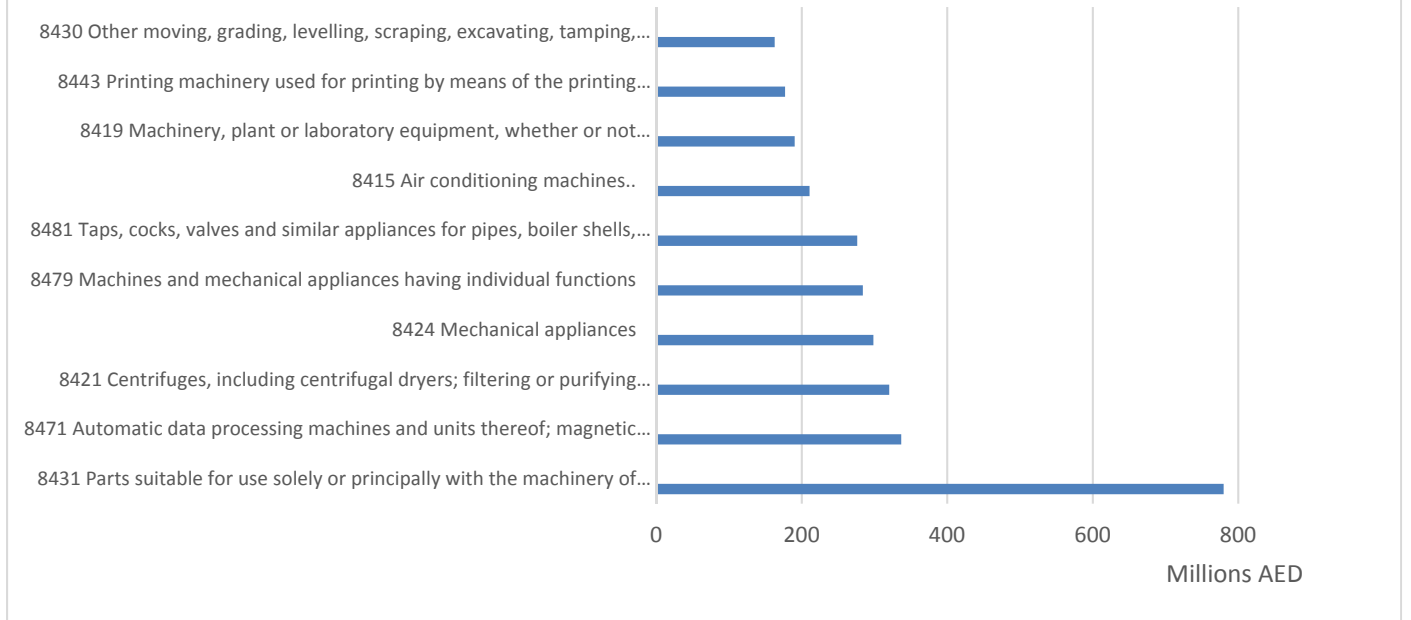
	AED
SULTANATE OF OMAN	552,286,954
SAUDI ARABIA	466,726,466
JEBEL ALI F.Z.	394,679,719
AIRPORT FREE ZONE	276,606,143
USA	185,708,607
KUWAIT	157,600,823
SUDAN	124,863,628
SOUTH KOREA	116,452,296
IRAQ	114,557,037

Re-export destinations 2017

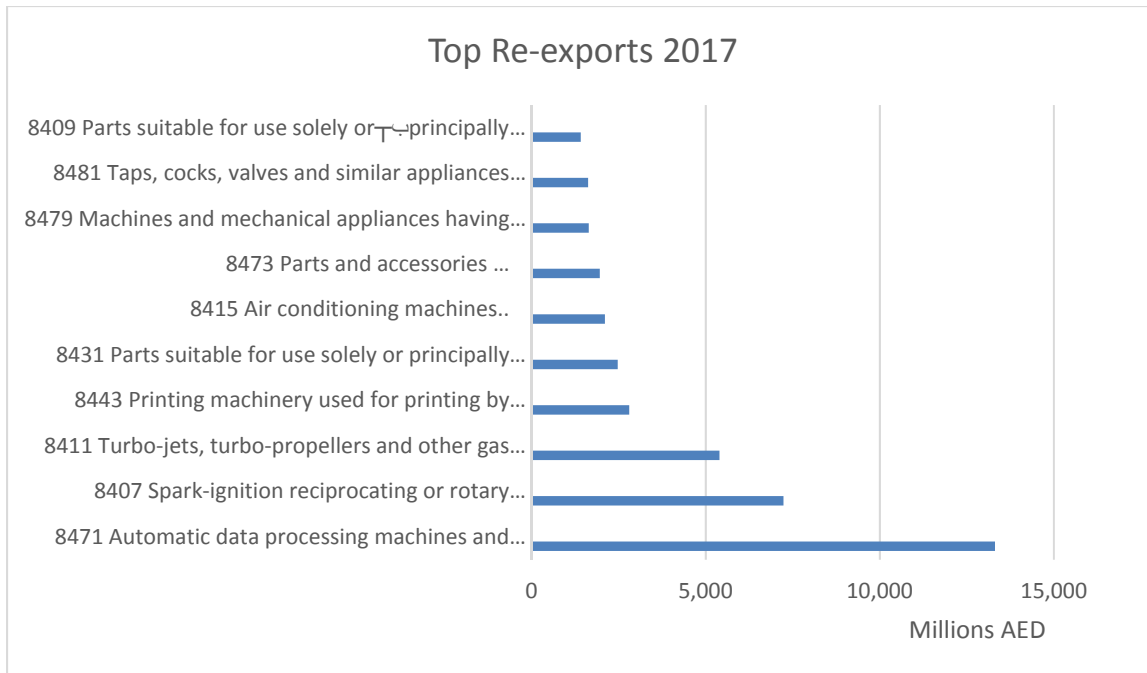
IRAN	8,114,378,591
SAUDI ARABIA	7,338,165,328
UK (UNITED KINGDOM)	6,909,087,203
SULTANATE OF OMAN	2,778,133,516
IRAQ	2,236,333,782
KUWAIT	2,165,477,072
HONG KONG	1,757,931,174
JEBEL ALI F.Z.	1,529,435,260
DUBAI LOGISTIC CITY	1,463,204,923

Top exports

Top Exports 2017

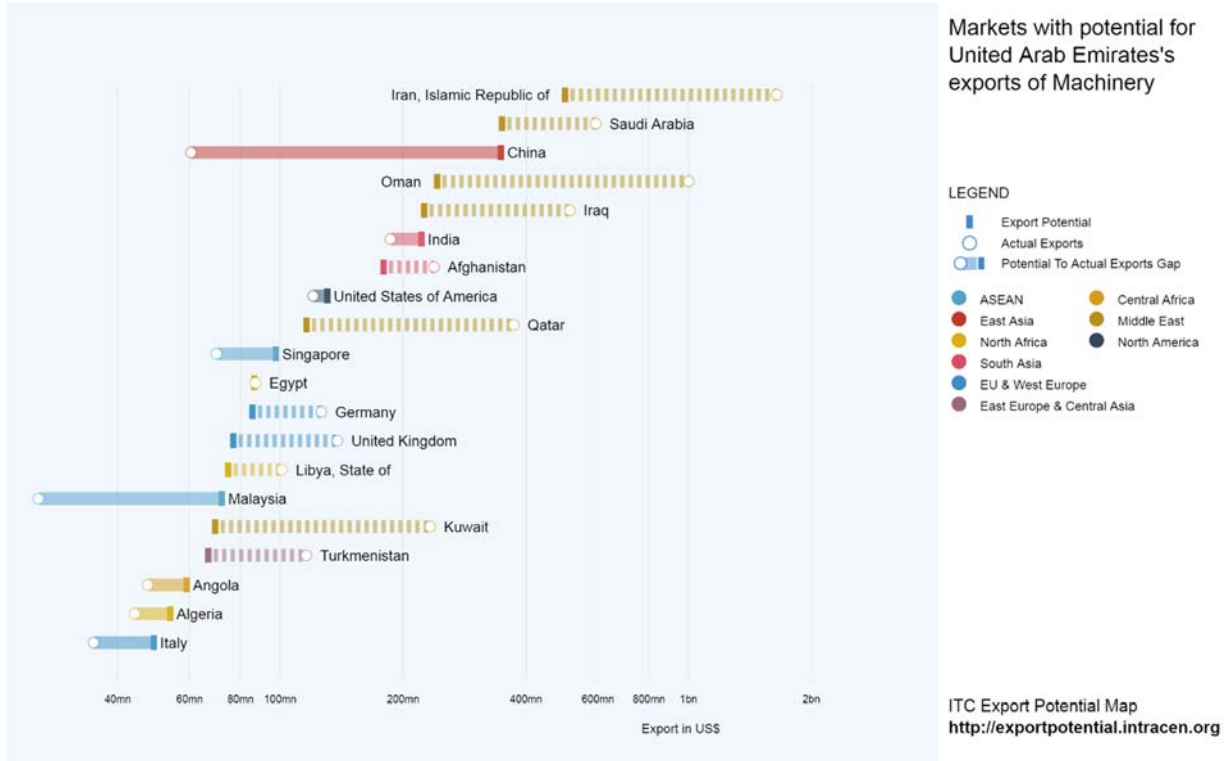


Top Re-exports



6. Potential for Exports of Machinery from UAE

- China, India and KSA have the highest untapped potential for import of machinery and can be set as target markets for Dubai exports from machinery. The untapped potential registered 297.7, 121 and 102.2 Mil US\$ for China, India and KSA respectively



7. Strategic Markets

Regional strategic markets are in GCC and Asia and Africa

Sources of data and information

- Dubai Customs
- ITC
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