

Date: 4th Oct, 2018

Memorandum for the Joint Committee Meeting #11
United Arab Emirates and Federal Republic of Germany
26-27 November 2018 / Berlin

Economy

GDP composition for Germany 2017:

Agriculture	Industry	Services
0.6%	30.1%	69.3%

Germany Main Industrial Sectors

Germany is among the world's largest and most technologically advanced producers of iron, steel, coal, cement, chemicals, machinery, vehicles, machine tools, electronics, automobiles, food and beverages, shipbuilding, and textiles

German Imports & its Top Supplying Countries During 2017

- Imports by Germany from the world reached about 1.17 Trillion US\$ in 2017 according to ITC trade map
- Germany main imports include :machinery, data processing equipment, vehicles, chemicals, oil and gas, metals, electric equipment, pharmaceuticals, foodstuffs, agricultural products
- Germany top import partners in 2017 were:

China(9.8%),Netherlands(8.1%),France(6.2%),USA(6.1%),Italy(5.4%),Poland(4.9%),Switzerland(4.5%),Czech Republic(4.4%),Austria(3.9%),Belgium(3.8%).

Foreign Trade Statistics between the 2 Countries

Foreign Trade between UAE and Germany. 2017 Million (AED)	
Exports	1,731.19
Imports	43,637.02
Re-exports	3,983.09
Total Trade	49,351.30

Exports Opportunities

- Export opportunities in Germany for UAE exporters include a range of diversified goods in which UAE has strong production capability : e.g. Polyethylene, packed tea, copper cables and wires, polypropylene, vegetable oil cake(residue after extraction of vegetable oil from seeds),This untapped potential exceeds 100 million AED
- Germany is also the largest market for organic products in Europe, there is strong preference in Germany for health, functional foods and organic products.
- The potential in these products and sectors can be realized by **organizing more business missions and rounds to Germany for the respective industries**

Dubai Exports' efforts & achievements in German market

- Dubai Exports has an overseas office in Germany that provides services to exporters to Germany and the EU

Major constraints and challenges that exporters might experience

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- One of the challenges the exporters may face in the German market is the **awareness about standards for supplying to the German market**. It is proposed to agree to designate a specific channel e.g. help desk for replying to any specific enquiry about standards or other regulations for market entry
- An exporter who wishes to use **distributors, or franchising agents need to comply with EU and member state national laws .e.g. Council Directive 86/653/EEC**
- **The exporter has to acquaint himself with the competition laws enforced in the German market which may affect his business** For example The European Commission's Directorate General for Competition has legislation concerned with the impact on competition in the internal market of what is called "vertical agreements", but small- and medium-sized companies (SMEs) or agreements impacting less than 10% of a specific commodity market are exempted from these regulations because of minor impact on competition
- The German market provides payment protection to exporters ,, Directive 2011/7/EU entitles a seller to charge interest for late payment in accordance with central bank set rates. **Exporters should acquaint themselves with any requirement to benefit from the payment protection**

Cooperation Proposals:

- Germany market is characterized with high volume as it is the center of the 28 member European Union. market and a large volume of trade is conducted in Germany through trade fairs, such as MEDICA, the Hannover Fair etc.
- Hence it is proposed to enter into **MOU's with Germany to promote trade and exchange information to facilitate exporters markets access and create awareness about market entry regulations**

- Another area of cooperation which may be discussed is **in industry 4.0.**, the use of information and communications technologies in the manufacturing processes to drive real-time control of energy, productivity and costs across factories and companies is a priority sector in Germany and UAE is also focusing on advancing manufacturing towards industry 4.0 to upgrade productivity . Hence cooperation in industry 4.0 area may include ,training for entrepreneurs , technological missions , business missions ,visits to trade fairs , business rounds ,seminars, preparation of thematic inventories of companies , studies, joint ventures ...