

## April 2010 - the trade centre for Middle East

Jurry de Vries, Managing Partner, Total Solutions Middle East, was recently interviewed in the magazine "Buitenlandse Markten" published by NL Agency, which is a department of the Dutch Ministry of Economic Affairs. Here is the translated article.

## BM 3, May 2010: How is the United Arab Emirates doing? Opportunities after the crash

Date: 23.04.2010

*'Dubai is bankrupt,' claimed the world press last year. Utter nonsense, say Dutch businesses that are active in Dubai and Abu Dhabi. They are not at all worried about the future of the federation of city-states in the Gulf. "Dubai remains the trade centre for everyone wanting to do business in the Middle East."*

The Emirates took some tough blows during the credit crisis. Jan Hooftman is the first to admit this. He is the founder and owner of Hytec, a company that supplies hydraulic equipment to the construction, offshore and transport sectors in the United Arab Emirates and Oman, and saw his turnover decrease by 50 per cent. Hooftman: "In some market segments my trade even plummeted by 70 per cent." However, no one needs to pity this Dutchman who has been active in Dubai for 23 years now. "The Emirates are not doing any worse than the rest of the world. Up until 2008 my trade had grown enormously. We are now back to the same level as in 2006. That's not bad."

### **Strong together**

At the end of 2009 Abu Dhabi, the richest (in terms of oil) of the seven city-states that together form the Emirates, came to the assistance of Dubai when it became clear that Dubai World, Dubai's investment vehicle, would not be able to pay its billions of debt. The financial support provided by Abu Dhabi according to Hooftman shows that the apparent rivalry between these two city-states is exaggerated. "Abu Dhabi together with Dubai form the linchpin to the Middle East and so it is not in anyone's interest if a neighbour-state were to go bankrupt. Don't forget that the Emirates is a single country with a federal government and a central bank."

Jurry de Vries, co-owner of financial services provider Total Solutions that is active in both Emirates, emphasizes that the relationship between Abu Dhabi and Dubai is not as one-sided as is often imagined. "Dubai has an extrovert character, which on occasion causes raised eyebrows in Abu Dhabi. On the other hand, Abu Dhabi has learnt a great deal about the manner in which Dubai has put itself on the international map. Just look at the spectacular Formula 1 circuit that they have recently built in Abu Dhabi."

### **A wonderful place**

Despite the negative press Hooftman believes that the position of the Emirates is still strong. "I have only realized in the last few months that Dubai has truly succeeded in becoming the trade centre of the Middle East. I am receiving increasingly more requests from the region as well as from Africa. Businesses choose Dubai in preference to Europe due to the good flight connections and because they can get anything they want here. Dubai is like a large supermarket. What's more, it is a fine place for a family to live. Everyone is

welcome – 85 per cent of the population consists of foreigners – and it is safe. There is no other place in the Middle East that has as much to offer as Dubai.”

De Vries agrees with this. “Dubai is a wonderful place for businesses. The business culture combines the speed of America with the quality of Europe, and the emphasis on good relations with the Middle East.” De Vries’s company is flourishing in the Emirates. In 2009 Total Solutions doubled its turnover. The number of staff increased from four to nine.

De Vries therefore believes that there are many opportunities for Dutch companies. “The Netherlands is a knowledge society. There is great demand for that here.” He refers specifically to three sectors: sustainable energy, financial services and the property sector. “This is a good time to enter.” The Dutch embassy as well as the Consulate General in the United Arab Emirates see plenty of opportunities for Dutch businesses and have named a number of sectors as particularly promising. These are the medical sector, construction and infrastructure, education, water, foodstuff, environment, (sustainable) energy, transport and logistics. Transport and logistics form part of the core activities of the UAE. Large investments will be made in these areas.

*Text: Maarten van der Schaaf, translation Andrea Wesselius*

Source: Buitenlandse Markten 2010

<http://www.evd.nl/zoeken/showbouwsteen.asp?bstnum=269395&location=&highlight=>

