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Dubai as Global Hub?
Lessons from the Maritime Sector

Drs. Wouter Jacobs
Department of Spatial Planning & Human Geography
Radboud University Nijmegen

Abstract

Dubai, a city-state founded along a ten-mile long creek, has received much popular attention over the past few years. This is not surprising, given the enormous growth Dubai has witnessed and the development of some extraordinary projects. This presentation will focus on Dubai's development towards global hub status by taking an institutional perspective on Dubai's political economy. In the quest to establish an oil-independent economy before the year 2010, the Emirate is successfully engaging in an aggressive growth strategy. The factors of success are easy to identify: provision of adequate infrastructure, tax-incentives and a corporate style of governance in which there is limited room for political opposition.

Particularly, the presentation will highlight the role of the seaports in this growth strategy and the lessons we can learn for the aviation sector. Dubai Ports, Mina Jebel Ali and Mina Rashid, are together by far market leaders in the region. During the late 1990s, the Dubai Ports Authority (DPA) started to successfully expand its maritime interests abroad, initially through terminal lease concessions. However, through its acquisition of CSX World Terminals in 2005, DPA have truly become a global terminal operator. In such a way, DPA effectively controls a logistical network in which its home-port, Mina Jebel Ali, functions as 'global hub'. Dubai's engagement in the maritime sector provides therefore interesting lessons for the aviation sector.