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Dubai as Global Hub? Lessons from the Maritime Sector

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“ The word ‘impossible’ is not in leaders’ dictionaries. No matter how big the challenges, strong faith, determination and resolve will overcome them”

(HRH Sheikh Mohammed bin Rashid al Maktoum,
World Economic Forum, Amman 2004)





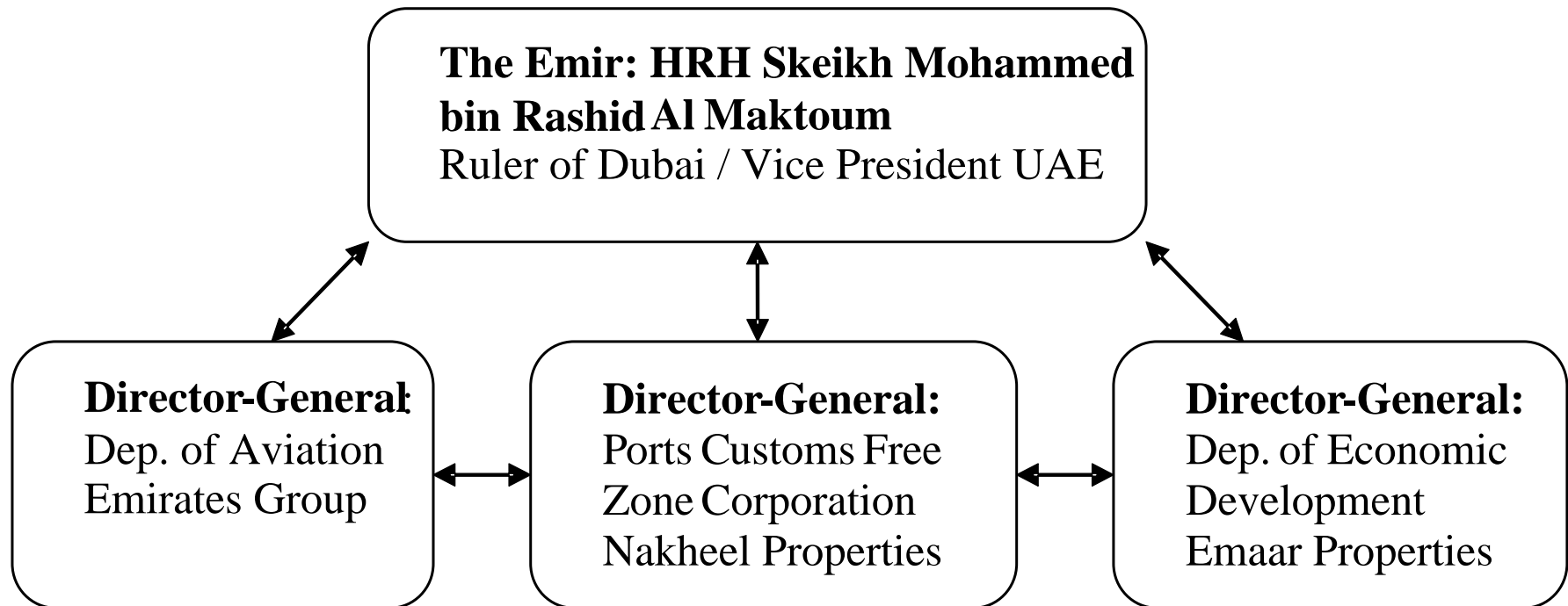
Dubai's Growth Strategy

- **City of Merchants: Historically Developed Spirit of Entrepreneurialism**
- **Exhausting oil-supplies: Need for Alternative Economy**
 - Tourism: Exclusive Hotels, Dubai Land, Dubai Shopping Festival
 - Real-estate: The Palms, The World, Dubai Waterfront
 - Finance: Dubai Financial Centre & Stock Exchange
 - Infrastructure: Dubai Ports, New International Airport
 - Marketing: Promotion and Advertisement (e.g. Emirates Stadium of Arsenal FC)
- **Free Enterprise Zones: Tax-incentives & Property Rights for Foreign Businesses**
- **Strong Political Leadership & Corporate Style of Governance**





Corporate Style of Governance





Dubai as Global Hub

- **1972: Mina Rashid**
- **1983: Mina Jebel Ali**
- **1985: Jebel Ali Free Zone (currently hosts more than 3,800 firms)**
- **1991: Formation of Dubai Ports Authority**
- **2001: Formation of Ports Customs & Free Zone Corporation**
 - DPA
 - Jebel Ali Free Zone Authority
 - Dubai Customs
 - Dubai International → Dubai Ports World
 - Nakheel Properties
- **Dubai Ports: 11th largest container port in the world**



Jebel Ali Container Terminal





Dubai as Global Hub

- **Acquisition of terminal lease concessions & Port Management Contracts:**
 - Jeddah (Saudi Arabia)
 - Cochin and Visakhapatnam (India)
 - Constantzia (Rumania)
 - Aden (Yemen)
 - Djibouti → Here DPW also Operates its International Airport
 - Free zones in Tangiers (Morocco) and Port Klang (Malaysia)
- **Acquisition of CSX World Terminals in 2005**
- **Acquisition of P&O Ports in 2006**
- **4th Largest Container Terminal Operator in the World!**
- **Jebel Ali Port Expansion Plan**



Similarities between maritime & aviation sector

- **Both sectors are part of Dubai's growth strategy for an oil-independent economy**
 - Dubai Ports World, Mina Jebel Ali,
 - Emirates Group, New International Airport at Jebel Ali
- **Geographical Location: at the centre between Far East & Europe**
- **Entrepreneurial spirit: Dubai always one step ahead on its regional competitors.**
- **Corporate Style of Governance:**
 - Functional, Institutional and Spatial Synergy: the Jebel Ali Free Zone Cluster
 - Lack of Political Opposition/ NIMBY-effects
- **Growth through acquisition of lease-concessions and corporate takeovers. The aviation sector?**
 - Landing rights, slots and the non-alignment of Emirates



Lessons from the Maritime Sector

- Dubai Inc: deterministic & autocratic leadership, clear vision, functional & institutional synergy
- Dubai Ports: Regional Transshipment Hub between Far East & Europe
- Dubai Ports World: Creation of Global Network of Marine Terminals through Corporate takeovers
- If you cant Beat them, Join Them