

# GREEN ECONOMY

## Investment Opportunity Brief



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## DUBAI'S GREEN ECONOMY CREATES NEW OPPORTUNITIES

Globally, the green economy represents 6 percent of the market capitalization of all listed companies worldwide, at approximately USD 4 trillion. There are close to 3,000 companies around the world with exposure to the green economy. This number has risen by approximately 20 percent since 2009, according to a June 2018 report by FTSE Russell, a UK-based provider of benchmarks, analytics, and data solutions.



GLOBALLY, THE GREEN ECONOMY REPRESENTS

# 6%

OF THE MARKET CAPITALIZATION OF  
ALL LISTED COMPANIES WORLDWIDE.



The companies include renewable and alternative energy, energy efficiency, water, and waste and pollution services, making this green economy the same size as the fossil fuel sector, which has been shrinking, the report shows.

A comprehensive program involving legislation, policy, and projects that makes possible sustainable development, alongside economic growth, is currently under way in Dubai and the UAE. A global leader in introducing technologies and policies that address climate change, the country has implemented cross-sector efforts to utilize sustainable energy solutions that meet growing global demand.

**The UAE Green Agenda 2015-2030 is the overarching framework of actionable Green Economy initiatives comprising five strategic objectives:**

- Competitive knowledge economy
- Social development and quality of life
- Sustainable environment and valuable natural resources
- Clean energy and climate action
- Green living and sustainable use of resources

The [National Climate Change Plan 2050](#), which is aligned to the UAE Green Agenda, aims to create innovative solutions that involve the private sector in controlling gas emissions while maintaining economic growth, adapting to climate change, and promoting economic diversification. It targets the generation of 27 percent of energy from clean sources by 2021, further reinforced by the UAE Energy Plan 2050 that aims for 50 percent clean sources in the national energy mix and 40 percent improvement in energy efficiency by 2050.

Target-driven initiatives allow stakeholders to be a part of this journey. A key pillar of the transition is the Dubai Clean Energy Strategy 2050, which sets a goal of providing 7 percent of Dubai's energy from clean energy sources by 2020, 25 percent by 2030, and 75 percent by 2050.

## WHAT THEY SAY

“ THE UAE HAS A STRONG TRACK RECORD OF PARTNERING WITH BUSINESSES, AND WE ARE DRIVING THE GROWTH OF THE GREEN INDUSTRY THROUGH PRIVATE-PUBLIC PARTNERSHIPS. ”

PHOTO: Ministry of Climate Change and Environment  
June 11, 2018, MOCCA



H.E. DR. THANI BIN AHMED AL ZEYUUDI  
UAE MINISTER OF CLIMATE CHANGE AND ENVIRONMENT



وزارة التغير المناخي  
والبيئة  
MINISTRY OF CLIMATE CHANGE  
& ENVIRONMENT

“ SINCE ANNOUNCING OUR AMBITION OF DRIVING COLLECTIVE ACTION ... OUR PROGRESS HAS BEEN INSPIRED BY THE UAE VISION 2021, THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS, AND THE UNILEVER SUSTAINABLE LIVING PLAN. #DRIVINGCOLLECTIVEACTION IS NOT JUST A NECESSITY TO CONFRONT THE INCREASINGLY CHALLENGING SOCIAL, ENVIRONMENTAL AND ECONOMIC GOALS, BUT IT ALSO HAS A POSITIVE BUSINESS IMPACT. ”

PHOTO: Unilever.com  
November 01, 2017, Unilever



**SANJIV KAKKAR**  
EXECUTIVE VICE PRESIDENT

Unilever MENA, Turkey, Russia, Ukraine, and Belarus





DUBAI IS

# No.1

THE CITY IS AMONG THE TOP 20 DESTINATION CITIES  
FOR GREENFIELD FDI IN THE RENEWABLE  
ENERGY SECTOR WITH NINE PROJECTS

BETWEEN DECEMBER 2013  
AND NOVEMBER 2018

Source: fDi's First Renewable Energy FDI Rankings



UAE IS IN

# TOP 20

SOURCE COUNTRIES FOR GREENFIELD FDI IN  
RENEWABLE ENERGY SECTOR WITH 19 PROJECTS

BETWEEN DECEMBER 2013  
AND NOVEMBER 2018

Source: fDi's First Renewable Energy FDI Rankings

# THE GREEN ECONOMY



BY 2030

**THE UAE'S EFFORTS  
FOR GREEN ECONOMIC  
TRANSFORMATION WILL CREATE**



**4 TO 5.5%**  
HIGHER GDP GROWTH



**160,000**  
NEW JOBS

SOURCE: MOCCAE

BY 2021

**DUBAI'S TARGET IS**



**16%**

**REDUCTION IN CARBON EMISSIONS  
TO 11 MILLION TONS**

SOURCE: The Supreme Council of Energy



**30%**

**REDUCTION IN POWER AND  
WATER CONSUMPTION  
BY 2030**

SOURCE: DEWA's Demand  
Side Management Strategy



**AED 100  
BILLION**

**FUNDING FOR INVESTMENTS  
AND R&D ENVISAGED  
IN THE DUBAI CLEAN ENERGY STRATEGY**

## AN OPPORTUNITY THAT SPANS SECTORS

The [National Climate Change Plan](#) of the United Arab Emirates 2017-2050, which is strategically aligned to the UAE Green Agenda, specifies the role of the private sector in enhancing the UAE's first-mover advantage on economic diversification in the Gulf region.



“ The proposed policy program will provide a platform for the private sector to address sustainability challenges, and incorporate concrete government actions to support businesses in pursuit of: greening existing industry practices (e.g., improving energy efficiency, introducing waste recycling), and creating or expanding climate-smart, green industries (e.g., high-efficiency electronic devices, a sustainable food industry, and its global supply chain management), the plan specifies. ”

## ACTION PLAN UNTIL 2020

**Strengthen public-private partnerships:** This is envisaged via promoting the implementation of the Climate Plan and the Green Agenda, involving both large corporations and small and medium-sized enterprises (SMEs).

**Develop policies for climate-smart industries and services:** Apart from foundational policies, green industry boosters are suggested. These include:

- Voluntary carbon disclosure and efficiency enhancement agreements
- Strengthened green public procurement legislations
- Heightened environment standards for products and services to enter the market
- Certification and eco-labeling for green products and services
- Guidelines on industrial sector emissions monitoring, reporting, and verification (MRV)

**Initiate a capacity development program:** The entry points on this include:

- Identifying capacity gaps in industry players, primarily among SMEs
- Developing tailored training and technical support programs
- Raising awareness on successful business cases already available in the UAE and assessing success factors
- Bridging national and global partnerships for innovative, climate-smart industry development



## UAE LONG-TERM ACTION PLAN (2030-2050)

These include long-term partnerships between government and business in green market development and commercialization of innovative technologies. Priority areas have been identified as:

- Solar and alternative energy technology systems
- Water management and desalination technologies
- Waste management technologies
- Efficient transport technologies

## SECTORS IN FOCUS

The UAE's green economy is already on a growth path, with both public and private sector companies taking advantage of policies and targets across various industries by investing in the relevant sectors.

With the aim of promoting and implementing green economy principles and approaches driven by the private sector, the World Green Economy Organization (WGEO) was launched at COP22 in Marrakesh in 2016. The UAE has partnered with the United Nations Development Program (UNDP) to officially launch the organization.

Some of the most vibrant sectors under the green economy in the UAE are:



ENERGY



TRANSPORTATION



INDUSTRIALIZATION



WASTE  
MANAGEMENT



WATER  
MANAGEMENT



INFORMATION AND  
COMMUNICATIONS  
TECHNOLOGY (ICT)



## ENERGY

The UAE has developed an Energy Strategy until 2025, under which the nation will invest USD 163 billion into renewable, clean fossil and nuclear energy technologies over the coming years, with expected savings of USD 190 billion.

In 2015, the UAE decided to host an international organization that promotes renewable energy. The International Renewable Energy Agency (IRENA) is a UAE-headquartered intergovernmental organization that supports countries in their transition to a sustainable energy future. It currently boasts 170 member states.

### MILESTONES:

- The Mohammed bin Rashid Al Maktoum Solar Park is the largest single-site solar park in the world with a total capacity of 5,000 MW by 2030, based on the IPP model, with a total investment of AED 50 billion.
- The Dubai Electricity and Water Authority (DEWA) has invited customers to generate onsite solar power by connecting their photovoltaic panels to the Shams Dubai network.
- DEWA is working to retrofit more than 30,000 buildings to ensure energy efficiency. In adherence with the Demand Side Management Strategy, the project will reduce energy consumption of buildings by 30 percent by 2030.
- DEWA and National Bonds have announced a joint venture to launch a green fund with an initial investment of AED 2.4 billion.
- DEWA launched the Etihad Energy Services Company (Etihad ESCO) in 2013 to provide promising investment opportunities to companies specializing in energy efficiency.
- Unilever's factory in the UAE is home to the region's largest private solar park. Its state-of-the-art green manufacturing featured in a National Geographic film on the topic.



## TRANSPORTATION

The UAE has taken several steps towards building a sustainable transportation ecosystem. These include the Abu Dhabi Transportation Mobility Management Strategy, Dubai Autonomous Transportation Strategy, and Dubai Green Mobility Initiative to encourage the use of sustainable transport and electric vehicles.

### MILESTONES:

- In January 2019, the Dubai Roads and Transport Authority (RTA) announced that it will add 1,090 new vehicles to the Dubai Taxi fleet, of which 776 will be hybrid vehicles powered by fuel and electricity. With this, the total number of hybrid vehicles in the Dubai Taxi fleet will increase to 2,230, or 44 per cent of the fleet.
- In December 2018, RTA launched the test run of the first hybrid abra powered by a 20KW electric motor. It runs on 26 lead crystal batteries, fueled by solar panels and produces 87 percent lower emissions than the other abras in the fleet.
- RTA has announced a partnership with US technology firm Next Future Transportation to test autonomous electric pods as public transportation. The NX1 pods are designed to travel short and medium distances in dedicated lanes and can be coupled in 15 to 20 seconds or detached in five seconds.
- 370 hybrid cars by Toyota, Lexus, Hyundai, and Nissan are among the 900 vehicles procured by the RTA as taxis in June 2018.
- The RTA provides incentives for electric vehicles, including free assigned parking, exemption from vehicle registration and renewal fees, and exemption from toll tag fee to promote the use of sustainable transport.
- McDonald's UAE announced that its logistics fleet of biodiesel delivery trucks has traveled 10 million kilometers since launch, saving 8,563 tons of carbon dioxide. Since July 2011, the fleet has been running on fuel made from used vegetable oil from their restaurants in the UAE. The biodiesel is converted by Dubai-based Neutral Fuels, an international cleantech company headquartered in Dubai, for easy access to the APMEA region (Asia Pacific/Middle East/Africa).



## INDUSTRIALIZATION

Goal 9 of the Sustainable Development Goals (SDG) is to “**build resilient infrastructure, promote sustainable industrialization and foster innovation.**” As a regional leader in building infrastructure, developing industrialization and pioneering innovation, the UAE is not only fostering traditional manufacturing but also 3D printing.

The Dubai 3D Printing Strategy, visualizes the UAE and Dubai as a leading hub of 3D printing technology by the year 2030. Dubai’s key goal is to ensure that 25 per cent of buildings in Dubai are based on 3D printing technology by 2030.

### MILESTONES:

- Jebel Ali Free Zone Authority (JAFZA) has introduced the UAE’s first green storage and warehousing facilities in Dubai to enable businesses reduce their carbon.
- Dubai Properties has unveiled the region’s largest ‘living green wall’ at Dubai Wharf. The six-meter high wall features more than 80,000 plants and can offset an estimated 4.4 tons of carbon dioxide annually.
- International logistics major, DHL and the Department of Economic Development (DED) joined hands to develop the first carbon neutral warehouse in the Middle East in 2010.





## WASTE MANAGEMENT

Waste management is priority for Dubai Municipality. City and nationwide initiatives are transforming the sector. Of these is a project by Dubai Municipality in which buildings and communities will produce electricity by treating waste.

### MILESTONES:

- Dubai Municipality's project titled 'Wastenizer' is one of the 26 10X Dubai government initiatives approved during the World Government Summit in February 2018. The decentralized waste-treatment initiative for buildings and residential districts contributes to the Dubai Integrated Waste Management Master Plan, which seeks to steer 100 percent of the city's waste away from landfills by the year 2030.
- The Italian Ambienthesis Group, an integrated environmental remediation and industrial waste management company, has signed an agreement with Bee'ah, a Sharjah-based company operating in the sector of collection, separation, recovery, and disposal of urban and special waste, on developing joint initiatives.





## WATER MANAGEMENT

The Ministry of Energy and Industry's UAE Water Security Strategy 2036 aims to ensure sustainable access to water. Among its objectives are the reduction in total demand for water resources by 21 percent, increase in water productivity index to USD 110 per cubic meter, reduction in water scarcity index by three degrees, increase in reuse of treated water to 95 percent, and increase in national water storage capacity to two days.

### MILESTONES:

- DEWA's water-saving initiatives between 2009 and 2017 reduced water use by 27 percent in the residential sector, 29 percent in the commercial sector, and 28 percent in the industrial sector.
- DEWA has developed a smart system for remotely monitoring the water distribution network and detecting any defects and leaks.
- The USD 1 million Al Maktoum Global Water Award, instituted in 2016, is meant to encourage research centers, individuals, and innovators from around the world to find innovative and sustainable solutions for clean-water scarcity globally, using solar power.





## INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Delivering sustainability through judicious use of information and communications technology (ICT) is a part of Dubai's strategy, which has Smart Environment as one of the goals under the Smart Dubai 2021 plan.

Revised building regulations, modifications to existing buildings, use of solar energy to boost renewable clean sources of energy are some highlights. Other action items include adjusting power and water tariffs, water reuse, and efficient irrigation.

### MILESTONES:

- Emirates Green Building Council (Emirates GBC) has invited 165 private schools to participate in its Building Efficiency Accelerator (BEA) Benchmarking Project, a global initiative led by World Resources Institute (WRI) under the UN program Sustainable Energy for All (SEforAll), which aims to double the global rate of building energy efficiency by 2030. Dubai is the first and only city in the Middle East committed to the BEA, and Emirates GBC is serving as the BEA City Liaison in partnership with Dubai Supreme Council of Energy to measure energy performance of 100 buildings in Dubai across three focus groups – Hotels, Schools, and Malls.



## SMART AND SUSTAINABLE CITIES

Dubai features in a pilot project by the International Telecommunication Union (ITU) in fostering the development of Smart Sustainable Cities worldwide, as part of a cooperation agreement signed on May 2015. The fundamentals of smart and sustainable city growth include the relevant UN Sustainable Development Goals (SDGs). Systematic inclusion of information and communication technologies (ICTs) is at the core of the sustainability considerations for smart cities.

Under the terms of the agreement, Dubai has committed to become the first city to pilot the Key Performance Indicators (KPIs) related to city smartness and sustainability. With the knowledge gained through the Dubai pilot project, in July 2016, ITU in conjunction with the United Nations Commission for Europe (UNECE) launched the United for Smart Sustainable Cities Initiative (U4SSC) in partnership with 14 other UN agencies and programs.

According to a UNECE case study titled 'Implementing ITU-T International Standards to Shape Smart Sustainable Cities':

“ The pilot project undertaken by Dubai demonstrates beyond doubt their steadfast resolve to speedily join the ranks of internationally recognized smart cities and lead the global process to transform the current urban environments... In effect, the Dubai smart city project forms an integral part of the on-going standardization efforts for smart sustainable cities within ITU. ”

The smart and sustainable city efforts are implemented across dimensions such as ICT, Environmental Sustainability, Productivity, Quality of Life, Equity and Social Inclusion, and Physical Infrastructure.

## USEFUL LINKS

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[FTSE Russell report: Investing in the global green economy](#)

[DEWA: UAE is actively involved in global efforts to address impacts of climate change](#)

[MOCCA's Green Business Toolkit](#)

[Dubai Municipality report: A Sustainable Dubai](#)

[WAM: Made in the UAE film highlights Dubai Industrial Strategy](#)

[DEWA invites customers to generate solar power onsite](#)

[Green warehousing launched at Jafza on World Environment Day](#)

[Italian green company signs MoU with Sharjah waste management company](#)

[UAE-backed biofuels company makes McDonalds fleet greener](#)

[The first industry energy and water benchmark for schools in the UAE](#)

[Vice President unveils UAE energy strategy for next three decades](#)

[Waste-free Dubai by 2030](#)

[DED and DHL join hands to develop Middle East's first carbon neutral warehouse at Dnata Cargo's FreightGate-5](#)

[Dubai Taxi fleet to add 1,090 new vehicles](#)

## SOURCES

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[Ministry of Climate Change and Environment Unveils UAE Green Business Toolkit](#)

[Supreme Council of Energy launches State of Green Economy Report 2018](#)

[Unilever celebrates fifth year of Sustainable Living in MENA](#)

[Video: Dubai Wharf – Our Green Wall](#)

[Recycled frying oil fuels 10-million-km journey to improve local air quality - McDonald's UAE](#)

[Implementing ITU-T International Standards to Shape Smart Sustainable Cities: The Case of Dubai](#)

[MENA Desalination Market](#)

[Dubai Municipality to Transform City's Waste into Sustainable Energy Source for Dubai 10X Initiative](#)

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CONTENT BY



DESIGN BY



Business Village,  
Block A, 9th Floor  
Near Clock Tower



+971 4 4455964,  
+971 4 4455939



+971 4 4455940



info.fdi@fdidubai.gov.ae



DubaiFDI



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