

# Automechanika Dubai

7 – 9 June 2021 | DWTC

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# Automechanika Riyadh

11 – 13 October 2021

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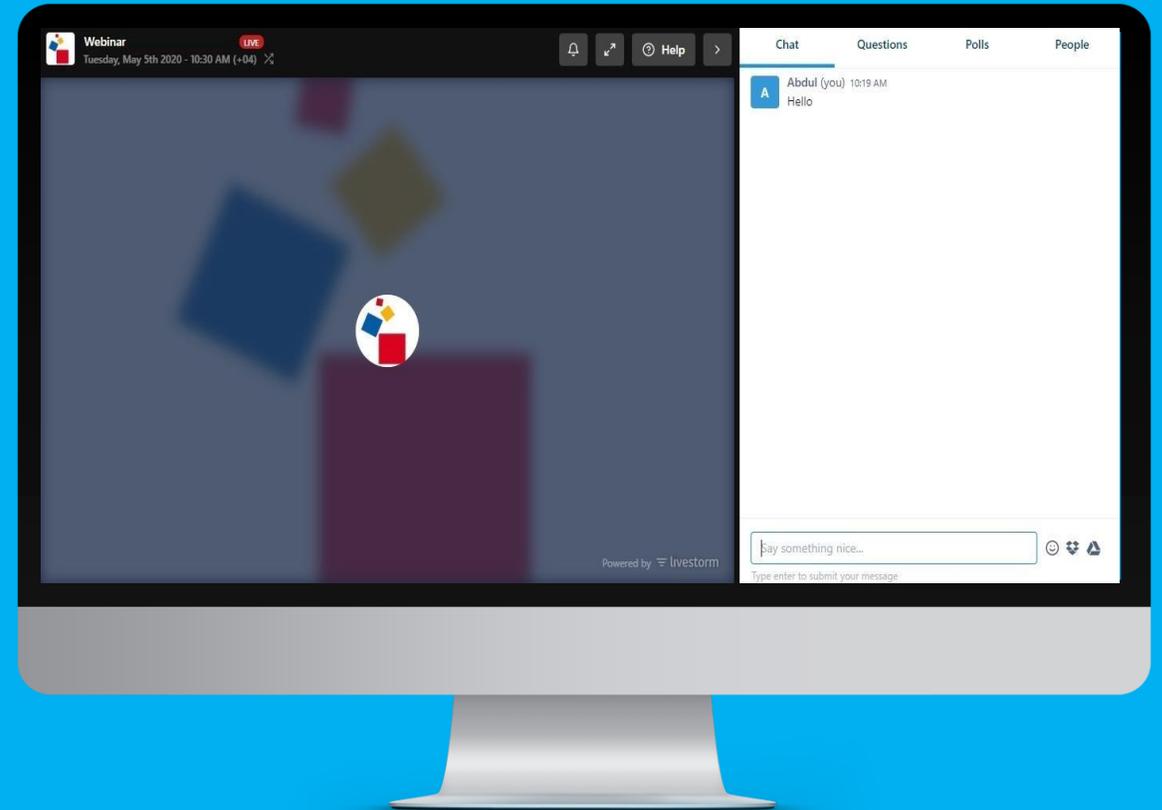
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# Manufacturing in the UAE



## Agenda



**SURENDER SINGH  
KANDHARI**  
Chairman  
Al Dobowi



**SAMIR CHATURVEDI**  
CEO  
KIZAD



**KHALED ALMARZOOQI**  
Director of Commercial  
Activities  
KIZAD



**SUBHASH JOSHI**  
VP - Mobility & Regional  
Head Middle East  
Frost & Sullivan



**ABDELRAHMAN KURDIEH**  
Project Manager &  
Webinar Host  
Messe Frankfurt ME

# Automechanika Dubai

7 – 9 June 2021

## 2019 Show Statistics

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**32,720**

Trade Visitors from



**141**

Countries



**53%**

International



**1,880**

Exhibitors from



**63**

Countries



**92%**

International

## Automechanika Dubai

- Key Show Highlights:
  - Competencies:
    - Truck, motorcycle & agriculture
  - Academy:
    - Learning & development area of the show
  - Modern workshop:
    - Area for our garage/workshop audience – product demos & trainings
  - Product focus:
    - Body & paint
    - Oils & lubricants

## Automechanika Riyadh 2020

- Exhibitors
  - 87 exhibitors from 13 countries
  - 52 exhibitors from 11 countries (COVID-19)
  - Country Pavilions: Turkey, USA, South Korea, China, Hong Kong, Taiwan
  
- Visitors
  - 2,470 visitors
  
- New show dates 11-13 October 2021
  
- 5% early bird discount period ending February 28<sup>th</sup>

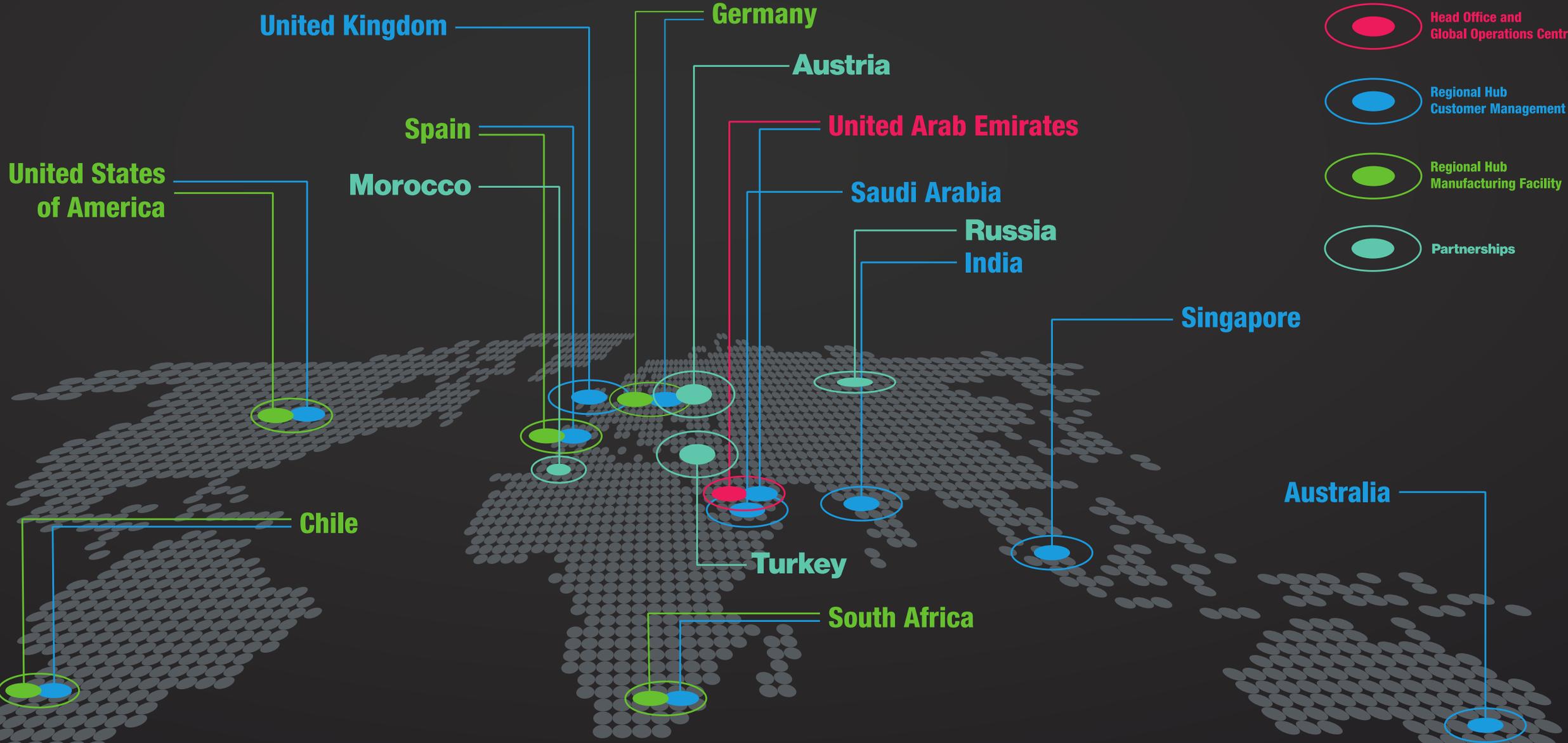
# Manufacture in the UAE

Presented By :Surender Singh Kandhari

# Brief History

- ▶ **Al Dobowi Group** has been at the forefront since 1976 catering to industrial and private sectors in a wide range of products and service areas. Keeping in mind the requirement of batteries for the Industrial sectors, **Eternity Technologies LLC** was established in 2009 and it became operational since September 2011.
- ▶ Strategic decision was made to set up the manufacturing facility in UAE.
- ▶ 10 Years later we now cater to customers world wide and have regional customer management and manufacturing facilities (as shown in next slide)

# OUR GLOBAL REACH



# Al Dobowi Group - UAE OPERATIONS

Factory Location	Products / Services
Ras Al Khaimah	Motive Power
	Network Power (Standby / Solar)
Dubai - Technopark	GEL Bloc - Traction
	GEL Bloc - Leisure
	GEL Bloc - Solar
Umm Al Quwain	Steel Fabrication
	Rubber Molded Products
	Polyurethane Products

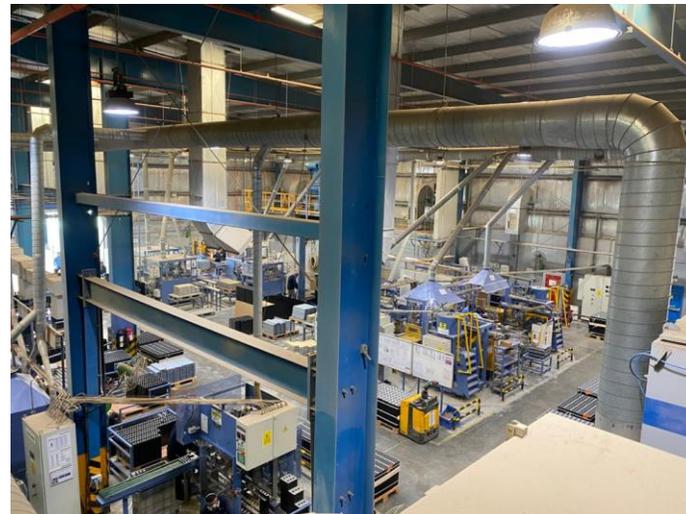
# UAE OPERATIONS - Ras Al Khaimah



## Location : Ras Al Khaimah (RAK)

- ▶ Production and R&D centre
- ▶ Company formed in 2010
- ▶ Plant area - 10,000 sq meters.
- ▶ Factory Manpower - 350
- ▶ Current capacity 1,800,000 2V cells per annum - Motive Power & Standby Power
- ▶ Currently extending operations to increase capacity to 2,400,000 cells by the end of 2021
- ▶ Lead Processed - 30,000 MT per annum

# UAE OPERATIONS - Ras Al Khaimah



# UAE OPERATIONS - Dubai Techno Park



## Location : Jebel Ali , TechnoPark

- Production centre
- Company formed in 2019
- Plant Area – 10,000 sq. meter
- Manufacturing 6V & 12V Gel Bloc –and other specialised products
- Currently extending operations to increase capacity to 1,000,000 blocs by the end of 2022
- Lead Processed – 10,000 MT per annum

# UAE OPERATIONS - Dubai Techno Park



# UAE OPERATIONS - Umm Al Quwain



**Location : Umm Al Quwain**

- ▶ Steel Fabrication, rubber lining, Polyurethane products, Rubber moulded products, conveyor equipment manufacturing , FRP/GRP lining, material handling service.
- ▶ Plant area - 14,500 sq meters.

# Why UAE ?

- ▶ **Burgeoning Economy**

UAE has the most liberal trade regime and has been an open economy with high per capita income and annual trade surplus. This has attracted MNC to set up or even shift their base to UAE.

- ▶ **Strong & Stable legal framework**

This is vital for not just setting up but also for the operation of any business. With stable laws that completely support business and more importantly business owners makes UAE not only BEST but also SAFE option.

- ▶ **Ease of setup**

With a stable legal system, it is extremely easy to set up business in UAE. Especially in the free zones that allows 100% ownership as well as minimum taxation on set up.

The cost of set up varies from different Emirates and from each free zones. With each free zone offering something unique to the business owners. Overall due to complete transparency, it is extremely simple and easy to set up your business (No unnecessary bureaucratic delays, digital process and less paper work )

▶ Chief Source of Employment

Pertaining to employing work force, UAE is considered to be the best source. People from developed and under developed countries consider UAE to be the best place to work. With strong laws protecting labor rights as well as business owners right, it is a win - win situation.

▶ Maximum output and efficiency

With strong rules and regulations protecting the rights of the workers as well as business owners. This ensures there is no delays caused by (Union issues, work strikes ).

With a fair pay being ensured to the workers(as per labor law) the focus is on maximum output and efficiency there by allowing businesses to thrive.

▶ State of the art infrastructure

UAE invests a lot of time and money to ensure the infrastructure of the country is one of the best in the world. Be it power, water or telecom, uninterrupted and state of the art resources along with ready available industrial premises, rental spaces makes it extremely easy to set up and run your business.

- ▶ Ease of Financial Assistance

The financial institutions provide assistance to SME and upcoming business with tailor made financial solutions at competitive rates. There by providing the much required means to grow your business.

- ▶ Duty Exemptions & ease of export

Especially for manufacturing sector, MADE IN UAE products have duty exemptions in GCC countries and reduced import duty in other Arab Nations.

This provides a key advantage with respect to doing business.

With a streamlined process in place by the government, there is no delay in processing orders for export or import and documents such as Country of Origin Certificates are issued immediately.

- ▶ Favorable Geographical location

UAE allows easy access to Africa, Asia, Americas and Europe. Thereby making it a central hub and logistically the perfect center point to cater to business world wide.

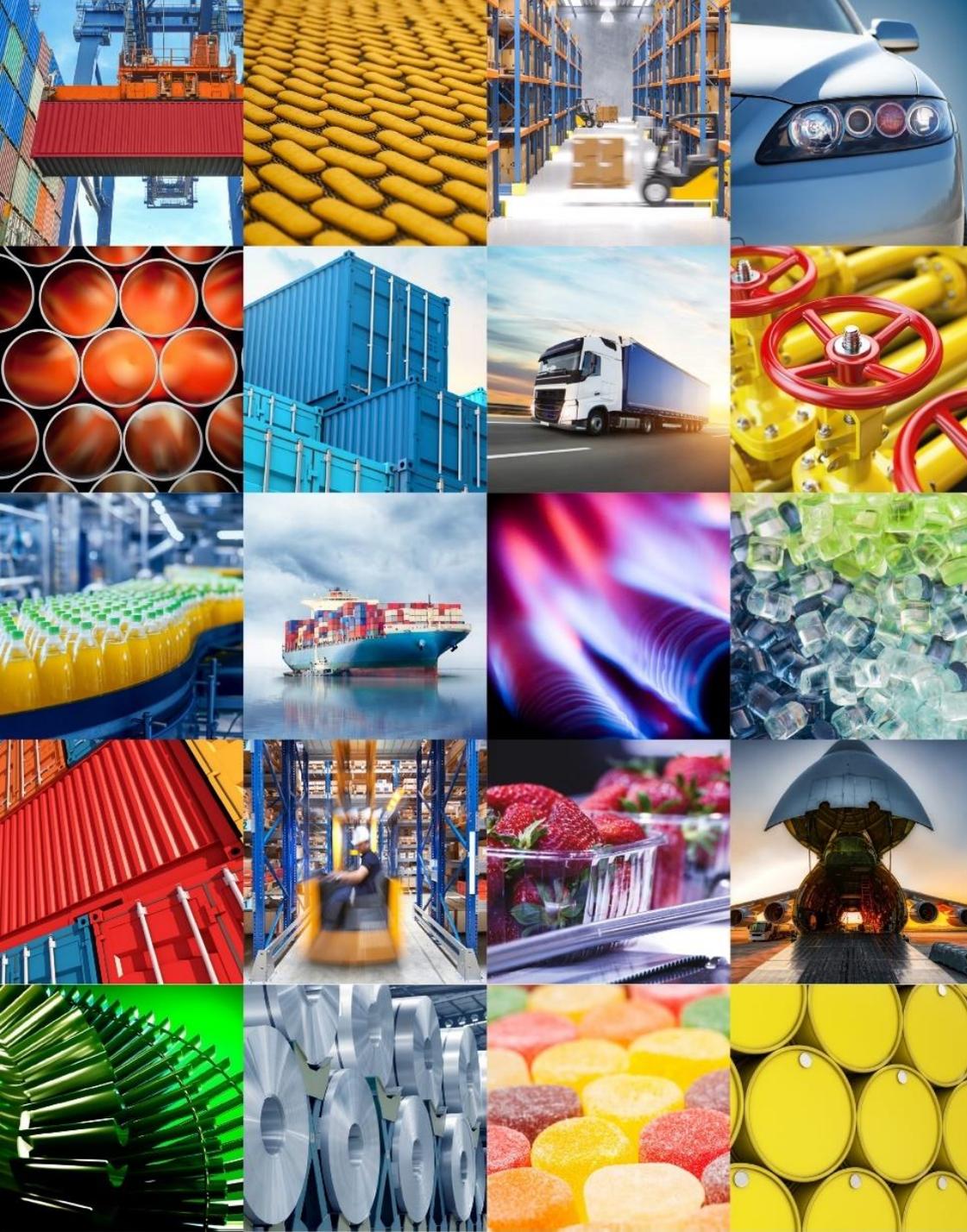
# UAE V/S Covid crisis

A country's capability is put to test during a crisis. And if you are a business owner with Millions invested it can make or break you, depending how the government reacts during a pandemic

- Rapid response to impose strategic lockdowns .
- Ensuring the basic amenities such as food, water, electricity are not affected in anyway.
- Setting up of screening centers and ensuring large scale screening and testing are being done.
- Gradual and strategic reopening of business ensuring safety protocol is maintained every where (One of the first countries to safely resume business during Covid - 19 )
- Economic stimulus packages unveiled - Many government fees were waived off and reduced to support business owners.
- Local banks providing reduced interest rate loans as well as reducing the minimum balance requirement.

# Conclusion - Why chose UAE ?

- ▶ Ease of set up and operation
- ▶ Overall - Lower cost of setup with respect to set up and operation
- ▶ Ease of employing multinational work force
- ▶ Strong and stable legal framework
- ▶ State of the art infrastructure
- ▶ Strategic geographical location
- ▶ Strong Government support and assistance during crisis



# / DEVELOPING A MANUFACTURING AND INDUSTRIAL ECOSYSTEM IN ABU DHABI



Part of  موانئ أبوظبي  
ABU DHABI PORTS



**KIZAD**  
مدينة خليفة الصناعية  
KHALIFA INDUSTRIAL ZONE

# / AUTO INDUSTRY – CHANGING LANDSCAPE



## Driven by User Preferences and Innovations

### IT IS GOING TO BE 'EASCY' ?

- The car of the future is electrified, autonomous, shared, connected and yearly updated = **'eascy'**
- The mobility of the future will be much easier, more flexible and more individual for users.

### AUTONOMOUS AND ELECTRIC FUTURE

- Autonomous vehicles to account for **40%** of the personal mileage driven in Europe in 2030
- **55%** of all new car sales in Europe may be fully electrified by 2030
- Chinese users represent the greatest demand and acceptance of future forms of mobility



## Impact of COVID 19

### TRUNCATION IN CONSUMER DEMAND

- Various lock-down scenarios in major markets due to COVID 19
- Significant impact on revenues and profitability
- Major output reduction across markets/segments

### LIQUIDITY AND CAPITAL CHALLENGES

- Liquidity challenges for small scale suppliers
- More capital to minimize supply chain disruptions
- Less R&D funding for advanced technology

Source: Five trends transforming the automotive industry (PwC)

# / ELECTRIC VEHICLES – AN EMERGING OPPORTUNITY

## INTERNAL COMBUSTION VEHICLES (ICV)

**2000** moving Parts /  
**30,000** Parts

Regular batteries

Complex manufacturing

Bigger and more diverse components

Motor technology is a competitive differentiation  
> **Limited Outsourcing**

## ELECTRIC VEHICLES (EV)

**20** moving Parts /  
**11,000** Parts

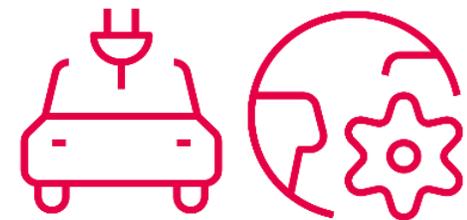
Heavy and complex batteries

Leaner manufacturing

Smaller and simpler components

Motors are commoditized with multiple specialized players  
> **Outsourcing**

**Clear Interest  
in the Region  
From Global  
EV Manufacturers**



**MENA region has its  
best opportunity to  
attract an Auto OEM**

# / UAE - HUB FOR AUTOMOTIVE SECTOR IN MENA

## GCC / MENA REGION



**555.7**  
MILLION PEOPLE

Population Forecast for MENA by 2021<sup>1</sup>



**59.6**  
MILLION PEOPLE

Population Forecast for GCC by 2021<sup>1</sup>



**2.8**  
MILLION VEHICLES

Forecast of Vehicle Sales in the MENA Region in 2020<sup>1</sup>



**2.3**  
MILLION CARS

Forecast of New Passenger Car Sales in the MENA Region in 2020<sup>1</sup>



**800**  
THOUSAND CARS

Forecast of New Passenger Car Sales in the GCC in 2020<sup>1</sup>

<sup>1</sup> Fitchconnect

## UNITED ARAB EMIRATES



**#1**

UAE Automotive Risk Reward Rank In MENA<sup>2</sup>



**2%**

Projected Growth (CAGR) of New Vehicle Sales in the UAE from 2018 - 2028<sup>2</sup>



**9%**

Growth Rate of UAE's Total Trade of Vehicles from 2011 to 2018<sup>1</sup>



**\$7.6**  
BILLION DOLLARS

UAE's Trade for Auto Parts and Accessories in 2018<sup>1</sup>

<sup>1</sup> UNCOM Trade <sup>2</sup> Fitchconnect

# / MANUFACTURING SECTOR IN ABU DHABI

The long-term economic development plan places focus on the manufacturing sector to contribute significantly to the non-oil economy and ensure more stable economic growth in the emirate.

## #1

in the MENA region for ease of doing business<sup>6</sup>.

## 10.6%

Contribution of manufacturing sector to the non-oil GDP (2019)<sup>1</sup>

## 144.4%

Industrial production index – IPI (2019)<sup>1</sup>  
24.4% increase over 2018

## AED 18.8

Billion compensation of employees (2018)

## AED 223.7

Billion gross out put of manufacturing activities (2018)

## AED 17.6

Billion gross capital formation of manufacturing activities (2018)

<sup>1</sup> Preliminary estimations based on current prices  
Source: Statistics Centre – Abu Dhabi

## A STRONG AND GROWING ECONOMY



## \$249B

GDP in 2019<sup>1</sup>



## Top 30

UAE's economy is among the top 30 globally<sup>2</sup>



## 60%

Abu Dhabi's contribution to the UAE's GDP<sup>3</sup>

<sup>1</sup> 2019, [SCAD Yearbook](#) GDP at Current Prices (AED 915bn)  
<sup>2</sup> 2018, [World Bank GDP rankings](#)  
<sup>3</sup> 2018, [UAE MoE Annual Economic Report](#)

## EXCELLENT INFRASTRUCTURE



## 80%

Of the world within an 8hr flight



## 1st

Smartest city in MENA in terms of Smart City Development<sup>5</sup>



## 1st

Capital in the world to have 100% fiber to the home connection<sup>4</sup>

<sup>4</sup> 2016, [Abu Dhabi Competitiveness Report 2016](#)  
<sup>5</sup> 2020, [IMD Smart City Index](#)

# / ABU DHABI - SHAPING AN AUTOMOTIVE ECOSYSTEM

- First **passenger car manufacturing** facility in the UAE
- First passenger car **tyre manufacturing** facility in the UAE (11 million PCR tyres / year)
- Manufacturers of **key raw materials and parts**
- Automotive **logistics hub**
- Dedicated **auto terminal**
- **Digital platform** integrating various stakeholders and services
- Strengthening the Automotive culture through **Formula 1 Grandprix and Ferrari World**



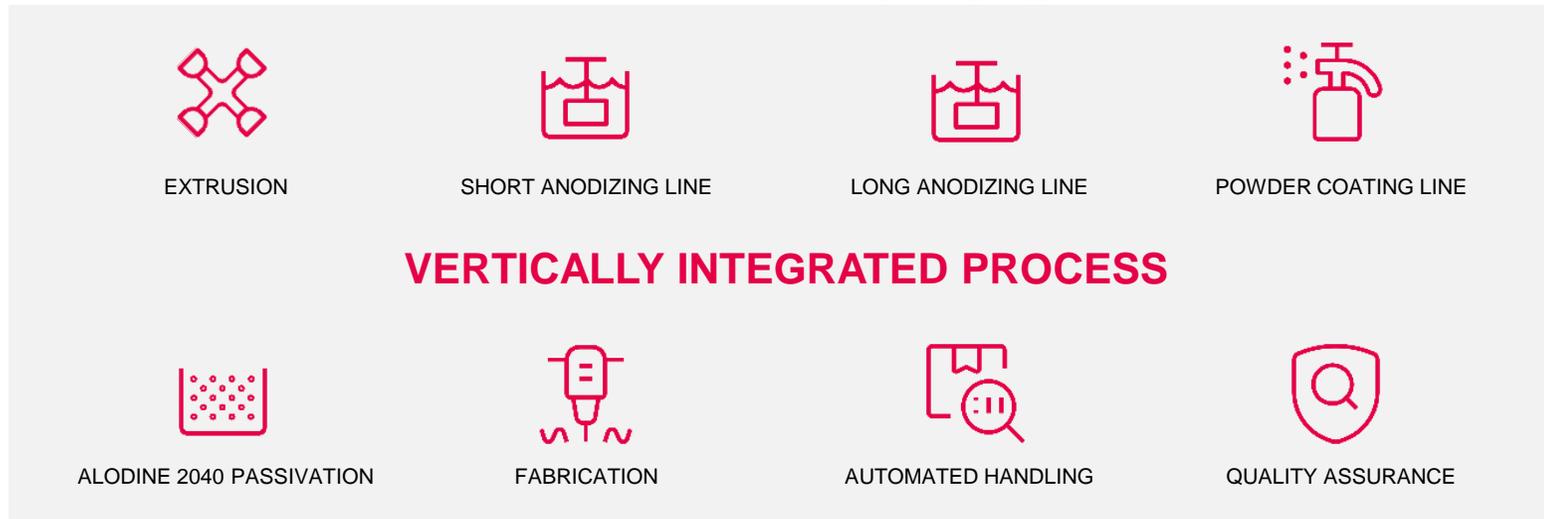
and more....

# / TALEX – EXAMPLE OF AUTO PARTS MANUFACTURER IN KIZAD



## Middle East's most highly automated extrusion plant

- Supplies over 5 million auto parts / year to global brands such as Bentley, Jaguar and Porsche
- Exponentially expanding production capacity in coming years
- Raw materials sourced from EGA
- Efficient use of infrastructure – Hot Metal Road to deliver molten aluminium from EGA to TALEX



### TALEX IN NUMBERS

#### INVESTMENT



**240M** US Dollar

#### AUTO PARTS OUTPUT



**5M** Parts delivered/Year

#### EXTRUSION CAPACITY



**50k** MT/Year

#### POWDER COATING



**13k** MT/Year

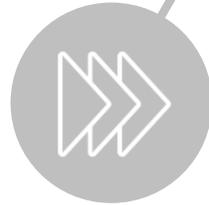
## Making investors competitive across key focus areas

- Competitive costs across setup, operational and compliance

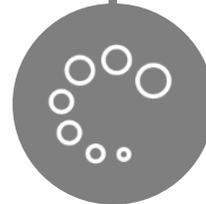
Cost



Speed



Scale



Community

- Faster setup and multimodal connectivity to reach domestic, regional and global markets

- Clustered approach promoting circular economy and proximity to existing social infrastructure

- Ability to increase footprint in phases – from startups to large enterprises

# / CREATING POSSIBILITIES



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[kizad.ae](http://kizad.ae)



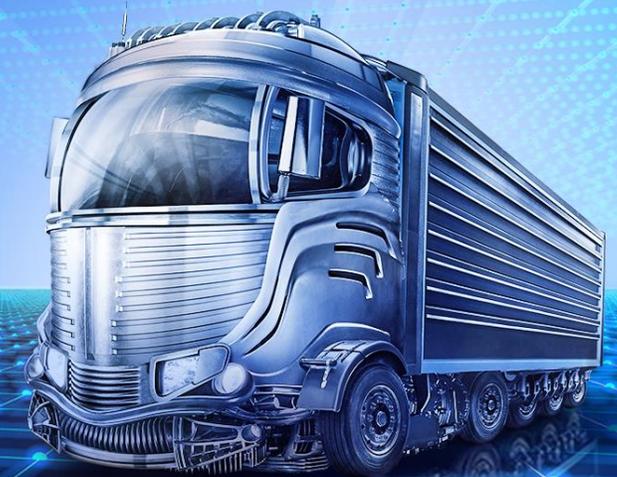
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# Panel Discussion + Q & A



# Thank you for joining!



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