

حكومة دبي
GOVERNMENT OF DUBAI



دبي
للاقتصاد والسياحة
Economy and Tourism

DUBAI, A GLOBAL HUB FOR MANUFACTURING

Manufacturing Incentives Program



DEPARTMENT OF ECONOMY AND TOURISM

The Department of Economy and Tourism (DET) is the principal authority for the supervision and development of Dubai's economy and tourism sectors, with the ultimate vision of positioning Dubai as the world's leading business hub and tourism destination. We will work with you throughout the relocation process, interacting on your behalf with various government entities and supporting the relocation to make the transition to Dubai as seamless as possible.



DUBAI ECONOMIC DEVELOPMENT CORPORATION

Dubai Economic Development Corporation (DED) is the Economic Development arm of DET. DED's goals include enhancing Dubai's economic competitiveness, implementing economic development plans, supporting diversification and sustainability of the emirate's economy, attracting foreign investment and global talent in vital sectors, strengthening Dubai's position as a global destination for investments and entrepreneurship in the digital economy, and establishing projects focused on advancing innovation, artificial intelligence and technology.



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Dubai's vision for 2033



Manufacturing incentives program

+2x

Double GDP to \$215Bn
by increasing CAGR from 3% to 6%

+2.5x

Increase manufacturing GDP as one
of the D33 **10 focus pillars** by 2-3x (+\$16Bn MVA)

+30Bn

Attract ~\$30Bn of private investments in the
manufacturing sector by 2033

+80%

Increase next decades foreign trade
by 80% to \$6.9Tn



The Manufacturing Incentives Program is designed to **boost Dubai's ambitious plans in the industrial sector** by providing support for new investments based on the eligibility criteria that includes **economic impact and contribution to D33**

The major objective of the incentives is to increase **competitiveness of Dubai as a global manufacturing hub**



The program is managed by DET, Principal authority for supervision & development of **Dubai's Economy & Tourism**

8 priority industrial sectors have been identified where Dubai can illustrate significant inherent competitive advantages for manufacturers

1

Food & Beverages



- Poultry
- Beef
- Alternative proteins
- Agritech products

2

Green Products



- Solar panels
- Batteries
- Hydrogen
- Synthetic fuels

3

Motor Vehicles



- Passenger cars
- Vans
- Trucks
- Buses

4

Chemicals



- Concrete admixture
- Adhesives & sealants
- Cosmetic chemicals
- Flavors & fragrances
- APIs

5

Pharma & Medical Equipment



- Basic pharma incl. generics & biosimilars
- Pharmaceutical preps
- Electromedical equip.

6

Computer & Electronics



- Silicon Wafers
- Semiconductor Devices

7

Machinery & Equipment



- Turbines
- Industrial Robots
- Logistics Robots

8

Transportation Equipment



- Drones
- eVTOLs



Dubai's value proposition for businesses and investors in the manufacturing sector



Cost effective goods movement with no customs on raw material imports for production and exclusive trade agreements with 25+ countries, incl. GCC, India. 20+ in pipeline



World leading logistics capabilities in terms of connectivity, cost and speed through Dubai's ports, DP World, Emirates SkyCargo and blue-chip global logistics players



Availability of infrastructure and land parcels in high quality industrial parks, including tax-exempt free zones such as Dubai Industrial City, Dubai South, JAFZA and Dubai Investment Park



Industry friendly power access with highest uninterrupted global grid connectivity, access to gas and uncapped solar power for self use



Strong digital infrastructure driven by the world's highest digital penetration at 99% of the total population



Hub for R&D and innovation evidenced by #1 ranking regionally in the Global Innovation Index and intellectual property protection



Ease of finding skilled talent with Dubai ranked #3 globally for attracting specialized talent flows by Harvard Business Review

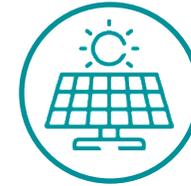


Stability and ease of business with regulatory clarity and transparency, rule of law, fast registration and obtaining of permits

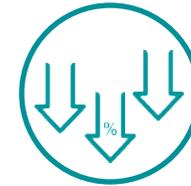
New power policy supports green and sustainable manufacturing by providing manufacturers the ability to generate 100% of their connected load onsite

INDUSTRY-FRIENDLY POWER POLICY REFORM

Cost efficient renewable
energy generation



- ▶ **No cap** on Captive Solar (produce for own need)
- ▶ Roof and ground installations allowed
- ▶ Net metering < 1MW (existing Shams program)
- ▶ **Feed in tariff** at 10.5fils/kWh for >1MW



- ▶ **RECs preferentially allocated** to manufacturers
- ▶ **Flat 25% reduction on connection charges** and an interest-free credit facility up to 2 years

More information about the policy and the application process is available on DEWA's website:

<https://www.dewa.gov.ae/en/consumer/solar-community/d33-industry-friendly-power-policy>

<https://www.dewa.gov.ae/en/consumer/solar-community/d33-solar-pv-initiative>

<https://www.dewa.gov.ae/en/consumer/solar-community/d33-industry-friendly-power-policy-faqs>

Dubai has developed its own ICV Government Procurement Program to encourage and support local content manufacturing



Dubai's program is designed to **complement** the federal In Country Value (ICV) initiative whilst supporting local firms



Preference given to local manufacturers in the procurement process by Dubai government entities by giving a higher weighting for suppliers utilizing a high degree of local content



Flexibility in Dubai's ICV program through introduction of **additional support mechanisms** to SMEs that are not available under the federal program

Manufacturing incentives program – schemes and incentive types: Program structured along three schemes based on deals economic attractiveness

	Description	Incentive types per scheme	Level of incentivization
1 National – sector agnostic scheme	New investments and/or plant expansions across all manufacturing sectors	<ul style="list-style-type: none"> • Electricity rebate (up to 55% or 0.20 AED/kWh, up to 10 years) • Land rental rebate (up to 55% or 16 AED/m²/year, up to 10 years)² 	<p>Manufacturers can avail customized incentive packages based on their project's economic impact to Dubai</p> <p>Level and duration of incentivization depends on the opportunity's cost-benefit attractiveness</p>
2 Sector specific	New investments and/or plant expansions across priority sectors ¹	<ul style="list-style-type: none"> • National scheme incentives • + Additional exemptions (up to 100%, up to 10 years) – e.g., <i>customs / import duty, working visa or registration / permit fees</i> 	
3 Highly strategic	Large strategic investments with high economic impact	<ul style="list-style-type: none"> • National and sector specific incentives • + Additional incentive types / mechanisms beyond national and sector-specific scheme, exemplary types incl. (but not limited to): <ul style="list-style-type: none"> - Gas rebate³ - Labor expense contributions - Water rebate - CAPEX grants 	

1. Currently, 8 priority sectors defined for 2024: Food & Beverages, Chemicals & chemical products, Machinery & equipment, Other transport equipment, Motor vehicles, Pharma & medical equipment, Computer & electronics, Green products – incl. alternative proteins, robotics and agri-tech – list is subject to updates and revisions by DET over time based on market dynamics

2. Non-built-up land rental rate – pref. rate depending on considered Dubai location

3. Subject to gas availability

Facilitation of concessional loans with local Dubai banks
Facilitation of equity investments with principal investors, family offices and other private sector players
Facilitation of JVs and offtake-agreements with government related entities and private sector players

Program eligibility criteria: Manufacturers can unlock incentive schemes based on pre-defined eligibility criteria

Opportunity size, sector and economic impact

- | | | |
|----------|--|--|
| 1 | Economic impact
<i>(MVA in 2033)</i> | Based on planned 2033 company revenue and sector-specific GDP multipliers |
| 2 | Size of the investment | Incremental CAPEX / fixed asset investment in land, building and / or machinery & equipment until 2033 |
| 3 | Sector affiliation | Alignment of business activity with the Dubai priority manufacturing sectors |

National strategy alignment and additional D33 contributions

- | | | |
|----------|------------------------------------|---|
| 1 | Jobs creation | # jobs created until 2033, % Emiratis employed by 2033 |
| 2 | Ecosystem building | Localization of multiple value chain elements, Unlocking upstream / downstream value chain in Dubai |
| 3 | Technology & innovation | Advanced manufacturing, industry 4.0, degree of automation |
| 4 | Sustainability | Net zero plans, energy efficiency, solar power production, circular economy |
| 5 | Logistics and trades | # import / export containers via port of Dubai p.a. |

Application and assessment process: 4 steps approach from data collection, incentive package development to final agreement

1

Data collection and opportunity statement

- Investor to fill standardized **Data Request template** and submit to dedc@dubaidet.ae
- **Clarification session** to validate information provided

2

Incentive package development

- Assessment of **eligibility criteria** & applicable scheme
- **Accessible incentive types** based on eligibility and company's ask
- **Customized incentive package** based on cost-benefit analysis and attractiveness indicators for Dubai

3

Non-binding MOU

- **Follow-up meetings** and workshops to align on proposed incentives plan
- **In-principle agreement** between DET and the company on potential incentive plan

4

Definitive Agreement

- Development of the detailed **mechanics and milestones** over the duration of the agreement
- **Finalization and sign-off** of the definitive agreement

We at DET welcome you and can support the process in multiple ways

- **Bring in, introduce & familiarize you** to doing business in Dubai
- **Connect you** with Dubai's ecosystem, decision-makers, potential JV partners, suppliers and customers
- **Provide access** to talent to source with expertise in the advanced manufacturing field
- **Support licensing, visa & permit requirements** for your establishment, expansion or upgrade in Dubai
- **Provide end-to-end relocation** concierge services
Incl. due diligence & visit, corporate setup & relocation, employee & family relocation, post-set up service
- **Provide “turnkey”** solution for commercial and residential real estate



READY TO
START YOUR JOURNEY?

Please reach out to us at
dedc@dubaidet.ae

We look forward to building a strong future together.