



# NEIGHBORS

## UAE

### Emirates opts out of VAT increase

# Incentives key in new path for growth

By Michael Armstrong

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Following last week's announcement that the UAE plans to prioritise growth of its digital and green economies in its post Covid-19 recovery plan, ICAEW says the country will need to introduce some radical incentive programmes if it is to succeed in staving off a VAT increase in the short term.

In response to Saudi Arabia's plans to increase its valued-added tax (VAT) rate from 5 percent to 15 percent from July 1 this year, the UAE Ministry of Finance confirmed it would not be doing the same. Instead, it reinforced its commitment to achieve the UAE's development goals and plans.

"We applaud the UAE's progressive economic vision and forward thinking to further diversify its economy. However, its high de-

pendence on tourism, real estate and global trade means it has a significant challenge ahead to stimulate and support internal demand, while remaining attractive to foreign investors.

"Despite being the most diversified of the GCC economies, the UAE public purse remains dependent on oil revenues, and the crash in oil prices has once again accelerated the need for further diversification of the country's non-oil sector.

"How quickly the country realises its post-oil future will be the true test. We can expect to see more policies introduced and structural reforms to enhance the UAE business environment. Credit access will be crucial too, especially for SMEs which represent 98 percent of registered businesses in the country, and contribute 52 percent to non-oil GDP.

"This is further compounded by the fact that most of those SMEs are owned by foreign expatriates. To avoid the mass exodus

of foreign talent that the country saw during the 2009 financial crisis, financial relief will need to be extended to those in need of assistance.

"But the government needs to be able to recoup those costs somehow, and so it stands to reason that fiscal adjustments in the form of increased taxes is a logical solution.

"Not doing so now is perhaps a psychological win for the UAE. It remains a more attractive business environment than its larger regional neighbour Saudi Arabia. Also, as higher taxes are introduced in more developed markets to cover the cost of Covid-19 relief efforts, the UAE's low tax environment can remain a draw for foreign investors.

"However, we expect more incentives will have to be introduced to attract the long term commitment of those investors. While this is already happening in the form of Golden Residency Visas for high priority talent, more work will need to be done to provide



Michael Armstrong

greater stability for foreign investors and retain talented people.

"Such measures will make it easier to increase or introduce more taxation in the future, something we see as unavoidable and necessary. The Ministry of Finance previously said it wouldn't introduce tax hikes

until 2023. What the UAE does between now and then to boost the economy and support residents will be somewhat of a competitiveness litmus test.

"What the UAE also has in its favour right now is the one year postponement of Expo 2020. Although the economic windfall of Expo will also be delayed, it does present a greater opportunity for success since it will allow participating countries more time to recover and should see the travel and tourism sectors better adjusted to the next normal. This will result in a more significant overall contribution to the economy.

"The UAE is a young and dynamic country that has proven itself resilient to global shockwaves in the past. With continued prudent leadership, there is every potential for increased development of its digital and green economies to leapfrog more mature markets. This reset moment is all about plotting a new course for economic growth."

## Dubai

### Staycations key to Gulf recovery

DUBAI, May 18: Local tourism and domestic travel are expected to lead the UAE and wider GCC's recovery from COVID-19 as we begin to see the easing of lockdown restrictions, according to the latest research released ahead of Arabian Travel Market (ATM) Virtual, a newly-launched three-day event that will take place from 1-3 June 2020.

The research from Colliers International, in partnership with ATM, revealed the percentage of bookings to Abu Dhabi within a 48km radius increased from just 20% in January 2020 to 43% in March. While, in Dubai, the percentage rose from 19% to 36%.

Adding to this, research by Sojern, suggests staycations are expected to become the most popular choice of travel in the short to medium-term, with data revealing hotel bookings to Abu Dhabi within a 48km radius accounted for 77% of all bookings in April and domestic travel from Dubai accounting for 91% of searches and bookings within the same radius.

With this in mind, 'The Hotel Landscape in a Post-COVID-19 World' session taking place on Monday 1st June from 1.30 pm - 2.30 pm GST (10.30 am -

11.30 am BST), will focus on the hospitality industry, exploring the profound impact of COVID-19 on the Middle East's hotel sector as well as outlining what the landscape is likely to look like when travel resumes and what will be considered new 'norms' in terms of guest behaviours and expectations.

Confirmed session panellists will include Tim Cordon, Senior Area Vice President for Middle East & Africa, Radisson Hotel Group and Christopher Lund, Head of Hotels, Colliers International, Middle East & North Africa, and will be moderated by Gemma Greenwood.

Danielle Curtis, Exhibition Director ME, Arabian Travel Market, said: "The global COVID-19 health crisis severely impacted worldwide travel, tourism, events, and leisure activities, with many people being forced to cancel or postpone their travel plans in the first half of 2020. However, what we are now beginning to see is a sense of pent up demand due to an eagerness among the larger populace to make up for lost time and cancelled plans.

"Travellers still want to go on holiday, but safety has become a top priority. As a result, the staycation trend is expected to grow in the coming months, with residents keen to take a break away from their home for a few days in a location that is familiar to them, whilst flights are grounded, and international travel restrictions still in place."

Families and solo travellers are expected to be among the first market segments to start travelling and making new reservations, according to the research from Colliers. In addition, Millennials and Gen Z are being touted as the most eager to travel, as they seek a change of scenery following long lockdown periods across the globe.

In preparation for the travel and tourism recovery - on a local, regional and international level - it is crucial hospitality companies can provide future guests with peace of mind by implementing and virtually showcasing the stringent hygiene and deep cleaning procedures performed rigorously across their properties.



Curtis



Sheikh Mahmoud Tohamy

## Abu Dhabi

# ADMAF wraps Ramadan Series

ABU DHABI, UAE, May 18: Following its remarkable success and extraordinary turnout reflected in over 1.9 million views on social media, Abu Dhabi Music & Arts Foundation (ADMAF) concluded its Ramadan special events, part of its "Culture is Humanity in Solidarity" online digital campaign. Featuring a rich lineup of art performances and cultural events, ADMAF celebrated the holy month of Ramadan by streaming performances that promote solidarity and fellowship in the face of the COVID-19 pandemic.

H.E. Huda Ibrahim Alkhamis, Founder of the Abu Dhabi Music & Arts Foundation, said: "I thank everyone who contributed and worked for the success of our Cultural Ramadan Series on our social media channels making invocations, creating art and chanting. All my gratitude goes to the creative artists, Hiba AlKawas, El Seed, Diaa Allam, Sami Yusuf, and Sheikh Mahmoud Tohamy, who collaborated with us in delivering a message of compassion under these difficult and unprecedented circumstances, which our beloved country is living through along with the entire world."

Her Excellency continued: "The Abu Dhabi Music & Arts Foundation continues to bring art and culture to the people of Abu Dhabi, and to the world, with the message that we face these challenges together as one people, in honour of our shared experience as human beings, to help preserve the things that define who we are as a civilization. Because culture is humanity in solidarity. Stay Safe."

The series featured a rich lineup of global artists and performers. Egyptian Islamic Sufi chanter Sheikh Mahmoud Tohamy, a pioneer in religious chanting and founder of the world's first school for chanting arts and invocations, award-winning composer and singer-songwriter Sami Yusuf with the world premiere performance of "The 99 Names," and Lebanese opera diva Hiba Al Kawas premiering "Allahu Ya Allah." A unique collaboration between visual art greats El Seed and Diaa Allam was also part of the series. The two artists, known for their incorporation of traditional Arabic calligraphy into large-scale contemporary public artworks, took submissions from their followers of words describing their current state of mind and how

they feel during this difficult and unprecedented time. Working side by side, they incorporated the submitted words into a live art-making session.

The performances took place on ADMAF's Facebook and Instagram pages during Ramadan with remarkable success, seeing record audience participation across a variety of countries and cultures.

Fulfilling its mission to nurture the arts and culture, especially during difficult times, and to help support the UAE's comprehensive national response to the pandemic, ADMAF is making these performances available for viewing at any time across all ADMAF's social media channels and website, where visitors can watch Mahmoud Tohamy's full two-hour performance. This is in addition to the resources related to its culture, art, music and education programs that have always been available on its website.

For all the information on ADMAF's Ramadan series, please visit ADMAF.org/Ramadan and follow ADMAF on Facebook, Instagram and Twitter.

## Bahrain

### Al-Matooq launches program for balance

MANAMA, May 18: The Bahraini Human Resources (HR) Consultant **Abeer Al-Matooq**, announced launching a unique program "21 Days for Balance" - "Adjust your Internal Compass" - for the first time in Bahrain keeping pace with the necessity to feel secure, psychological stability during the global challenges affecting people such as isolation, social distancing, health anxiety, economic problems and job vacancies.

"21 Days for Balance" is a virtual program launched by Al-Matooq. It has widely spread breaking the records in the Kingdom of Bahrain. In addition to reaching huge number of followers, fans in the Gulf and the countries of the Arab region and non-native speakers from around the world.

Al Matooq, the first Bahraini woman in Executive Education Leaders Program at Leeds University, UK said, "This course was designed specifically to set the ground for people installing positive habits that bring more organization, peace of mind, determination, will power to conquer the challenges motivating them to think positively, searching deep inside to find happiness and secure. The program helps people to cope with the circumstances up grading them to the next level achievements against all odds."

Al-Matooq added: "Following the sound of wisdom, the world widens the doors of life to whom they know where exactly to go. This is what I am aiming at in this program. If you want to succeed in your life, you have to strongly build your inner strength that shall keep you in a state of clarity and stability with no confusion."

Al-Matooq pointed that this program "21 Days for Balance" represents an invitation and life call from Bahrain to people all over the world.

She said, "It is our duty to raise and widen people horizons and awareness of the sacred missions, values and goals and that they are obliged to plant and develop the Earth unifying the humanity's effort in a frame of responsibility, awareness to succeed and achieve the goals for our own good."



BNET, Bahrain's National Broadband Network, announced today a digital transformation partnership with global technology company SAP to take to the next level the broadband experiences for millions of customers.

Thanks to Bahrain's nationwide digital transformation, led by Bahrain Vision 2030, the country leads the Arab World in the most value for money for fixed-broadband plans, at USD 0.6 per GB of data, according to the International Telecommunications Union's most recent Measuring the Information Society report. Bahrain also ranks 6th in the Arab World for the fixed-broadband basket measuring overall broadband services.

Now, BNET aims to take Bahrain's broadband to the next level with real-time innovations delivered by SAP running on the AWS cloud data center in Bahrain. Platinum partner SEIDOR MENA will implement the project.

BNET will leverage the S/4HANA real-time business suite to gain full visibility and real-time network insights across its signal towers, network hubs, and fixed-line broadband and phone networks. As a result, BNET will be able to deliver higher-availability services and develop business and entertainment services.

"As part of our commitment to supporting Bahrain Vision 2030, our real-time solutions will support BNET in digitizing internal platforms and processes to transform customer experiences," said Reham Almusa, Managing Director, SAP Bahrain. "By listening, understanding, and acting on customer experiences with broadband services, BNET is ideally-positioned to deliver the next-generation services that support business innovation, consumer happiness, and diversified economic growth."

Supporting the workforce of the future, BNET will use the SuccessFactors Human Capital Management suite to find, train, and retain hundreds of employees. BNET is also eagerly recruiting the top Bahraini women engineers and business experts, aligned with nationwide goals of empowering women in the workforce.

The SAP solution was expertly implemented by Seidor MENA, the region's systems integrator and digital transformation champion, who will also provide ongoing support to ensure the availability and performance of the platform.



Al-Matooq

editor's choice

