

Catalonia Trade & Investment
ACCIÓ – CATALONIA MIDDLE EAST

CATALAN WATER CLUSTER 2023

United Arab Emirates & Saudi Arabia

July 2023

Presentation: ACCIÓ Dubai

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1. ACCIÓ Dubai:

ACCIÓ is the Agency of the Generalitat of Catalonia for international **business competitiveness** and foreign investment.

ACCIÓ promotes internationalization, innovation and foreign investment through its **40 foreign offices**.



ACCIÓ office in Dubai is a **regional office** covering: UAE, Saudi Arabia, Qatar, Bahrain, Oman, Kuwait, Lebanon and Jordan.

Dubai office offers **personalized assistance** to Catalan companies that want to open markets in the Middle East and find new business opportunities.

2. The **GCC** Region:

- The Gulf Cooperation Council (GCC) is a regional intergovernmental political and economic union made up of all the Arab states of the Persian Gulf: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).
- The population of the GCC in 2022 was more than **54 million people**.
- Since its formation in 1981: massive developments in regional and international trade.

The emirate of Dubai in the UAE is considered the main commercial center of the GCC region, due to its strategic position and excellent international trade relations.



Macro Economic Data

Population (2021)

Saudi Arabia.....	35,950,000
United Arab Emirates.....	9,365,000
Spain.....	47,415,000

GDP (Billion USD) – 2021

Saudi Arabia.....	833
United Arab Emirates.....	415
Spain.....	1,427

GDP per capita (USD) - 2021

Saudi Arabia.....	23,185
United Arab Emirates.....	44,315
Spain.....	30,103

Seats held by women in parliament / government bodies (%) - 2021

Saudi Arabia.....	20%
United Arab Emirates.....	50%
Spain.....	15%

Font: World Bank <https://data.worldbank.org/?locations=SA-AE-KW>

United Arab Emirates

Principals sectors per creixement del volum de negoci, 2022-26

Sectors	Creixement 2022-26	Creixement 2017-21
Educació i formació i serveis editorials	6,24%	5,36%
Salut i serveis sanitaris	5,61%	6,87%
TIC i digitalització de la indústria	5,51%	8,57%
Serveis de mobilitat	5,12%	6,14%
Infraestructures i construcció	5,11%	1,72%
Alimentació	5,04%	5,31%
Logística de mercaderies	4,78%	3,08%
Energia	4,66%	2,37%
Agricultura	4,52%	4,86%
Turisme i oci	4,00%	2,90%

Proveïdors principals, 2021 (% sobre total importacions)



Xina
20,8%



Índia
12,1%



Estats Units
8,1%



Hong Kong
4,7%



Alemanya
4,0%

3. UAE - Main Strengths

Strategic Location	The UAE is strategically located at the crossroads of major trade routes between Asia, Africa, and Europe. This has made it a key player in the global economy and a hub for trade, logistics, and transportation.
Economic Diversification	The UAE has implemented several economic policies that helped to promote the growth of non-oil sectors such as: tourism, finance, and logistics. It made its economy more resilient & sustainable.
Modern Infrastructure	The UAE has invested heavily in infrastructure development, including modern highways, airports, and public transport systems.
Skilled Workforce	The UAE has a highly skilled and educated workforce, with a focus on developing local talent through education and training programs.
Political Stability	The UAE is politically stable, with a strong government and low levels of corruption. This has helped to attract foreign investment and promote economic growth.
Tourist Destination	The UAE is a popular tourist destination, with world-renowned attractions such as the Burj Khalifa, the Dubai Mall, and the Sheikh Zayed Grand Mosque.

The UAE Vision 2030-2050

- UAE Net Zero 2050
- Abu Dhabi Economic Vision 2030
- Environment Vision 2030 (Abu Dhabi)
- Plan Abu Dhabi 2030
- Abu Dhabi Transportation Mobility Management Strategy
- Surface Transport Master Plan (Abu Dhabi)
- Dubai Autonomous Transportation Strategy
- Dubai Industrial Strategy 2030
- Dubai 3D Printing Strategy



Saudi Arabia - KSA

Principals sectors per creixement del volum de negoci, 2022-26

Sectors	Creixement 2022-26	Creixement 2017-21
Cultura	9.78%	16.13%
Química i plàstics	8.54%	10.01%
Energia	7.92%	10.55%
TIC i digitalització de la indústria	7.10%	4.64%
Turisme i oci	6.74%	1.74%
Altres manufactures de disseny	5.98%	0.64%
Automoció	5.89%	0.19%
Mobilitat ferroviària	5.81%	1.90%
Infraestructures i construcció	5.80%	6.02%
Electrònica i material elèctric	5.48%	3.86%

Proveïdors principals, 2021 (% sobre total importacions)



Xina
20,4%



Estats Units
10,2%



Emirats Àrabs Units
8,2%



Índia
5,3%



Alemanya
4,9%

Font: ITC-Trademap

4. KSA - Main Strengths

Oil and Gas	Saudi Arabia is the world's largest exporter of oil and gas, which provides a significant portion of its GDP.
Economic Stability	Despite fluctuations in global oil prices, Saudi Arabia has maintained a relatively stable and growing economy. The government has implemented several economic reforms and diversification plans to reduce the country's dependence on oil and gas exports.
Infrastructure	Saudi Arabia has invested heavily in infrastructure development, including transportation, healthcare, and education, which has helped to support economic growth and improve the standard of living.
Religious and Cultural Significance	As the birthplace of Islam and home to two of the religion's holiest sites (Mecca and Medina), Saudi Arabia holds great religious and cultural significance for Muslims around the world.
Vision 2030	The Saudi government's Vision 2030 plan aims to diversify the economy away from its reliance on oil and gas, and towards a more diversified and sustainable economy. This plan includes significant investments in tourism, renewable energy, and technology, which could help to further drive economic growth in the future.

The Saudi Vision 2030

The vision is based on three main pillars and establishes specific objectives to be achieved by **2030**:



- **A vibrant society:** urbanism, culture and entertainment, sports, Umrah, UNESCO heritage sites, extend life expectancy.
- **A prosperous economy:** employment, women in the workforce, international competitiveness, public investment funds, foreign direct investment, non-oil exports.
- **An ambitious nation:** non-oil income, government effectiveness, e-government, household savings and income, nonprofits.

5. Water Sector in GCC

- The summer of 2021 was one of the hottest on record across the region, with temperatures pushing **50 degrees Celsius** in several places.
- As the temperature rises, so natural water sources become scarcer, a problem which is worsened across the GCC states by a **lack of resources** and variable water infrastructure.
- It is no exaggeration to say that **water scarcity** is now one of the biggest challenges facing the region's people, economy, and future.
- The GCC region has experienced many **environmental concerns** lately. It requires more water resources and suitable land for agriculture.
- Much of the land that is available for producing food is destroyed by increasing **desertification**.

6. Environmental Issue in UAE and KSA

- The UAE is facing a serious **depletion of their available water resources**. One report from the Emirates Industrial Bank in 2005 even said that the UAE had the highest per capita consumption of water in the world.
- Additionally, for the past thirty years, the water table of this region has dropped about one meter per year.
- At this current rate, the UAE will **deplete its natural freshwater resources in about 50 years**.
- Saudi Arabia is classified as one of the **most water-scarce nations on the planet**.
- The absolute water **scarcity level is 500 cubic meters per capita**, yet Saudi Arabia has only 89.5 cubic meters per capita, per year.
- Even with a large amount of desalination plants to reduce water deficiency, the UAE and KSA **need to adjust their water use habits**.

7. Desalination Plants

- **70% of desalination plants in the world** are in the GCC area, found mostly in Saudi Arabia, the UAE, Kuwait, and Bahrain.
- While the plants produce water needed for the dry region, they can create **problems for health and the environment**.
- The seawater mostly used in desalination plants has high amounts of boron and bromide, and the process can also remove essential minerals like calcium.
- Also, the **concentrated salt is often dumped back into the sea** where the increased salinity affects the marine environment.
- Water produced can be beneficial, but the GCC countries have tendencies towards **overuse of their natural resources**.
- Need to **encourage for alternate forms of water and energy** and conserving freshwater.

8. Water sector – Key Growth Opportunities

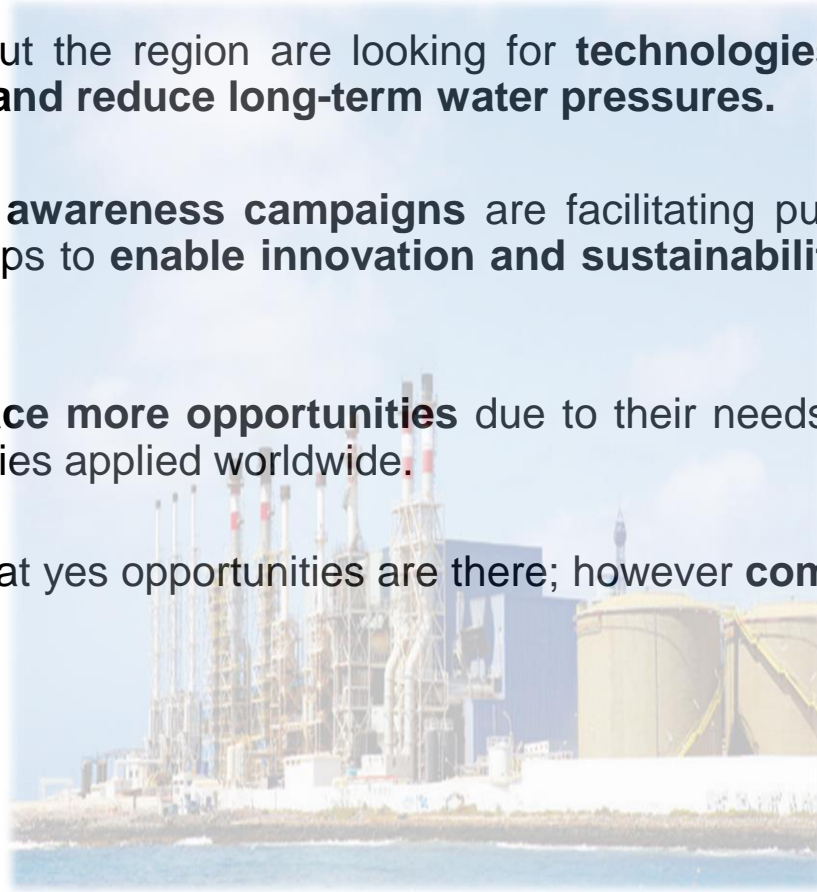


DESALINATION, WASTEWATER TREATMENT & DIGITIZATION

- Despite the region being very active in desalination, there is still room for **growth**, however **competition is high**.
- The region will increasingly drain high energy consuming thermal desalination technologies in favor of reverse-osmosis-based (RO) plants powered by renewables, including solar.
- A clear potential opportunity in the wastewater sector are: **zero liquid discharge (ZLD) solutions**. They enable the recovery of usable water and treated impurities from wastewater before reducing it to solid waste without any harmful environmental impact.

9. Water sector Opportunities

- Countries throughout the region are looking for **technologies to increase supply, manage demand, and reduce long-term water pressures.**
- **Local events and awareness campaigns** are facilitating public and private sector business partnerships to **enable innovation and sustainability** in the region's water sector.
- UAE & KSA **embrace more opportunities** due to their needs to develop and follow the latest technologies applied worldwide.
- We have to mind that yes opportunities are there; however **competition** is also high.

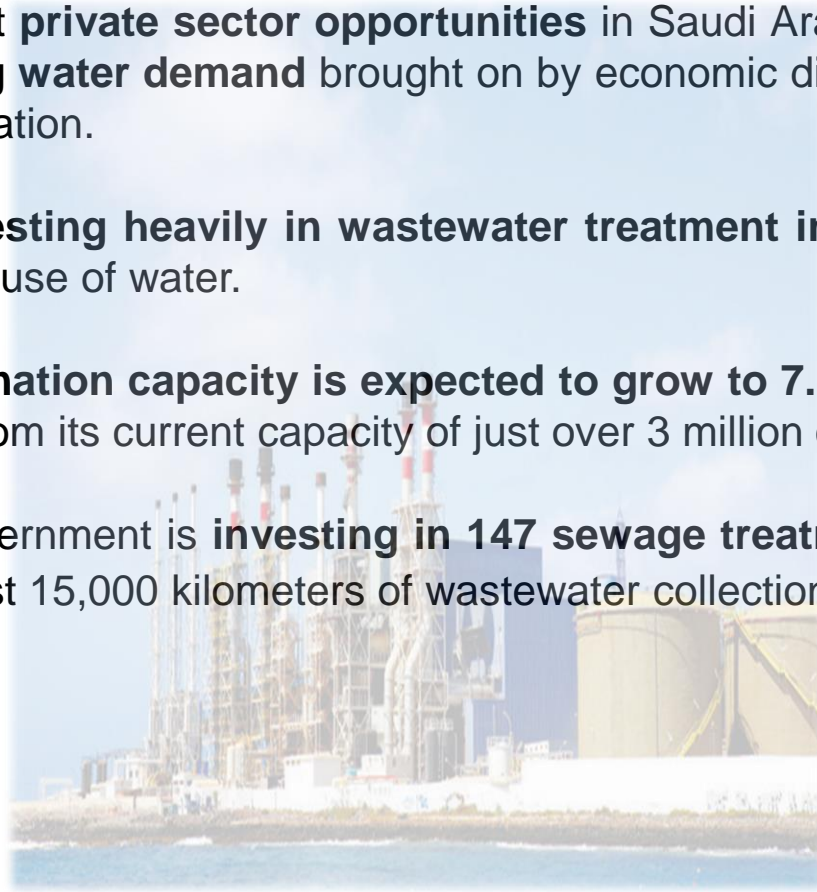


10. UAE – Water sector Opportunities

- Independent water projects are on the rise in the UAE, generating new opportunities for developers (within a competitive environment) as the country races to **keep up with the water demands**.
- Currently, the UAE records the **highest projected increase in demand**.
- Demand is expected to **continue growing at a rate of 10% per annum**, according to the UAE's Ministry of Economy.
- The UAE emphasized that **privatization is a strategic option for sustainable development** in the country.
- Simultaneously **expanding private sector investment opportunities** and raising efficiency.
- In 2022, the value invested in **new desalination plants was USD 2.08 billion** (According to the Minister of Energy and Infrastructure).

11. KSA – Water sector Opportunities

- There are important **private sector opportunities** in Saudi Arabia, which is looking to address **increasing water demand** brought on by economic diversification, population growth and urbanization.
- The country is **investing heavily in wastewater treatment infrastructure** to enable the recycling and reuse of water.
- The Saudi's **desalination capacity is expected to grow to 7.5 million cubic meters per day by 2027** from its current capacity of just over 3 million cubic meters daily.
- In addition, the government is **investing in 147 sewage treatment plants** across the Kingdom and almost 15,000 kilometers of wastewater collection networks.



12. The Response so far in the UAE

- The value of investments in new desalination plants in Abu Dhabi, Dubai, and Umm Al Quwain amounted to AED 7.63 billion (2.08 billion USD), in line with the **directives of the UAE's leadership to achieve water security.**
- The annual **growth rate** of the water desalination sector is at 3%.
- In response, its Water Security Strategy 2036 identified how **the country aimed to reduce demand on water resources by 21%.**
- Reduce average consumption of each person by half and **develop a storage capacity for more than 45 days in extreme emergencies.**
- The UAE Ministry of Energy and Infrastructure, in cooperation with its partners in the energy and water sectors, has implemented the **UAE Water Security Strategy 2036** and the **National Water and Energy Demand Management Program.**

13. UAE's Water Security Strategy 2036

The UAE Water Security Strategy 2036 aims at **ensuring sustainability and continuous access to water** during normal and extreme emergency conditions.

The strategy was developed from a **comprehensive national perspective** to cover all elements of the water supply chain in the country with the participation of **all entities and authorities concerned with water resources in the country.**



13. UAE's Water Security Strategy 2036

THE STRATEGY AIMS TO:

- Implement integrated water resources management by **reducing total demand for water resources by 21 %**.
- Increase the **water productivity index** to USD 110 per cubic meter.
- Substantially increase **water-use efficiency across all sectors** and supply of freshwater to address water scarcity.
- **Improve water quality** by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials and substantially increasing recycling and safe reuse of treated water to 95%.
- Achieve **universal and equal access to safe and affordable drinking water** for all by increasing water storage capacity.

13. UAE's Water Security Strategy 2036

The UAE is also working on major desalination projects, including:

- **Taweelah Plant**, which has a capacity of over 900,000 cubic meters of water per day, meeting the water demands of over 350,000 households. It will be 44% bigger than the world's current largest reverse osmosis plant.
- **Jebel Ali Plant** complex has a capacity of 150,000 cubic meters of water per day.
- **Sharjah Electricity and Water Authority** is constructing a desalination plant in Al Hamriyah which will produce 90 million gallons per day and is expected to open in 2026.



14. The **Response** so far in the KSA

- In 2019, the Saudi Arabian government launched a **National Water Program: Qatrah**.
- Qatrah, part of the Ministry of Environment, Water and Agriculture, **aims to cut water consumption by about 43% to 150 liters per capita, per day by 2030**. Through encouraging change in individual behavior by raising awareness of the issue.
- It also aims to reduce water consumption in the **agricultural sector**, which consumes most of the water in Saudi Arabia.



14. The **Response** so far in the KSA

- Saudi Arabia is responsible for around one-fifth of global desalination production, generating around 4 million m³/day of desalinated water, **making it the largest desalination market in the world.**
- KSA aims to **invest USD 80 billion in new desalination projects** over the next decade to boost its water supply to face the growing demand.



14. The **Response** so far in the KSA

- Adding **60 new desalination projects** will increase KSA's desalination capacity **to 7.5 million m³/day of water by 2027**, from 2.54 million m³/day in 2021 (Nearly tripling the capacity in just six years).
- One of those projects at the forefront of this investment drive is the **Shuqaiq 3 desalination plant** in the country's southwestern Jizan province on the shores of the Red Sea.



15. KSA's Water Security Strategy 2030

- The KSA is making steps in achieving the **UN Sustainable Development Goals (SDGs) by 2030**, with a key focus on restructuring the water sector and **developing a comprehensive National Water Strategy** and allocating USD 80 billion towards water projects within the coming years.

THE STRATEGY AIMS TO:

- Achieve universal and equal access to safe and affordable drinking water for all.
- Preserve water resources.
- Protect the environment.

SAUDI ARABIA LAUNCHES PROGRAM FOR A DRASTIC REDUCTION IN WATER USE

Qatrah program was launched at the March 17-19 Saudi Water Forum 2019 in Riyadh and with World Water Day set for Friday, March 22

Saudi Arabia is the world's **third largest** consumer of water per capita after the US and Canada

Through Qatrah, the ministry aims to reduce per capita consumption per day from

263L to 200L to 150L

2020 2030

In 2016, **82%** of non-renewable water consumption was concentrated in the **agricultural sector**

"The reality of the water sector in the Kingdom requires all of us to work together -- the public sector, the private sector and the citizenry - with the aim of developing techniques for the production and distribution of water at the lowest possible cost."

Minister of Environment, Water and Agriculture Abdulrahman Al Fadley

Water security is a key challenge for Saudi Arabia, which has invested heavily in seawater desalination

Logos: Center for International Communication, Saudi Water Forum, Ministry of Environment, Water and Agriculture, VISION 2030, NWC, CICSaudi

16. Doing Business in the GCC Region

At ACCIÓ Dubai we encourage Catalan companies to explore the emerging markets of the GCC, in this regard it is important to know the social, cultural and business mentality of the people.

It is essential that Catalan companies are prepared to adapt to the new technological environment to remain competent in the regional/international market. For example, Websites/Catalogues/Business cards in English (and potentially in Arabic).

Diversity: The GCC is a very culturally diverse region. For example, in Dubai there are over 180 nationalities present. Catalan companies that wish to be active in the GCC market need to have a dynamic and open mindset.

Business Environment: Due to its strategic location and lack of substantial local manufacturing, the GCC is a very competitive environment. The different GCC countries are used to import goods and services. They also know that they usually have many options from where to source the needed goods and services.

16. Doing Business in the GCC Region

Timings: Try to be punctual yourself, however be rather flexible when the host is late.

Clothing: Normal business attire.

During the month of Ramadan: Working hours are often significantly reduced, it is better to avoid doing business or hosting meetings during this month.

Days:

Following the Lunar Calendar, the weekend in most Middle Eastern countries falls on Friday and Saturday, although there are some exceptions.

So, weekdays are:

United Arab Emirates: Monday – Friday

Saudi Arabia: Sunday – Thursday

Seu d'ACCIÓ a Barcelona:

Tel. +34 934 767 287

catalonia@catalonia.com



@catalonia_TI

Gràcies! Thank you! شكراً!!

Per qualsevol dubte o consulta: msitjas@catalonia.com

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