

Regional partnership in a globalised world

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By Danny E Sebright

In the decade since 9/11, much has happened to strengthen the ties between the US and the United Arab Emirates (UAE) politically and commercially. The budding commercial relationship before 9/11 has been bolstered recently by a more shared and mutually reinforcing approach to regional security concerns.

Correspondingly, an increasingly vibrant exchange of products and services has rendered the UAE the largest export destination for US goods in the Middle East-North Africa region, and the 21st largest export destination for US goods globally.

On the geopolitical front, the UAE has contributed effectively to the multi-lateral coalition efforts in Afghanistan, where it was the first Arab nation to send troops. Moreover, the UAE has troops and personnel who served in Libya operations and other trouble spots where the UAE has been recognised for its humanitarian assistance. These actions demonstrate the UAE's commitment to regional stability and security, and its alignment with US interests.

This relationship plays a vital role in US political and economic interests in the Middle East, and UAE's stable political scene and business-friendly regulatory environment make it an appealing destination for US companies looking to invest in a region ripe with growth potential.

The positive political and security aspects of the US-UAE relationship undoubtedly contribute to the encouraging commercial momentum experienced over the last decade. To put the rapid growth of the trade between the US and the UAE in perspective, it is worth noting that in 2001, US exports to the UAE hovered at \$2.6bn, while its exports to Saudi Arabia were nearly \$6bn. In the subsequent decade, exports to the UAE have soared to \$11.7bn in 2010 - a nearly fivefold

increase - while those to Saudi Arabia have grown more slowly, to \$11.5bn. Meanwhile, the trade deficit with Saudi Arabia reached nearly \$20bn in 2010, whereas the US maintains a rare trade surplus with the UAE.

Within the context of globalised commerce and faced with a challenging economic reality over the last few years, US companies are seeking reliable customers and partners around the world.

The UAE has proven itself a dependable business and geopolitical partner and has benefited from US investment and expertise. In return, US companies have grown and thrived in the UAE, and thousands of jobs across the US have been supported by US exports to the UAE.

The 2010 numbers indicate that transportation equipment, computer technology, machinery, and chemicals comprise the largest US exports to the UAE. As the UAE continues to diversify its economy away from a reliance on oil and gas it will look to attract foreign investors to bring their technology and know-how to bear on the country's development, presenting appealing opportunities for US companies.

The UAE is also an important investor in the US providing significant opportunity for new job growth in key industries like microchips, hospitality, commercial aviation, and defence.

The knee jerk domestic hysteria that immediately followed Dubai Ports World's planned investment in US ports in 2006 has been followed by a much more sophisticated understanding by the American people of the UAE and of the importance and benefit of UAE investment inbound to the US.

Against such a promising backdrop, it is easy to see why the UAE is a vitally important partner for the US and why further investment in all aspects of the relationship would benefit both countries moving forward ten years after 9/11.

(Danny E Sebright is president of the Washington-based US-UAE Business Council. The opinions expressed are his own.)