

الطلب على الواردات في دولة الإمارات  
**U.A.E. Import Demand**

General trend – As anticipated, as a consequence of the global slowdown, UAE imports fell for the first time after many years in 2009. The main importing Emirate, Dubai, saw a 28% fall in gross imports and a 36% fall in net imports in 2009 over 2008. Prior to this, in the ten years leading to 2008, imports grew at a breathtaking pace when import value increased by an astonishing 6.5 times. While value growth has an inflationary component a true reflection of the expansion of import demand and the non-oil economy can be ascertained from the rise in imports by weight which went up by four times.

Table – Foreign Trade, 2008 and 2009, Dubai, in AED Billion

	2008	2009	Growth 2008-09
Imports	441.5	318.5	-27.8%
Re-exports	128.6	117.6	-8.6%
Exports	42.6	52.4	23.0%
Net Imports	312.9	200.9	-35.8%

Source: Dubai Trade Statistics

Aberration - This trend cannot seem to have been broken in 2009 with this fall, but seems a mere aberration in face of global slowdown, and import demand is likely to rise again. Because the slowdown extended to virtually the region around UAE as well, re-exports fell too. However, because the decline in re-exports was smaller, the resultant fall in net imports (gross imports minus re-exports) was larger.

Slowdown - The decline in import demand is particularly attributable to the slowdown in construction activity as many projects reached completion. The slowdown has been a global phenomenon, and not confined to UAE alone. Non-oil exports remained unaffected though and rose by an impressive 23% despite the slowdown in destination countries.

Table 1 – Growth and change in structure of Import Demand (Net Imports)

	Sector Year	Net Imports AED Million		Growth %	Share %	
		2008	2009	08-09	2008	2009
1	Live Animals	442.0	523.1	18.3	1.2	2.1
2	Vegetable Products	3,648.6	4071.1	11.6	10.3	16.4
3	Animal/Vegetable/Fats/Oils	254.7	167.7	-34.2	0.7	0.7
4	Prepared Foodstuffs	1,070.9	534.7	-50.1	3.0	2.2
5	Mineral Products	6,696.9	5534.1	-17.4	18.9	22.3
6	Chemical or Allied Industries	3,517.8	3523.8	0.2	9.9	14.2
7	Plastics and Rubber Products	1,015.9	834.3	-17.9	2.9	3.4
8	Raw Hides, Skins, Furs, Leathers	78.3	62.2	-20.6	0.2	0.3
9	Wood, Cork, Straw & Basketware	1,052.9	756.6	-28.1	3.0	3.0
10	Wood, Pulp, Cork, Cellulose Materials	615.2	490.9	-20.2	1.7	2.0
11	Textiles	599.2	563.0	-6.0	1.7	2.3
12	Footwear, Headgear, Umbrellas, Flowers	70.2	76.0	8.3	0.2	0.3
13	Stone, Cement, Ceramic & Glass	2,080.7	1698.8	-18.4	5.9	6.8
14	Semi-precious/Precious Stones & Metals	4.3	5.3	23.3	0.0	0.0
15	Base metals & Products thereof	11,267.2	4558.2	-59.5	31.7	18.4
16	Machinery, Electrical, Electronics Eqpmt.	1,835.9	978.6	-46.7	5.2	3.9
17	Vehicles, Aircraft & Transport Equipment	802.9	177.8	-77.9	2.3	0.7
18	Optical, Medical, Measuring, Musical Inst.	30.5	26.3	-13.8	0.1	0.1
19	Arms and Munitions	-0.4	0.1	-125.0	0.0	0.0
20	Furniture, Toys, Sports Requisites	421.7	255.3	-39.5	1.2	1.0
21	Works of Art	0.2	0.4	100.0	0.0	0.0
	<b>Total</b>	<b>35,505.6</b>	<b>24,838.3</b>	<b>-30.0</b>	<b>100</b>	<b>100</b>

Source: Dubai Trade Statistics

Importing Emirates - Dubai is the pre-eminent importing Emirate, even when imports are destined for other Emirates, accounting for more than three fourth of the gross imports. Its figures are a fairly good indicator of import demand in the country.

Sectors - The fall was not across all the sectors. Six of the key sectors as classified by customs saw an increase in imports. These are sectors which constitute predominantly of consumer goods. Meanwhile, 15 sectors declined. Consumer goods seemed to have not been affected by the slowdown and the brunt seems to have been borne by capital goods (particularly vehicles), intermediary goods and raw materials, particularly for the construction industry.

Vehicles – Vehicle imports saw the most spectacular fall being reduced to almost a quarter of their level in 2008. This was largely because of the inventory carry over from the previous year which led to a lot of order curtailment. This is understandable insofar their demand is both by households as well as businesses and government organizations.

Construction materials – Base metals and non-machinery metal products, which cater to construction, saw a 60% fall. Non-metallic products used in construction did not see such a big fall because a large demand for such products e.g. cement, blocks etc. is met through domestic production. Nevertheless, “Mineral Products” and “Stone, Cement, Ceramic & Glass” sectors saw a 17% and 18% respective reduction in demand.

Table – Source of (Gross) Imports

	AED Billion		Growth %	Share	
	2008	2009	2008-09	2008	2009
Africa	17.8	7.1	-60.1	4.0	2.2
AGCC	8.2	7.5	-8.5	1.9	2.4
South America	5.3	4.9	-7.5	1.2	1.5
East Asia	136.1	97.0	-28.7	30.8	30.4
East Europe	11.4	6.9	-39.5	2.6	2.2
West Europe	122.0	78.9	-35.3	27.6	24.8
UAE Free Zones	5.1	4.7	-7.8	1.2	1.5
North America	38.5	30.9	-19.7	8.7	9.7
Oceania	12.1	6.1	-49.6	2.7	1.9
Other Arab Countries	5.5	12.8	132.7	1.2	4.0
South/West Asia	79.5	61.9	-22.1	18.0	19.4
Total	441.5	318.7	-27.8	100	100

Source: Dubai Trade Statistics

Consumer goods – Consumers goods do not seem to have been affected by the slowdown. There was significant growth in the imports of vegetable products, a significant sector comprising of almost entirely consumer goods. This is also an indication that population did not decrease in 2009 because of expatriate job losses. Prepared foodstuffs saw a decline, however, this could have been equally caused by domestic manufactures replacing more expensive imports. Import of live animals saw an equally big increase. Textiles saw a rather marginal decline of 6%.

Structure – As a result of the developments of 2009, the import structure is slightly changed. The leading sector “Base Metals” has now been replaced by “Mineral Products”. Consumer goods now have a much larger share in imports than earlier.

Sources - The bulk of imports come from three key regions, East Asia (including China), West Europe and South/West Asia (in that order). Together they account for almost three fourth of the imports. China is by far the most important source of imports, and it dominates consumer goods and light machinery. The biggest decline in 2009 was suffered by imports from Africa, possibly of raw materials.

Outlook - The decline in 2009 can be seen as a temporary aberration. Import and import demand is expected to pick up again with the continued expansion of the non-oil economy. The profile may change somewhat, with reduced imports of construction related products. Certain trends are discernible. There is increasing role of imports from the AGCC and Arab countries. While imports from all regions fell in 2009, imports from AGCC fell much less than the average, and imports from other Arab countries were unique insofar only they registered an increase. The profile of the Arab countries is likely to increase because of proximity to the country.