Oliver Oehms – CEO, AHK UAE

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AHK UAE CEO Oliver Oehms gives an overview of German healthcare investment in the Emirates, how the Chamber assists German firms in adjusting to the rapid pace of reform in the UAE, and his hopes for the future of German-Emirati economic cooperation more broadly.

Could you introduce yourself and AHK in the UAE?

I am the CEO of the German Emirati Joint Council for Industry and Commerce (AHK), part of the global network of German Chambers Abroad (“Auslandshandelskammer”, AHK). We have operated as a private not-for-profit organization in the UAE for 25 years, and we are celebrating our

anniversary this year. Throughout these two and a half decades, we have grown in the region, and now cover five more countries in the region: Iraq, Kuwait, Oman, Qatar, and Pakistan, and have offices in three of those countries.

Do you have any key initiatives or priorities as CEO of the German Chamber going forward?

It is a cross-sector, cross-industry business organization. We currently represent close to 600 corporate members, with a strong focus on the UAE. Therefore, we do not focus on specific sectors. For obvious reasons, the European energy crisis has heavily influenced our work for the last 12 months. Much of our activity has been related to securing the supply of various energy forms to our home country, Germany, and to supporting the development of a green hydrogen value chain in the UAE.

In terms of our future scope, our membership covers the traditional German industries of engineering, automotive and investment goods in general. We have a strong pharma and chemical industry base, and many companies are supplying the construction industry. Then, certainly, the fastest growing share within the membership is corporate professional services, especially IT, software, and related service industries.

How would you describe the strategic importance of German investment in the pharmaceutical and chemical sectors in the UAE and the future opportunities for investment?

It is important to underline that the healthcare industry, and German engagement and exposure to the UAE’s healthcare industry, has changed over time. Until recently, German healthcare service providers were heavily sought after by UAE and Gulf region nationals, meaning patients and their families flew to Germany to seek medical advice and treatment. This has changed over the last few years for various reasons, but certainly, the COVID-19 pandemic has triggered domestic investment in the UAE. Also, the invitation has been extended to German companies to help develop and establish new lines of business in the UAE’s healthcare industry. We are confident that the number of German companies operating in the healthcare field, from pharmaceuticals to hardware and medical technologies, will increase in the next couple of years.

Can you share some insights on the positioning of German investments in the country? How important are they compared to those of other nationalities?

I am not familiar with the investment stock of our other European neighbours, international partners, and competitors, but the German portfolio has 1,200 German companies operating in the UAE and using the UAE as a platform for developing business across the region at large. The number of German entities is even higher, perhaps twice as many. But that number, 1,200 companies, is significant for a country of the size of the UAE. It is a massive community that covers all sectors in which German industry excels. Many German nationals are venturing into the UAE, both to do business and as employees for local companies and industries.

Compared to other German communities and countries like Singapore, or other countries in the MENA region, our figures are significant for a relatively young country, and for an even younger organization like ours, with a history of only 25 years. That is remarkable.

What are the most pressing issues that the German Chamber is working to resolve for its members?

In general, we are enjoying a dynamic, and largely liberal investment and business climate in the UAE. Therefore, there are very few urgent topics we need to work on. Our main challenge, and that of most of our member companies, is to keep pace with the speed of reform; new regulations, new laws constantly revised, drafted, and published. International dynamics drive many changes, for example the call for transparency in the financial services industry. This is the source of some pressure, especially on small and medium-sized companies operating in the UAE.

On the other hand, there are encouraging reforms, for example, regarding investment law, local ownership requirements, and the Labor Law and respective regulations.

What do you think makes the UAE such an attractive destination for investment?

There are many reasons, and every individual, especially every small and medium-sized company, has its own reasons for establishing itself in the UAE. It is a dynamic, fast-growing market, both in the UAE market and the region. In many cases, the markets of Africa and South Asia are covered out of the UAE.

Beyond the domestic and regional market developments, the UAE is a great place to live and run a business. As I mentioned, there is a very liberal investment, business, and legal environment. We have a fantastic infrastructure of international schools and universities. We have great cultural offerings. It is a great, safe place for families to live, with sound institutions. Lastly, in recent years, we have enjoyed a very liberal regime in terms of visas and the respective documentary requirements. Many of us have a long-term visa here in the UAE, which is encouraging. There have been many forms of visas launched, such as for freelancers and digital nomads. So, many young IT and software professionals have recently moved to the UAE.

This creates a young, dynamic, and agile ecosystem, making the UAE one of the most attractive places in the world. This is supported by the vision of the UAE, especially Dubai, to develop one of the most international platforms worldwide within the next couple of years.

How would you describe the strategic importance of Dubai as a regional hub for the Gulf Cooperation Council (GCC)? Is there potential to expand further?

The perception of the UAE has changed in the last two to three years. For the last 25 years, the UAE has been known as the gateway to the Gulf region and beyond, but this is changing. In the last two years, the UAE has developed into a platform for a much larger region. This is supported by political developments, especially regarding trade policies, and strategic investment conducted by the main stakeholders of the UAE. For example, the logistics company DP World. It is also supported by some policy initiatives, and by the growing investment portfolio of the sovereign wealth funds managed out of Abu Dhabi.

Excitingly, the UAE recently signed several Free Trade Agreements. The FTA signed with India is exciting – just to name one -, because it will attract the attention of not just German but international companies.

From your conversations with both government and regulatory stakeholders, do you think there is substantive value recognition of these innovative and multinational companies coming to the country?

This is something heavily supported by the UAE leadership because they no longer want to be seen as a platform for receiving, trading, and re-exporting goods. So, there is a very efficient existing logistics platform, but currently, there is an emphasis on value addition in the country. Admittedly,

the UAE does not have a long history of being a manufacturing hub, with the exception of the petrochemical and downstream industry. However, the UAE leadership has a strong commitment to attracting international manufacturing companies to add value locally. This is supported not only by potential investment by the sovereign wealth funds, but also by Free Trade Agreements, and other trade agreements, as mentioned earlier.

Therefore, its potential role as a place for manufacturing with a strong R&D background is exciting for German companies, which are typically prone to R&D and respective activities.

What advice would you give to companies looking to establish themselves in the UAE?

We always advise German companies to do a thorough assessment of the market and region, before investing in a market like the UAE. The critical question is ‘what are you aiming at in the Gulf region?’ The single markets are relatively small, even the Saudi market, considering the scope of German global investment and the German global export portfolio. The Gulf region is not yet fully integrated as a single market, like the European Union for example. Therefore, these markets must be viewed as individual markets. The UAE market is quite diversified, not just in that it stretches across seven emirates, but also in that it is a place as international and truly multicultural as a country with over 10 million inhabitants can be. At the same time, it is home to a quite competitive business community, a fact that sometimes is underestimated by newcomers to the market.

This is a great opportunity though; international pharmaceutical companies are considering the UAE as an attractive place for clinical trials and other market-driven trials – where else in the world could you find such an international group of patients, consumers, and buyers? This definitely gives the UAE a unique spin. Finally, it is a fantastically efficient and liberal place to run a business.

What are the main business and cultural differences in the UAE, and how can businesses adapt to them?

The UAE is a unique market. It is very different from Saudi Arabia, our neighbouring country, where I have also lived. In the UAE, you have strong exposure to partners, coworkers, and clients from all over the world, from South Africa, the MENA region, South Asia, East Asia, the European Union, and the US. It is a truly international space, which requires everyone to behave in a culturally sensitive manner. Though you might not see it immediately in Dubai, for instance, it is a country

characterized as an Arab nation with a strong Muslim legacy. This is something that must be respected.

Overall, it is an enriching experience for everyone who lives here, because we have a strong commitment to tolerance with regard to different nationalities, cultural backgrounds, and also religions. In this context, the most noteworthy development has been the appeasement with the State of Israel, which led to a remarkable number of Israelis discovering the UAE as tourists and as business travellers.

What legacy do you hope to leave when you leave the German Chamber?

I have to admit I have not thought about that, because I truly enjoy living here in the UAE. It is a dynamic place, and it is great to live here as a family. Therefore, I do not intend to leave soon. Even though I feel that the German-Emirati relations, particularly the business relations, are excellent, I still believe we have not covered important areas where there is potential for further development. If I were to leave this country in the future, I would like relations to be where we think they could and should be. It would be to finetune the last five percent of developments, as bilateral relations, especially business relations, are nothing but excellent.

Where do you see the potential for further development?

We would love to see a stronger commitment from German providers to training and education, especially vocational training and education in the UAE. The German system of TVET (Technical Vocational Education and Training) is globally unique. We believe there is potential for deeper cooperation in this specific area, and are proud to see the launch of the first campus of a German university in Dubai later this year. That is a fantastic development. I am convinced that more German educational service providers will be venturing into the UAE in the next two years.

What advice would you give potential German investors in the UAE?

We all know that Dubai and Abu Dhabi are well known to German visitors, both for business and vacation. But, to grasp the diversity of the UAE, I like to take guests and visitors to the neighbouring Emirates, especially Sharjah, because it is historically and culturally rich and diverse. Also, I like travelling to the mountainous Ras Al-Khaimah; it is a fantastic experience, especially if

you want to see some real, heavy and commodity-based industries, which are mostly located in the Northern Emirates.

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