



PART 3: DUBAI'S DYNAMIC DECADE A CONVERSATION WITH DUBAI ECONOMIC DEVELOPMENT CORPORATION CEO H.E. HADI BADRI

Announcer 00:00

Please welcome Dubai Economic Development Corporation CEO, His Excellency Hadi Badri, and Fortune Executive Editorial Director Diane Brady.

Diane Brady 00:14

All right. Talk about gamifying. Your Excellency, nice to see you.

Hadi Badri 00:22

Nice to see you, Diane.

Diane Brady 00:34

You've written so much. It's such great to come in with preparation, having read even your own vision for sort of the economic targets for 2033. I feel like I should start by asking, has anything changed with those targets, or how are you thinking about targets that were set before current events?

Hadi Badri 00:44

Diane, thank you. I'm so happy to be here. I apologize, I have to start with a small correction.

Diane Brady 00:49

Please.

Hadi Badri 00:50

Actually, it's the vision of our leadership, it's not my vision that is translated into D33.

Diane Brady 00:52

Ah, okay. Fair point.

Hadi Badri 00:56

But we are the stewards. We take this forward and it's been an amazing three-year journey so far. We were actually delivering on our plans, in certain circumstances, outperforming.

Diane Brady 01:08

Yep.

Hadi Badri 01:09

So Dubai has really been on an amazing trajectory. What's changed? Well, the world has changed. It's been quite a remarkable 60-plus days that we've lived through. It's been a bit of a surreal moment. It's been extraordinary, and actually extraordinary times call for extraordinary leadership, and our leadership immediately sprung into action. They really wanted to give assurances to the public, to the business community, that we would take things forward. Our 10-year plan is a 10-year plan, so 60 days in the greater scheme of things is not going to sway our resolve and how focused we are on delivering what we want to do. But the reality is, we have to be humble enough to say the world has changed. The world will continue to change, whether it's geopolitical, whether it's all the technological advances. So, what we're targeting to achieve by 2033, to celebrate 200 years of the Al Maktoum family managing Dubai, we're looking at the same things, which is being a top three global city and doubling the size of our economy. How we get there is going to require some micro pivots along the way, and we are doing a few pivots at the moment to make sure that we'll be able to hit those numbers.

Diane Brady 02:34

Is there anything you want to share on that front? I know you track 200 metrics, and give me a sense just —take me inside your own mind tactically and walk me through. Tourism, of course, is something that it's been a huge hub for tourism. That's something that people are very curious about, your own tactics going forward. What have you changed that you would want to convey to us in terms of bolstering the resilience of the economy, maybe looking to some of diversifying other areas?

Hadi Badri 03:10

Some people call these moments a moment of crisis. Our leadership have taught us these are moments of challenge, and we prefer the word challenge. And these challenges are actually forcing functions for us—to then say, "What do we need to do so that, first of all, we can accelerate out of this quicker, and second of all, we can be even more resilient?" And so, if you look at how we handled the global financial crisis, we really focused on diversification. We wanted to make sure that we had many more sectors contributing to the economy at a certain threshold. And so that was the theme of the year. I won't say theme of the month—theme of the year. And we managed to diversify. We have a much more broad set of sectors that are contributing as engines to the growth of Dubai. During COVID, it was the same view, right? It was, what do we need to do to make sure that we continue to strengthen our supply chain? Because that was an area that we were winning in. While other parts of the world were struggling on supply chain, Dubai was really doing an amazing job on that front, and so we started to work on that. Now we're saying, "Don't waste this crisis. Don't waste this challenge. Let's turn it into opportunity." So even on logistics, for example, we are multi-port. While we have Jebel Ali, that is the heart of maritime trade in and out of Dubai. And DP World, our champion, carried 12 percent of global cargo through the ports. The reality is, we do have other ports. We are multi-port, and so how do we, as Dubai, leverage other ports in Dubai, in the UAE, in the broader region, to make sure that we're able to bring things forward? And so, we activated Fujairah, we activated Salalah and Sohar through a green corridor with Oman. We're looking now at doing good work with the Saudis on opening up that channel as well. And of course, our air cargo also kicked into gear, and so we've been using that as a channel to be able to diversify. So, these are things that we may have done anyway, but we just accelerated, we front tracked, to be able to do now given the challenge that we have.

Diane Brady 05:33

A lot of the conversations I have with leaders are about, I want to bring in AI, even just to say how that may have shifted some of the temper of the vision. But when I think about talent and the unique situation you have with regard to talent that comes in from the outside, the impact that AI has there, how is that shifting your thinking around some of the levers, since it's so powerful here and everybody's contemplating how to bring it into their countries, their states, etc.? What do you think about that?

Hadi Badri 06:10

I'm by no means an AI expert. I'm learning from the young guns in my office every day.

Diane Brady 06:15

You have 48—no, I'm just kidding. You have agents? You have digital twin?

Hadi Badri 06:19

I have a few.

Diane Brady 06:20

Okay.

Hadi Badri 06:20

I'm building a few more. What I would say is we are, as Dubai and the UAE, very focused on making sure that we adopt AI for competitiveness' sake. We think it's really important to be able to boost our competitiveness going forward. We have a minister of AI in the UAE. He was installed in 2017. We have 22 chief AI officers spread across the government in Dubai, and their mandate is to make sure that we're actually using AI, we're trained up effectively, we are being that much more productive. His Highness Sheikh Mohammed announced that for the UAE, over the next two years, we want to take 50 percent of government services and make them agentic enabled. And so, these are bold visions, and we're very clear on what we want to do from an AI perspective in terms of adoption. On the AI talent front, part of that is upskilling and making sure that our people know how to use it. The UAE already has one of the highest penetration rates in terms of use of AI LLMs. So that's a really important area, and I think that's transformed also the face of talent that we have in Dubai. AI talent density in Dubai is already on par with the UK, and our trajectory keeps going forward. As we look to be even more entrepreneurial, even more digitized, we want to bring the best talent to be able to come and build their best stuff out in the city.

Diane Brady 07:58

I'm curious about tourism. I remember having conversations around COVID that Dubai was one of the first in the world. It had the resilience to safely open and welcome back tourists. A) the message that you convey, but also when you're thinking about that in terms of development, is your thinking on tourism shifting? I mean, again, I don't want to take a short-term situation and blow it out to be more than it is. But at this moment in time, obviously tourism is something that the entire region has been impacted. How are you taking this moment of challenge to pivot there, if at all?

Hadi Badri 08:37

I think we have, from a tourism perspective, amazing assets and capabilities, and we're just going to keep building on them. So, we have the world's busiest international airport, 95 million people coming in and out of this airport, that has been actually relatively unaffected by what's been going on. We have 150,000 hotel keys in Dubai.

Diane Brady 09:02

Your flights are back. You've opened the airspace to flights.

Hadi Badri 09:03

We have. Actually, in these past 60 days, we were as a team running the numbers. The airport downtime was less than 70 hours.

Diane Brady 09:14

Yeah.

Hadi Badri 09:14

Which is remarkable, and the way they managed the airports, and we've opened up now 96 percent of all flights that in terms of destinations that Emirates was going forward. I was talking about the infrastructure that we have.

Diane Brady 09:29

Yeah.

Hadi Badri 09:29

So, 150,000 hotel keys operating year-round at an average of 80 percent occupancy. We actually don't have enough hotel keys in Dubai to deliver what we want to deliver in the coming years in terms of people coming and experiencing Dubai, either for the first time or hopefully on a repeat basis. And we have a good repeat number. It's incredible to see that there is still so much demand for experiencing Dubai, experiencing everything that we have from a value proposition perspective. And so, we're going to stay the course on tourism.

Diane Brady 10:06

Then tell us a little bit about what—maybe not what keeps you up at night—what is the challenge that you think about right now?

Hadi Badri 10:15

Look, I think it's a moment of uncertainty still. The only certainty that I tell my family, I tell investors, I tell my team, is that this will be behind us. It'll pass. The question is, how quickly can we get this behind us in the rear-view mirror? And how quickly can we go back to building, growing, innovating? The innovation will continue even through these challenging times. But I think to be able to actually take over, or take on, I should say, new ventures and really push new sectors and bring private capital into Dubai, this is something we need the dust to settle to be able to do effectively.

Diane Brady 11:04

I think about Dubai has always been sort of a neutral hub for talent from around the world, from capital from around the world. Does the current situation put that under pressure, especially as we've seen, whether it's China, US, your neighbors. How do you think about the sources of capital, the sources of partnerships going forward?

Hadi Badri 11:31

We're so lucky that over the years, we've built an amazing track record in this front.

Diane Brady 11:35

Yeah.

Hadi Badri 11:35

So if you look at investment, we're the number one city globally for attracting FDI for the past four years. Last year, our FDI capital grew 50 percent. If you look at the tourism sector, we welcome five times more tourists than we do the resident population. And there's an amazing advocacy that we have where Dubai was, for a number of years, the number one city in terms of advocacy for tourists. So, these are people that actually say, "I advocate for the city," and they tell their friends and their family that Dubai is the place—or Dubai is the city to visit. And from a trade perspective, we have 400 cities that we're connected to directly. We keep adding cities every month despite what's going on. And so, the platform for us to take things forward, the brand that we have from a tourism perspective, the trust in government that investors have to keep looking at Dubai as a place to invest, to make money, to not be constrained in any way by capital repatriation, and for us to create more projects for them to then start deploying more and more in the city, that's something that we're going to continue to focus on, and we think will continue.

Diane Brady 12:54

So you've been to Milken in the past. You travel quite a bit. Give me a sense of what are investors saying

to you right now. When you're getting into the rooms we don't get to go, what's the conversation? Is there any sort of misperceptions you think about Dubai or just the region in general that you think it's important for investors to think about?

Hadi Badri 13:21

I would say, Diane, it's two tracks. The first track includes those that are in Dubai already, so they're familiar with the market. They've made money, they want to continue to invest, and they're staying the course. So, they have their expansions all planned out. They've committed to us, not only are they going to continue with that, but because of what they've seen in terms of how we as an armed forces, as a government, have handled the situation, are saying, "Actually, we're really keen to double down. This is home. We're going to stay the course." And these are international businesses that are calling Dubai their home. So, it's really quite touching, and it makes us very proud. Not only that, but they're looking at M&A opportunities. So, to the extent that there are opportunities for them to increase their scale and emerge out of this at a different scale, is something that they're looking quite closely at. Then, of course, there's the group who don't know Dubai so well. And to be fair, they're pausing, they're saying, "We want the dust to settle, we want to see how things are going to emerge. We need more data points before we make our first commitment." But people are still picking up the phone and calling us and asking about what is our value proposition in manufacturing, what is our value proposition in bringing scale-ups to Dubai to help them grow? How does the government support them to be able to do those things? I'm also very happy to see that we continue to sign deals. So, in the past two weeks, we've actually signed deals for hundreds of millions of dollars that are going to be invested in Dubai over the coming years. And so, it's a—let's call it a mixed bag, depending on familiarity and awareness of Dubai and what it represents.

Diane Brady 15:08

Well, and you raise a good point around that there is the geopolitics, and then there are your priorities industry by industry in terms of who you want to partner with, who you're trying to attract. Give me a sense of your own wish list right now in terms of where you see the greatest opportunities to partner in Dubai, whether it's particular infrastructure, industries, etc. What are the different levers that you're talking about here?

Hadi Badri 15:36

So we're so lucky to be responsible for the economy end to end across all sectors. You're asking me now to pick a few favorites. It's very difficult.

Diane Brady 15:45

Not favorites, but there may be particular areas of emphasis and priority. How about that?

Hadi Badri 15:50

I think, we know that logistics and trade is actually a superpower of Dubai, and we know that this will be behind us. So, I think that's an area that really unlocks a few other sectors. So, we do see advanced manufacturing as an opportunity, especially in a world which is becoming a little bit more fragmented. Dubai is a neutral place from a geopolitical perspective. That connectivity that I talked about, the 400 cities, adding one city every month, I think is really going to open up amazing opportunities for advanced manufacturing, not only for the domestic market but also for exports. So, I see that as one of my favorite children, let's say. Another favorite child of mine is, I would say, the financial services sector. So, we're very focused on positioning Dubai as a top five global city from a finance perspective, and very quickly, a top three global city from a finance perspective. And that's a combination of, let's call it conventional banking, wealth management, trade finance, but also the exciting world of FinTech and virtual assets. And we can see how quickly we can change the game in a matter of three-year blocks. So, three years ago, the Virtual Asset Regulatory Authority was born out of Dubai as the world's first independent regulatory authority for virtual assets. And in three years, we've become a top three regulator of virtual assets. Now we know this sector is still emerging, but it's growing very fast. The ecosystem in Dubai around virtual assets that's been built over 36 months is world-class, and I think that's an area of continued trajectory going forward.

Diane Brady 17:39

So capital is fluid, talent is fluid. I want to end with, you think a lot about leadership, and there's the vision for the next generation within Dubai. Let's start with that, but also the message and the vision you have for the many people you've attracted from around the world to stay in Dubai, to come to Dubai. Give me a sense of what your message is there.

Hadi Badri 18:03

My message is Dubai will continue to shine. We are a city in a country that has achieved so much. Many people have, over our history, written us off, and each and every time we prove them wrong. And we prove them wrong because our leadership are so determined. They have so much fire in their belly to say, "We will be world-class. Not only will we be world-class, we will set the benchmark in everything we do for the rest of the world." And so that intent, that focus, that will continue. And when that starts from the leadership down, and when they have a very clear plan for next three years, next 10 years, we have a plan going out to 2071 for the country. We're going to keep executing, and we recognize that over that period, there'll be a little bit of turbulence.

Diane Brady 18:58

Plans change, technologies change.

Hadi Badri 19:00

Indeed.

Diane Brady 19:00

It's the outcome of knowing where you want to go.

Hadi Badri 19:03

And every single day we will be at it, and every single day we'll continue to refresh what are those micro pivots that we need to take to be able to deliver on the vision of our leadership? Because they had a vision, it was to achieve the miracle of Dubai. It's been achieved so far, and now they have another vision, and people like me and the rest of the team, we're very clear on the legacy that we want to leave, and we feel a deep responsibility, and I'm confident we'll be able to do it.

Diane Brady 19:31

Great. Please join me in thanking His Excellency. Thank you for your time.

Hadi Badri 19:34

Thank you.

Announcer 19:37

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