



## OPPORTUNITIES FOR DUTCH BUSINESS IN THE GULF REGION CREATIVE INDUSTRIES



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1

INTRODUCTION

The Gulf Cooperation Council (GCC) is a political and economic union of Arab states bordering the Gulf, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, established in 1981. The GCC countries have seen a rapid rise as regional powers with global reach.

The area has some of the fastest growing economies in the world, mostly due to the surge in oil and natural gas revenues coupled with a construction and investment boom. The region is also an emerging hotspot for global events, with the Dubai World Expo 2020 and Qatar 2022 FIFA World Cup leading.

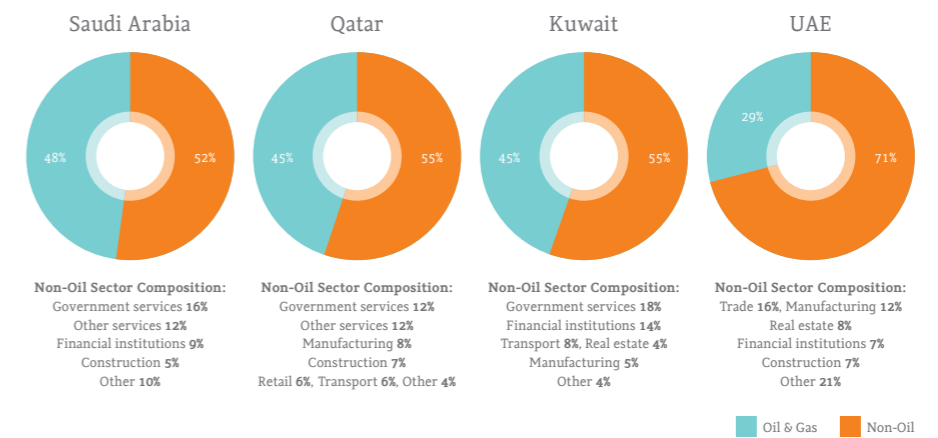
The GCC is an attractive location for investment, tourism, a significant consumer market for imported goods and services, and information technology to one of the youngest populations that is considered to have the highest powers of spending in the world.

To decrease the dependence on the hydrocarbon industry the governments give political priority to economic diversification. A more diversified economy is inherently more stable, more capable of creating jobs and opportunities for the next generation and less vulnerable to the boom and bust cycles of oil and natural gas prices.

Up scaling infrastructure, education, health service, culture and leisure activities necessarily attract developments that invite creative input and solutions by the public and private sector alike. Increased private sector involvement as a part of diversification relates to foreign direct investment (FDI). FDI brings with it not only capital but also, and more importantly, jobs, new technology and new management methods, all items which these economies are in need of in their attempt to build and expand their societies into knowledge societies.

Innovative practices and creative solutions are essential for the growth and wellbeing of the region. Although often still in its infancy, the GCC governments are more and more aware of the importance of creativity and innovation to a healthy and prosperous economy. Furthermore, there is an increased realization in the GCC region that art and design not only aid economic activity, but also contribute to documentation of progress, a country's place in history, celebrating its people and their aspirations.

The purpose of this report is to give Dutch businesses and institutions an insight in the Gulf's creative industries sector and help them to identify potential business opportunities or creative collaborations. This report focuses specifically on the United Arab Emirates (UAE), Saudi Arabia, Qatar, and Kuwait.



Source: Economist Intelligence Unit, KAMCO Research, Qatar Statistics Authority, Booz & Company analysis



## 2

### MAJOR DRIVERS PER GCC COUNTRY

#### 2.1. UNITED ARAB EMIRATES

The United Arab Emirates is a federation of seven emirates, Abu Dhabi, Dubai, Sharjah, Ras al Khaimah, Fujairah, Umm Al Quwain, and Ajman. The country was founded in 1971 and since the discovery of oil more than 40 years ago the country has undergone a profound transformation to a modern state with a high standard of living and the cities as major economic players. Total GDP of the country was USD 377 billion in 2012, while economic growth is quite stable at 4 per cent.

The UAE ranks high among the countries in the region in terms of business environment and relative openness. It is recognised as a regional trading hub and a launch pad for companies looking to do business in the Middle East and North Africa region (MENA). The UAE economy has achieved much diversification, gradually shifting focus away from oil and gas industries, which remain strong areas. The diversification strategy has paved the way for large-scale construction, infrastructure, retail and cultural projects. The country offers itself as a lifestyle destination attracting expats and tourists alike, boosting retail and hospitality business. Salary levels are relatively high and the UAE is host to a young population, which is reflected in the spending patterns.

The UAE has initiated various developments that are aimed at growing and positioning the local creative industry, including arts, media and entertainment, luxury, design, and fashion sectors. These strategies and projects are set to boost local businesses in a rapidly expanding sector. Developers are allocating higher budgets for architecture, interiors, and design. Strong tourism numbers will foster steady growth in luxury spending. This is further aided by buyer sophistication in the UAE retail sector, with retail spend expected to hit USD 40 billion by 2015.

Creative industries in the UAE represent many sub-sectors that have design as a central feature in common. Architecture and interior design, for instance, are directly linked to numerous ambitious real estate development plans. Media, entertainment, music and gaming are easily clustered together, to which the Tecom business parks in Dubai and Twofour54 in Abu Dhabi play testament. Design and fashion are also closely linked to one another in the retail segments and creative communities in the UAE.

##### 2.1.1 Main Strategic Government Agenda

Specific government incentivized initiatives include, to name but a few, the Saadiyat Cultural District on Saadiyat Island and TwoFour54 in Abu Dhabi; Dubai Design District, Dubai Art Week, the newly established Fashion Council, and Mohammed Bin Rashid City in Dubai; as well as the Sharjah Art Foundation, Maraya Art Centre, and Barjeel Art Foundation in Sharjah.

Abu Dhabi and Dubai have separate strategic agenda's on emirate level, which have both diversification of the economy at its core. The opportunity that the creative industry clusters provide are tremendous in economic terms, but also in pioneering ways that allows the UAE to be recognized as a regionally leading force.

### 2.1.2 Opportunities, Investments, Developments

#### ABU DHABI

The Abu Dhabi Economic Vision 2030 was designed to develop the economy towards hydrocarbon independence. So far, the diversification plans are proving to be successful and media are part of the key areas leading the economic diversification process. As part of this mandate, Twofour54, the Abu Dhabi Media Zone Authority, was established to become a media and entertainment hub. Twofour54 is meant to enable the development of world class Arabic media and entertainment content and to position Abu Dhabi as a regional centre of excellence in content creation for the whole Gulf Region and across all media platforms including film, broadcast, music, digital media, events, gaming and publishing. Moreover, Twofour54 provides foreign companies with an opportunity to establish their business in the emirate's safe environment and in a tax-free media zone.

Another significant currently on-going project is Saadiyat Cultural District, on a natural island located 500 metres off the coast of Abu Dhabi, curated and developed by the Abu Dhabi Tourism & Culture Authority (TCA). This Authority acts as a creative catalyst within the UAE by implementing a programme of exhibitions, events and festivals for practitioners in literature, music and the arts. TCA is responsible for the management of both existing and new museums in Saadiyat Cultural District. The museums planned include Zayed National Museum, Guggenheim Abu Dhabi, and Louvre Abu Dhabi, the latter scheduled for opening in 2015. TCA oversees their development and the delivery of the cultural programmes. It continually seeks new audiences for the arts and culture through outreach and education programmes, while nurturing the next generation of cultural leaders through academic courses, professional training and work placements.

Mid-2014 Sheikh Zayed Grand Mosque was voted the world's second most popular landmark by Tripadvisor. This seems to prove that TCA's long-term strategy to create a cultural destination of Abu Dhabi is already working.



#### DUBAI

Dubai places strategic importance on the design and fashion sector as it seeks to further diversify the economy and increase the talent pool. Different developments and initiatives provide a link between local and international makers, manufacturers and distributors, as well as adding a much-needed infrastructure for the industry.

The new Dubai Design District (d3) by developer Tecom Investments, is intended to act as an incubator for the region's design and fashion industries, and will offer a mix of studio spaces, showrooms, offices, a convention centre, shops and hotels. The idea is based on a ready-made creative hub. 'Cluster' developments are the specialty of Tecom, which draws on the success of its Media City in Dubai, a thriving business environment for media companies and independent media professionals built on a similar principle.

Mohammed Bin Rashid City (or MBR City) is a major multi-billion dollar mixed-use development named after the Ruler of Dubai and Prime Minister of UAE, Sheikh Mohammed Bin Rashid Al Maktoum. The project is a collaboration between developers Meraas and Emaar and aims at creating a 'city' within Dubai, which will comprise four components: family tourism, retail, arts, and entrepreneurship and innovation.

500 metres off the coast of Dubai Marina, Meraas develops Bluewaters Island. It is set to be one of the largest tourist hotspots in the world and will feature demarcated retail, residential, hospitality and entertainment zones. Moreover, it will house the Dubai Eye, the world's largest ferris wheel. Dutch businesses are already involved: Van Oord was awarded the reclamation work, Starneth is the developer of the ferris wheel, and Mammoet delivers the world's largest crane to build it.

#### OPPORTUNITIES

As mentioned above, several mega mixed-use developments will shape the new landscape and skylines of Abu Dhabi and Dubai. This offers opportunities for architects, interior designers, supply chain for interior services, visual artists, branding strategists, and community advisors.

Cultural exchange and collaboration on cultural projects offer opportunities for artists in residence projects and curators for exhibitions. Opportunities also exist for artists in the high-end art and collectibles segment.

The many developments offer opportunities for design services for on-going projects in commercial, cultural and residential space including supply chain opportunities in the interiors segment.

There are franchise opportunities for Dutch brands in the ever-increasing retail space in Dubai and Abu Dhabi.

Film and commercial production and post-production opportunities occur across various sectors.

Entertainment concepts for visitor attraction centres including large retail environment or stand-alone theme parks or entertainment hubs also offer opportunities for Dutch businesses.

### 2.1.3 Major Players and Companies

Important drivers of economic growth and diversification in the UAE are major developers, such as TECOM investments (master developer and operator of Dubai's leading business parks) EMAAR (leading international property developer and real estate services company), and MERAAS (Dubai-based real estate investment company with operations and assets in the UAE and abroad), to name only a few. Other major drivers in Abu Dhabi, Dubai, and Sharjah are listed below.

#### ABU DHABI

Abu Dhabi Tourism & Culture Authority (TCA) combines the existing authorities for tourism, culture and heritage and retains all assets, mandates and staff of previous organisations. Its declared mission is to promote the heritage, culture and traditions of Abu Dhabi emirate worldwide. ([tcaabudhabi.ae/en](http://tcaabudhabi.ae/en))

Tourism Development and Investment Corporation (TDIC) is a master developer of major tourism destinations in Abu Dhabi. It is TCA's tourism asset management and development arm. Its flagship project is Saadiyat Island. ([www.tdic.ae](http://www.tdic.ae))

Abu Dhabi Art Fair is the emirate's annually recurring platform for modern and contemporary art, design and cultural programs and is initiated and managed by TCA. The 6th edition of Abu Dhabi Art was held in November 2014 to widespread acclaim, reflecting its growing stature and influence in the art world, as well as the UAE's role as the art capital of the Middle East. ([www.abudhabiartfair.ae](http://www.abudhabiartfair.ae))

The Abu Dhabi Music & Arts Foundation (ADMAF) is a non-profit organization established to advance classical music, the arts, education, culture, and creativity among the nationals and residents of Abu Dhabi. ADMAF realizes its objectives through the following permanent initiatives: Abu Dhabi Festival, ADMAF Awards, ADMAF Community Program, ADMAF Education Program, ADMAF Grants Scheme, ADMAF Visual Fund, The National Library. ([www.admaf.org/en](http://www.admaf.org/en))

The Sheikha Salama Foundation is committed to build new audiences for the arts. The foundation is transforming a series of warehouses in Abu Dhabi into an arts district that will include studios, artist-in-residency programs, a non-profit exhibition space, and an arts park and library. ([www.shf.ae/en](http://www.shf.ae/en))

Aldar Properties is Abu Dhabi's leading listed property development, investment and management company. It is pinning its expansion strategy across retail, residential and hotels over the next five years on an improving economy. ([www.aldar.com](http://www.aldar.com))

#### DUBAI

Dubai Culture (Dubai Culture & Arts Authority, in full) is a platform of diverse cultural exchange and innovation, regionally and globally. Its mission is to enrich the cultural scene by maintaining a sustainable cultural ecosystem while preserving the Emirati Heritage and nurturing talents to enhance cultural diversity and social cohesion. This government organisation oversees many initiatives, such as Art Week, Dubai International Film Festival, and Artist-in-Residences, to name a few. ([www.dubaiculture.ae](http://www.dubaiculture.ae))

Art Week, the umbrella initiative that includes Art Dubai, Design Days Dubai, and Sikka Art Fair, showcases the broad programme of cultural events taking place across the UAE and beyond, usually taking place in March. Art Week positions the Gulf, regionally and internationally, as a place of artistic production and home to numerous cultural centres. From expansive new museum projects in Doha to the thriving Dubai gallery scene, from one-off happenings, projects and installations to festivals and fairs, Art Week serves to demonstrate the dynamism and progressive spirit of the region's cultural scene. ([www.artweek.ae](http://www.artweek.ae))

Dubai Design Days is the leading fair in the Middle East dedicated to collectible and limited edition furniture and design objects. The fair hosts an exciting mix of galleries from around the globe, bringing together an inspiring selection from both emerging and established designers. Heading into its fourth year in 2015, the fair has already helped establish Dubai as a global meeting place for the world's cultural community. ([www.designdaysdubai.ae](http://www.designdaysdubai.ae))

Downtown Design is an event intended to bring together a selection of international design brands renowned for their quality products and focus on manufacturing craftsmanship. The event is geared specifically towards industry professionals including architects, real estate developers, and interior designers from across the Middle East and North Africa. ([www.downtowndesign.com](http://www.downtowndesign.com))

Art Dubai has become a cornerstone of the region's booming contemporary art community over the last eight years. Recognised as one of the most globalised meeting points in the art world today. ([www.artdubai.ae](http://www.artdubai.ae))

Dubai Opera, a 2000-seat multi-use venue, will be built as the centrepiece of the Opera District in Downtown Dubai, by developer Emaar. It will promote the arts, culture and events scene in Dubai. ([www.dubaiopera.ae](http://www.dubaiopera.ae))

The recently established Dubai Design and Fashion Council aims to raise the profile of Dubai as a global design and fashion destination and to promote the emirate as a key industry hub. One of the council's initial directives will be to oversee the delivery of a strategy that will outline the growth and development of the emirate's fashion industry.

#### SHARJAH

Sharjah Art Foundation brings a broad range of contemporary art and cultural programmes to the communities of Sharjah, the UAE and the region. Working with local and international partners, the foundation creates opportunities for artists and artistic production through initiatives that include the Sharjah Biennial, the annual March Meeting, residencies, production grants, commissions, exhibitions, research, publications and a growing collection. SAF is funded by the Sharjah government Department of Culture and Information.

The Maraya Art Centre in Sharjah, was launched to meet the local community's growing demand for a public arts and workspace. It is now one of the UAE's most spectacular venues for contemporary visual arts. ([www.maraya.ae](http://www.maraya.ae)) On the second floor of the three-storey art centre exhibits the Barjeel Art Foundation the personal art collection of Sultan Sooud Al-Qassemi.

#### 2.1.4 Market Access / Foreign Investment

The UAE's liberal climate towards foreign cooperation, investment and modernisation has prompted extensive diplomatic and commercial relations with other countries. It plays a significant role in OPEC and the UN, and is one of the founding members of the Gulf Cooperation Council (GCC).

Opportunities to do business in the UAE are not withheld by global economic difficulties or regional instabilities in the Middle East and North Africa and the economy proves to be resilient. The country's currency, the dirham, being pegged to the dollar, is secure and freely convertible.

The favourable geographic location of the UAE is strategic and accessible for major regional markets, it is often seen as a gateway to other GCC countries.

The route to market varies according to specific sub sectors. In general, a local partner, a distributor or an agent is required to do business in the UAE. Alternatively, a foreign company can choose to set up in one of the free zones, which offer 100 per cent foreign ownership.

#### 2.1.5 Legislation (tenders, certification)

Procurement in the public and private sector is based on formal bidding processes. It is important to pre-qualify for major projects on the local vendor lists. Most public sector clients prefer that suppliers have a local presence.

#### 2.1.6 Market trends

Given the thriving economy and open attitude the UAE stands out as a creative centre of the region. It has a major attraction on neighbouring countries as well as on people worldwide. The diverse population base, representing almost all nationalities on the globe, combined with projects of a significant scope, open many opportunities for creative industries at large.

The various initiatives described in this report show that creative industries are dynamically present in the UAE. This was always the case for a portion of these industries, mainly for architecture and interior design, which went along with the major development spurt in the UAE. Nowadays more and more awareness and initiatives are also geared towards creating creative communities and cultural exchange. International communities are responding positively and are interested in unlocking opportunities with the various stakeholders, in both government as well as private sectors.

## 2.2 KINGDOM OF SAUDI ARABIA

Saudi Arabia is the birthplace of Islam and home to Islam's two holiest shrines in Mecca and Medina. Since 2005 King Abdullah has worked to incrementally modernise the Kingdom - driven by personal ideology and political pragmatism - through a series of social and economic initiatives, including increasing the role of the private sector in the economy, expanding employment and social opportunities for women, attracting foreign investment, and encouraging businesses to employ more Saudi nationals.

### 2.2.1 Main Strategic Government Agenda

Creative industries in Saudi Arabia are still in their infancy. The main reasons for this are the fact that the economy of Saudi Arabia still heavily relies on the hydrocarbon industry (petroleum represents 80 per cent of the country's revenues) and the absence of a large manufacturing industry.

Saudi Arabia is stimulating the growth of the private sector in order to diversify its economy to a knowledge-based economy and to employ more Saudi nationals. Diversification efforts are focusing on power generation (to push back domestic oil consumption which is currently 25 per cent of the total production), telecommunications, natural gas and petrochemical sectors, and service sectors.

Saudi Arabia is doing well in attracting and retaining innovation factors (human skills and significant government's support in R&D) and increasingly also knowledge through education industry linkages. Still, only via a combination of effective policies and adequate human capital 'creative outcomes' can be stimulated.

The Saudi government is particularly focused on employing its large youth population (50 per cent is younger than 25 years), which generally still needs more specific education and technical skills in order to excel in the private sector. Large numbers of Saudi students go abroad for their university degrees. These students generally have been in contact with the creative industry in their country of study, and are therefore more likely to be interested in the creative sector after returning to Saudi Arabia. A large share of the Saudi population has almost unlimited access to the internet and social media are very popular. Information about initiatives in the creative sector is therefore mainly to be found online.

### 2.2.2 Opportunities, Investments, Developments

As a result of the transformation of an oil-based to a knowledge-based economy, leading companies such as Aramco, Sadara (joint venture Aramco and Dow Chemicals) and SABIC are working hard to bring end products to the market, instead of semi-products. This could provide opportunities for Dutch expertise in the fields of industrial design, product design, branding and marketing, as well as training in these areas.

Due mainly to the lack of a large manufacturing industry, the creative sector in Saudi Arabia is not yet considered by the Saudi authorities as a separate field. An important first step would be to improve and broaden educational opportunities. In 2013 attempts were made to complement the Holland Arab Education Consortium (consortium of universities of Groningen, Maastricht, Leiden, Wageningen and Twente) that participates annually in the International Fair for Higher Education, with participants from Delft and Eindhoven. The Eindhoven Design Academy is world famous and for some programs (e.g. fashion design) good opportunities might exist.

Currently, in Saudi Arabia there is a lot of construction going on. On a large scale prestigious landmarks, industrial cities, hospitals, and residential and office buildings are being built. This trend offers opportunities for Dutch players in the field of sustainable architecture. However, it is not easy for individual architects to enter the market. The industry has many different players, like ministries with their own priorities and budgets, and large consultants with a local presence who offer the full range of services (from architecture to engineering consultancy). Well-known international offices already have their operations based in Saudi Arabia.

### 2.2.3 Major Players and Companies

The two biggest companies Saudi Aramco and Sabic (or their subsidiaries and joint venture partners, with/without foreign expertise) are making major investments in expanding their product and service range and have programs specifically designed to enhance sustainable and creative products.

The major government body in charge of culture is the Saudi Ministry of Culture and Education. In the field of culture and national heritage, the Saudi Commission on Tourism and Antiquities would be first port of call.

In the major cities, like Riyadh and Jeddah, small art galleries are increasingly attracting attention from both inside and outside Saudi Arabia, and exhibit high quality art of upcoming and well-established artists.

The last years have seen a steep increase in the number of small-scale creative design companies, but given the limited scale of the creative sector, these initiatives attract attention from only a very specific part of the Saudi society.

### 2.2.4 Market Access / Foreign Investment

Foreign investors interested in doing business in Saudi Arabia will need a local partner who can do business on their behalf, or have to form a partnership with a Saudi company in which they can be a (minority) shareholder.

Doing business in Saudi Arabia requires an extensive local network and preferably also a presence in Saudi Arabia itself.

### 2.2.5 Legislation (tenders, certification)

Given the high quality of Dutch manufacturing products, these are generally accepted on the Saudi market as long as they comply with health and safety- and religious standards. The local Saudi partner can usually provide more specific information about requirements.

### 2.2.6 Market trends

The creative sector is upcoming in Saudi Arabia, but given the current small scale and religious and social norms, opportunities are limited.

Main fields of interest for foreign investors are likely to be the sustainable building sectors, and creative design in the field of the medical and educational industry. These sectors will continue to grow in the coming years, given the substantial government investments and the young Saudi population. In order to realize all required investments in these sectors, the Saudi government is keen on importing foreign skills and knowledge.



Extension Masjid Al-Haram, Mecca. ©Pambudi Yoga Perdana

## 2.3 STATE OF QATAR

From an economy based on artisanal fishing at the turn of the 20th century, Qatar has seen tremendous economic growth in recent decades with its GDP spurred by petroleum and natural gas production and exports. This remarkable economic growth has been matched by remarkable progress in improving standards of living for the citizens. Partnerships linking all of Qatar's economic actors, including the private sector, have been critical in driving the economy forward, supporting vibrant growth in creative services industries and charting the future course. The Qatari vision is squarely aimed at diversifying the national economy to reduce dependence on hydrocarbon industries and expanding competitive services industries. As a key goal, it is sought to establish Qatar as a services hub in sectors such as financial, air transport, construction, education, healthcare, media and tourism and conference services. At the same time vitalize the creative services sector in the cultural, entertainment, design and artistic services. Significant strides have been made in this direction.

Award winning airline Qatar Airways makes Doha a regional hub for international travel. In the media industry, Doha-based Aljazeera Network has become one of the world's premier news and information companies. And in the recreation and tourism industry, Qatar continues to attract sportsmen from all corners of the world as a host of major international sporting events such as tennis, car and boat racing, golf and soon as a host of the 2022 FIFA World Cup football tournament, in addition to becoming an important host of many international conferences including UNCTAD XIII last year. Qatar is transforming gains from gas and oil into knowledge – building universities, reforming the school system, improving vocational training and setting up an international forum for finding the most effective forms of innovation.

### 2.3.1 Main Strategic Government Agenda

Culture and creativity are intrinsically linked to the national transformation strategy towards a more innovative and modern society. The services sector and creative cultural industries have a catalysed role to play in the socio-economic development. Qatar continues to make large investments to develop a favourable environment for the creative economy. Qatar's Katara Cultural Village, a home for arts and culture in the heart of Doha, is an example of supporting the cultural services development through partnerships. Also, partnerships in the tourism industry support creative services and the creative economy in Qatar.

Having established solid art collections, Qatar proceeded to build the museums to host them. By insisting on the integration of cultural heritage (of the Arab world in general and of Qatar specifically) in the building plans, the museums seem sincere and not prone to conceptual architectural fantasies. To date, the Mathaf and the Museum of Islamic Art have opened; the National Museum will follow next. The National Library will be the home of Qatar's manuscript collection, and there are also plans to open an Orientalist Museum.

The Qatar Foundation, chaired by Sheikha Mozah, has spearheaded Qatar's drive to make itself a leader in education, science, community development and the arts in the region. Qatar Foundation's Education City, the 2,500-acre campus masterplanned by architect Arata Isozaki, also hosts the Mathaf, and is home to several international academic institutions. Some of these offer art education, such as the Virginia Commonwealth University School of Arts, which offers BA's in Graphic Design, Fashion, Interior Design, and Painting and Printmaking, and an MA in Fine Arts. The school also has a gallery in which it occasionally mounts interesting exhibitions. Qatar University also offers a degree in Fine Arts, and University College London will open a campus in Education City offering master programs in museum studies.

Qatar is investing heavily in scientific and technological innovation. The Qatar National Library building is a fine example of Qatar's blending of arts, culture, education and science. It is designed by Dutch architect Rem Koolhaas, who's only office in the Middle East is located in Qatar, where he has several other large commissions.

In the non-museum sector, the most important development is Katara Cultural Village. Built in heritage style, it is the centre of a (yet to be constructed) extensive low-density residential area, which will include a giant mosque built in the sea. Katara Cultural Village opened to the public in 2011; it includes an opera house, an indoor theatre, a giant Roman-style amphitheatre built on the beach, the Katara Art Center (several galleries), the Qatar Museums Authority gallery, 3D printing facility, the headquarters of several cultural institutions, such as the Qatar Fine Arts Society and the Photographic society, educational programs, water sport activities, and more.

### 2.3.2 Opportunities, Investments, Developments

Qatar is booming in its construction and infrastructure projects. New cities are being built and rehabilitation of roads and districts are done in parallel, often preceded by design competitions and tenders. Qatar's aim to make its capital Doha an iconic city has driven it towards cooperating with the most famous and outstanding designers, architects and artists in the world to develop unique buildings that are also sustainable and environmentally friendly. Qatar's ambitions create serious opportunities for the Dutch creative industries sector, particularly in design and architecture. The embassy has identified several opportunities and facilitated the presence of Dutch architects and design companies in Qatar such as UNStudio, OMA, Marcel Wanders, ZJA and others through providing relevant information about projects in sectors such as transport, stadiums, museums and 3D printing.

Due to the upcoming FIFA World Cup 2022 even more projects are being tendered out. When architects and designers are invited to tender, the Qatari authorities want to know the offices and their work beforehand. This is why the embassy has conducted a delegation of Dutch architects to visit Qatar in 2012 to meet with the Qatari counterparts and get further knowledge of the market, culture and needs. In Qatar, the Netherlands is seen as an innovative country for its design and architecture.

Another opportunity might lie in 3D printing. Qatar, among very few countries in the world, owns 3D printing facilities in Katara Art Center and is offering education in 3D design and printing in Virginia Commonwealth University (VCU). Qatar is quickly picking up on this innovative means of production and is closely cooperating with countries that are more advanced in this sector such as the Netherlands. Dutch students are visiting Qatar and giving lectures and courses on 3D printing designs. A special exhibition about this opens in cooperation with the Dutch embassy, VCU, and Katara Art Center.

Branding, marketing and event organization are other areas worth considering. Especially sports events. Besides hosting the World Cup 2022, Qatar is also hosting a large number of regional and international sports events. For further information on this, please contact the embassy of the Kingdom of the Netherlands in Doha.



Katara Cultural Village. ©Adrian Haddad



Fashion and interior design are also rapidly developing areas in Qatar. New Qatari fashion designers emerge and get support from the government and other related high-profile figures. Interior design is a very attractive area worth discovering for Dutch companies, as sophisticated and innovative design products are highly appreciated in Qatar.

### 2.3.3 Major Players and Companies

In Qatar, there are no sole or major players in the sector of creative industries. Since creative industries is a cross cutting factor in all sectors, the following entities in Qatar would be the active players currently:

The Ministry of Municipality & Urban Planning is considered one of the largest public service ministries and it aims to contribute to the progress and overall development of the nation - in support of the Qatar National Vision 2030 - through the preparing and formulating plans, ideas, future projects and the required training.

The Ministry of Culture, Arts and Heritage encourages citizens and residents of Qatar to appreciate and participate in the arts. Its vision is that culture enhances the quality of life, sense of identity and develops creativity and innovation, besides generating new aspects of knowledge.

Qatar Museums Authority (QMA) was founded in late 2005 with the mandate of managing the resources of all museums and to develop cultural institutions such as museums and galleries in the State of Qatar. Throughout the years, QMA has acquired masterpieces and provides an effective system for collecting, protecting, preserving and interpreting historic sites, monuments and artefacts.

Katara Cultural Village is located on the eastern coast of Doha, between West Bay and the Pearl and spread over 1,000,000 square meters. It promotes cultural awareness by organizing festivals, exhibitions, seminars, concerts, and all forms of artistic expression.

The role of the Qatar Tourism Authority (QTA) is to organise, enable, and supervise the tourism industry development in Qatar, as well as represent and promote Qatar as a quality tourism destination for business, meetings, leisure, culture, education, and sport.

The 2022 Supreme Committee for Delivery and Legacy is the organising committee of the 2022 FIFA World Cup and will focus on constructing all tournament venues and projects, coordinating with local stakeholders and ensuring a lasting legacy far beyond the FIFA World Cup, in line with Qatar's National Vision 2030.

In addition, there are privately owned local companies and architects and designers, who are continuously looking to go into a joint venture or form a cooperation with outstanding foreign companies.

### 2.3.4 Market Access / Foreign Investment

As mentioned earlier, Qatar is considered a new country that is building its cities based on knowledge and innovation. Therefore new ideas, creativity and innovative products are always welcomed, especially if they prove to be economically viable or have a high contribution in values of sustainability, environment protection, people's welfare, etc.

One challenge that companies face in this sector is that many countries and competitive companies approach Qatar. Several political and cultural factors affect the decision-making, not just the quality of the product. This may create an ambiguous atmosphere when tendering for or announcing projects. Another challenge is the need for a local professional network to gather project information. Moreover, having a local partner is a major motive for authorities to consider foreign companies for certain projects.

### 2.3.5 Legislation (tenders, certification)

Tenders in Qatar are either announced publicly and the terms and conditions are announced in the same space or are conducted by invitation and this is usually done if the authority already has a few partners in mind or has a preferred vendor list. It is thus important for Dutch companies who are interested to work in Qatar to register in different counterparts vendor lists. For further information, kindly contact the Embassy of the Kingdom of the Netherlands in Doha.

### 2.3.6 Market trends

Qatar's population has reached 2 million in 2014 of which 20 per cent is youth. The population is composed of different nationalities of which 300,000 are Qataris. Qatarization is an on going operation and is a commitment made by all government entities. The government is also committed to supporting local Qatari companies and entrepreneurs in all its development projects therefore stating the prerequisite for foreign companies to work with local companies for most of the projects.



## 2.4 STATE OF KUWAIT

In the 1970s, Kuwait's art scene was the liveliest in the Gulf Region. Since then, it has lost some of the advantages it enjoyed years ago, but Kuwait still has the most galleries in the Gulf after Dubai. The traditional society and influences from Islam challenge artists in their expression and have impact on innovation in the creative arts sector, which is to some extent dependent on government funding.

### 2.4.1 Main Strategic Government Agenda

In late 2009, the Kuwait government announced the Kuwait's Development Plan, which aims to transform Kuwait from an oil dependant country into a commercial and financial hub. The strategy includes an ambitious five-year development plan, worth USD 120 billion with more than 1000 projects. Key sectors include infrastructure, healthcare, education and housing.

With few government funds available, the private art sector is instrumental in Kuwait. Important and influential figures stimulate the arts with private funds and investments.

### 2.4.2 Opportunities, Investments, Developments

#### ART

Members of the Al Sabah royal family and other important figures play a large role in Kuwait's private art scene. Sheikha Hussah and Sheikh Nasser for example own important collections of modern art. Most galleries are willing to display work by new artists, and personal relations with key figures are of invaluable importance.

Kuwaiti artists and patrons are generally interested in artistic exchange with European artists, although a structure for this is not yet in place. The art educational facility of the Higher Institute for Musical Education leads to a certificate roughly the equivalent of a bachelor's degree. Generally, Kuwaiti artists who want to pursue a degree in arts study abroad.

#### ARCHITECTURE

Kuwait's fast growing population requires the creation of satellite cities in the outlying regions of Subiya, Khairan and Arifjan and the building of new and the expansion of existing hospitals. Kuwait is looking for Western expertise and knowhow for the realization of these ambitious projects in an efficient and timely matter. The country is on the look for the latest technology, innovation and trends for design, construction, fit-out and management of its projects. Dutch architecture is highly regarded in Kuwait, reputed for its focus on sustainability, innovation and functionality. This presents Dutch architects with plenty of opportunities, for example in designing new hospitals and residential areas.

#### FASHION

Shopping is a national sport in Kuwait, and ever-larger shopping malls are being built, with The Avenues (200 million visitors a year) currently being the largest. Kuwait, small but wealthy, is at the forefront of the fashion market in the Middle East. Women are very conscious about fashion trends. The fashion market in Kuwait is highly driven by the local community. Kuwaiti fashion mirrors Kuwaiti society and blends different influences, both modern and traditional. Although no official fashion shows take place, designers can display their collections through private fashion shows or through social media and exhibitions.

#### GAMING INDUSTRY

Kuwait's high GDP, high consumption levels and access to the newest technology make it an interesting country for the gaming industry. One of the largest markets in the region after Saudi Arabia and the UAE, Kuwait provides distributors with a considerable game market. Most games are distributed in English, but there is a growing demand for Arabic language games too.

Currently, most Kuwaiti gamers are male. As a considerable number of women have started playing video games too, the gaming market in Kuwait has some potential. Kuwaitis play the same games as Europeans, with sports and racing games being the most popular among the Kuwaiti youth, and new releases can quickly sell out.

#### FILM INDUSTRY

In the Kuwaiti film production industry there are some well-known directors from the past and currently, a number of young Kuwaiti filmmakers is getting active. Finance is a major challenge for the film industry. Although Kuwait is a rich country, few government funds are available for filmmakers. Government restrictions and censorship make it difficult for filmmakers to get their projects off the ground.

Kuwait is more a film watching than a film producing society. The first cinemas opened in Kuwait in the 1950s. Until recently, the major cinema chain operating in Kuwait was Cinescape.

#### MUSIC

Within the GCC Kuwait is a forerunner when it comes to the music industry. Kuwaiti music has considerably influenced music culture in other GCC countries. Like its fashion, Kuwait's music reflects the multi ethnic structure of society. Kuwait is best known traditionally for *sawt* music, artists perform all over the Gulf. Kuwaiti pop bands are also quite popular in the region. Bashar, finalist in the televised talent show Star Academy, is one of the best-known young Kuwaiti pop singers of the moment.

The music industry in Kuwait has significant growth potential in several areas: such as the awareness of how social media, PR and marketing can be used for promotion and smoothen overall organisation. Getting a license for a live music event is easy, but involves a lot of paperwork and time. Copyright issues and censorships can create market barriers.

### 2.4.3 Major Players and Companies

The National Council for Culture, Arts and Letters (NCCAL) is the main organ through which the government stimulates Kuwait's art scene. Four organizations make up the NCCAL: the Higher Institute of Musical Arts, the Higher Institute of Theatrical Arts, the Kuwait Central Library and the Kuwaiti Centre of International Theatre. Since the 1970s, the NCCAL has played an important role, amongst others through funding major projects. Today, the NCCAL is responsible for the government museums, the performing arts institute, conservation of cultural heritage, the libraries, and archaeological sites. It also organizes events and supports traditional arts, appreciated by a large segment of Kuwaiti society.

Other high influence players in developing major building projects and awarding contracts are the Ministry of Public Works and the Public Authority of Housing Welfare.

### 2.4.4 Market Access / Foreign Investment

A foreign entity wanting to conduct business in Kuwait has to appoint a Kuwaiti agent or participate as a minority shareholder in a Kuwaiti company. This is especially required for government contracts.

It is advised to acquire knowledge about the most essential aspects of developing business in Kuwait, like regulations, procedures, opportunities, barriers and the business culture. By developing and maintaining a network with (key) people from public and private sectors, a Western firm gains a competitive advantage and increases its channels of information of upcoming opportunities.

With the degree of public sector overlay, time-to-market in Kuwait can be longer than in other GCC countries where privatization has been more extensive.

### 2.4.5 Legislation (tenders, certification)

The law and regulatory system in Kuwait is dynamic and subject to frequent changes in application and interpretation. Kuwait shares many characteristics with other GCC markets, but in view of the extent of government involvement in the market, strategies need to take careful note of public tender procedures, as well as the time required for market development, and its related costs.

Public authorities in Kuwait are generally required to purchase all equipment and commodities, and to commission work, only through an independently administered tender process. The Central Tenders Committee (CTC), an independent government agency attached to the Council of Ministers, is the government authority responsible for pre-qualifying firms, issuing government tenders and awarding contracts. Tender announcements, invitations to pre-qualify, pre-tender meetings, and amendments to the conditions and specifications, are published in Al-Kuwait Al-Youm, the official gazette.

#### 2.4.6 Market trends

As a wealthy country, Kuwait has a well-travelled population with access to global trends. Given the interest of the ruling elite, opportunities exist in the described sub-sectors, albeit these may be limited compared to other countries in the GCC.

Over the past five years, copyright protection in Kuwait has improved for most industries due to cooperation with the Kuwaiti Ministry of Commerce (MOC), which has taken the primary role in enforcing copyright in the country. The market remained relatively small for creative industries, but recent movement places Kuwait in an important position in the launching of legitimate distribution services for music in the Gulf Region.



## 3

### OPPORTUNITIES AND CHALLENGES FOR DUTCH BUSINESSES IN THE GCC REGION

#### 3.1 Opportunities for Dutch businesses

The Dutch creative industry has internationally a strong and well-known reputation. The Netherlands ranks number 5 on the Global Innovation Index, after Switzerland, UK, Sweden and Finland.

Dutch design is not only famous for being aesthetic but also for being functional, user-friendly (often with a sense of humour) and – very relevant to the Gulf Region - the Dutch are good in providing integral solutions.

Creativity can be considered as an internal process of creating new ideas while innovation refers to the execution of these ideas. Although the governments in the Gulf Region are making major investments in diversifying their economies, the translation from vision to implementation is not yet always coherent.

In the efforts to stimulate the development of the private sector and nationalising the workforce (more nationals on management and middle-management positions) many private companies face challenges in terms of organisation, communication, creativity and most of all human capital. Dutch businesses could explore the GCC markets through the drivers of the diversification of the economies and their subsidiaries and suppliers.

#### 3.2 Support by the Dutch government

The Netherlands government network in the Gulf Region offers a number of products and services that can help you prepare and establish your business. These services focus on providing market information, identifying potential partners and advising you in setting up a business in the GCC.

##### *Trade requests*

Do you have a trade request about doing business in the GCC? The embassies and consulate general are more than happy to assist you. Besides offering concrete answers to your questions relating exporting and investing abroad, we can also assist you in efforts to discover potential market opportunities.

##### *Business partner scan and matchmaking*

A business partner scan gives you an overview of potential business partners in your target market. These partners can be agents or distributors, but also manufacturing partners. The network looks for parties that meet your specified criteria and are interested to work with you. Further information on: [www.rvo.nl/onderwerpen/hoi/netwerkpartners-zoeken/internationale-zakenpartners/zakenpartnersscan](http://www.rvo.nl/onderwerpen/hoi/netwerkpartners-zoeken/internationale-zakenpartners/zakenpartnersscan) (in Dutch).

##### *Company check*

The embassies and consulate general can run a company check at the request of Dutch companies about a potential business partner. The check verifies if the company is legally registered with a local authority.

##### *Trade missions and delegations*

Trade missions, delegations and joint submissions for exhibitions are organised from the Netherlands to the Gulf Region. In the Gulf several trade fairs take place that can be of great interest to Dutch businesses. The embassies and the consulate general can provide you with the right information, advise you in participating and help you to meet potential local partners.

*Trade disputes*

Trade disputes range from differences in interpretation of contracts and agreements, to liability for breach of local regulations and requirements. The embassies and the consulate general can provide a list of local attorneys who may be able to assist you in the process.

*Other services*

- Access to the broad network of the embassies and the consulate general
- Introduction to contacts at different levels
- Advice on lawyers and accountants
- Advice on the Orange Carpet visa procedure
- Holland promotion

*Support tools*

The embassies and consulate general work closely together with organisations and ministries in the Netherlands. For example with RVO, which has several tools to support Dutch companies with ambitions abroad, both starting and seasoned entrepreneurs.

## 4

## REFERENCES, EVENTS AND USEFUL LINKS

**INDEX Exhibition** - is the leading international design exhibition in the MENA region, annually in May, [www.indexexhibition.com](http://www.indexexhibition.com)

**The Hotel Show** - is the largest dedicated hotel and hospitality exhibition for the Middle East region, held annually in September [www.thehotelshow.com](http://www.thehotelshow.com)

**City Scope** - large networking exhibitions and conferences on property development, a trade show for the real estate industry in the MENA Region (Dubai, Abu Dhabi, Jeddah, Qatar, Kuwait, Egypt), [www.cityscapeglobal.com](http://www.cityscapeglobal.com)

**Abu Dhabi Art** - [www.abudhabiartfair.ae](http://www.abudhabiartfair.ae)

**Abu Dhabi Film Festival** - ADFF aims to showcase the best films from the region alongside standout productions from prominent international filmmakers, [www.abudhabifilmfestival.ae](http://www.abudhabifilmfestival.ae)

**Abu Dhabi Festival** - established in 2004, is the UAE's largest classical arts event, [www.abudhabifestival.ae](http://www.abudhabifestival.ae)

**Abu Dhabi Music & Arts Foundation (ADMAF)** - is a non-profit organisation established to advance classical music, the arts, education, culture, and creativity, [www.admaf.org](http://www.admaf.org)

**Art Week (Dubai)** - is the umbrella initiative that includes Sikka Art Fair, Dubai Design Days, Art Dubai and a range of contemporary art and design events, major museum shows, new gallery exhibitions and artists' projects taking place each March. [www.artweek.ae](http://www.artweek.ae)

**Downtown Design (Dubai)** - features the world's most respected brands in furniture and interiors.

**Dubai International Film Festival (DIFF)** - is the oldest film festival in the Gulf Region, showcasing short films and features in fiction and non-fiction narratives from around the world, [www.dubaifilmfest.com](http://www.dubaifilmfest.com)

**Sharjah Biennial** - [www.sharjahbiennial.org](http://www.sharjahbiennial.org)

**IMAX Film Festival (Kuwait)** - in the Scientific Center, 3D films, annually in May



Construction in Dubai, ©Nodiff



Burj Al Arab Hotel, Dubai, ©Irina Schmidt

## NETHERLANDS ECONOMIC NETWORK IN THE GULF REGION

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