World Expo 2020: Destination Dubai

August 2015
Definition of World Expo

The World Expo is a major event, considered to be the third-largest global non-commercial event in terms of economic and cultural impact, after the Olympic Games and the FIFA World Cup.

The World Expo is an universal exposition sanctioned by the Bureau of International Expositions (BIE) and organised every five years by the nation that wins the right to host the event. They attract millions of visitors who explore and discover pavilions, exhibitions and cultural events staged by hundreds of participants including nations, international organisations and businesses. Each one is a catalyst for economic, cultural and social transformation and generates important legacies for the host city and nation. The current World Expo is being held at Milan, Italy (May 1st to October 31st, 2015).

The Dubai Expo 2020 and its significance

The Dubai Expo 2020 will be the first one to be held in the MENA region, and it will run for a six-month period between October 2020 and April 2021. Approximately 182 countries and companies are expected to participate in the Dubai Expo 2020. The purpose of the Dubai Expo 2020 is to provide a platform for the global community to share innovations and engage in debate about key issues facing the world.

The reason the Dubai Expo 2020 is evincing huge interest is because analysts believe it will boost tourism and other parts of the economy as the government is likely to spend a predicted US$ 7 billion on infrastructure, with the benefit expected to trickle down to other industries. That spending will equate to a 0.5 percentage point increase in GDP in the years 2016-2019, according to Bank of America Merrill Lynch. Given the relatively small size of Dubai’s economy, the economic impact could be quite large.

Partners

The Dubai Expo 2020 had signed a number of partnerships. There are three tiers of partnerships:

- Premier Partners: DP World, Dubai Airports, Emirates airline, Emirates NBD, Etisalat, and Jumeirah Group supported the bid as Premier Partners
- Lead Partners: The Dubai Department for Tourism and Commerce Marketing (DTCM) was named as a Lead Partner.
- Official Partners: Numerous UAE government entities pledged their support to the bid.
Themes and Sub-Themes

Dubai has chosen a theme for the event “Connecting Minds, Creating the Future”, realising the importance of connected minds and collaborating efforts to overcome the key challenges faced by the world today. The theme refers to three sub-themes that shape the priorities of each country: mobility, sustainability, and opportunity.

<table>
<thead>
<tr>
<th>Mobility</th>
<th>Sustainability</th>
<th>Opportunity</th>
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<tbody>
<tr>
<td>Mobility is the core driver of growth and prosperity since efficient logistics and transportation systems are the lifelines that connect people, goods, and services around the world.</td>
<td>Innovation in the production, delivery, and consumption of water and energy is becoming increasingly important. Improving access to these precious natural resources through responsible conservation and effective management, as well as embracing a culture of sustainability, are important goals for all countries.</td>
<td>Given the backdrop of the recent global financial crisis and the fact that more emerging countries are joining the world economy, there is a growing need for new universal models for sustainable economic development and financial stability. Dubai Expo 2020 seeks to harness new models for the flow of financial and intellectual capital, which will foster entrepreneurship and innovation.</td>
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Each sub-theme is a pillar of the future development of Dubai and projects in all three fields are in motion.

Expo 2020- Venue, Preparation and Progress

The master plan is being prepared for the Trade Centre in Jebel Ali, the proposed site for the Expo 2020. The total cost of establishing Dubai Expo 2020 headquarters is understood to be between US$ 2 and US$ 4 billion. The 438-hectare site will include a dedicated gated 150-hectare area, and a surrounding residential, hospitality and logistics zone, which will play host to the 247 participants and the 25 million visitors expected with transport and pedestrian circulation strategies prepared accordingly.

Consortium of HOK and Arup Group Limited was appointed in August 2014 to complete detailed master planning work for the project. Master planning is expected to be complete by November 2015. A consortium of CH2M HILL and Mace was appointed in December 2014 to manage the delivery of all construction-related services related to the venue of the Dubai Expo 2020.
Expo 2020- Master Plan & Supporting Infrastructure

The Expo Village will be a residential community development providing full-time housing facilities for staff from participating countries working on the Dubai Expo 2020. There will be 3,000 apartments, 1,500 hotel rooms and serviced apartments. It will consist of 11 plots with podium parking and buildings above. The Expo Village will target completion by 2018 following which pavilion construction activities will start.

At the core of the Dubai Expo 2020 Master Plan for the gated area, are three distinct zones, each dedicated to one of the sub-themes of mobility, sustainability and opportunity, to converge at the central Al Wasl Plaza, the figurative and literal heart of the Dubai Expo 2020. The flagship UAE Pavilion will feature prominently in addition to a Welcome Pavilion and an Innovation Pavilion near the North Entrance surrounding the central plaza; and three Souks - one at the heart of each Theme Zone - will showcase smaller pavilions surrounded by the larger country pavilions on the outer rings ensuring maximum visibility and footfall for all participants. Each thematic zone will also have a specialised Theme Pavilion and a feature Entertainment Venue.

At its peak, the Dubai Expo 2020 exhibition site is designed to accommodate up to 300,000 visitors, with average week-day attendance expected at 153,000. Construction on the site is expected to be completed on October 2019, allowing a year for snagging and fine-tuning before the show finally opens on 20th October 2020.

To meet the demand of hosting the Expo 2020, the Dubai Electricity and Water Authority (DEWA) will lead three major expansion projects worth US$ 5.4 billion (Dh 20 billion):

- A clean coal plant at a cost of US$ 3.5 billion (Dh 13 billion), which is expected to be commissioned in Q2 2020 with a capacity of 1,200 MegaWatts (MW)
- M Station, a power and desalination near Jebel Ali, is also part of DEWA’s expansion plans as they are going to increase its capacity from 2,030 MW to 2,630 MW.
- Mohammad Bin Rashid Al Maktoum Solar Park will be included as one of the main expansion projects as well, at a cost of US$ 0.27 billion (Dh1 billion), which will increase capacity from 13 MW to 113 MW.

DEWA has outlined 10-year plans to raise production capacity, upgrading the efficiency and capacity of its infrastructure to generate, transmit and distribute electricity and water to satisfy requirements for the Dubai Expo 2020.

Dubai Metro Red Line termed as Route 2020 has been approved by His Highness Sheikh Mohammad Bin Rashid Al Maktoum. Route 2020 is the strategic vision of the Dubai Government for achieving sustainable development, and developing world-class infrastructure and services. Route 2020 will offer safe and smooth mobility to visitors of the Dubai Expo 2020 and residents of the neighbourhoods. The Roads & Transport Authority (RTA) has designed an integrated plan for infrastructure projects to serve the Dubai Expo 2020, highlighted by the Route 2020 project. The project is expected to be completed by 2018.
A new rain and groundwater drainage system is in the pipeline to innovate the drainage capacity in newly developed areas in Dubai. Al Maktoum Airport and its surrounding area is the primary target of the project, preparing these lands for the mega event. The US$ 0.54 billion (Dh 2 billion) project entails a deep tunnel network for the collection and disposal of rain and groundwater and represents a long-term solution that will be sufficient for the next 100 years. It is a very expensive project, and these areas currently do not have a sewage system. Work on the project is expected to start early 2016 and be completed before the start of the Dubai Expo 2020.

Economic Impact of Dubai World Expo 2020

Expos generate economic benefits for the host country through increased tourism, job opportunities, and hospitality revenues. They also provide financial benefits, both during the run up to the event and after it, in terms of large construction activity and investments from outside the country.

GDP and Economic Growth

The Dubai Expo 2020 is likely to generate approximately US$ 23 billion (24.4 percent of Dubai’s current GDP) between the years 2015 and 2021.

However, estimates on how much the impact on the GDP growth of the Dubai economy vary widely, and while one estimate forecasts that the Dubai Expo 2020 is likely to boost economic growth to an average 6.4 percent a year from 2014 to 2016, and potentially to 10.5 percent by 2020 or an average of 3 to 3.5 percent annually. Others provide a more conservative estimate of a 0.5 percent annual growth up to 2019 and a 2 percent GDP growth over 2020-2021.

Multiplier Effect, Foreign Investment, Emirate’s Debt Reduction and Revival

Government investment is expected to be approximately between US$ 7 and US$ 8 billion. If declared a success, expected gain is estimated to be US$ 17 billion. Foreign investment worth US$ 100-150 billion is expected across sectors including construction, financial services, infrastructure and IT.

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<tbody>
<tr>
<td>Real GDP growth (%)</td>
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<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
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<tr>
<td>GDP Deflator (CPI Inflation) (%)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>GDP (US$ Billion)</td>
<td>166.9</td>
<td>179.6</td>
<td>193.3</td>
<td>208</td>
<td>223.9</td>
<td>240.9</td>
</tr>
<tr>
<td>Debt (US$ Billion)</td>
<td>151.4</td>
<td>154.8</td>
<td>158.2</td>
<td>161.6</td>
<td>165.1</td>
<td>168.5</td>
</tr>
<tr>
<td>Debt to GDP Ratio (%)</td>
<td>90.7</td>
<td>86.2</td>
<td>81.8</td>
<td>77.7</td>
<td>73.7</td>
<td>69.9</td>
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</table>

Note: All estimates for years leading up to the event are forecasts. Source: Institute of International Finance
There is likely to be revival of projects shelved and easing of debt burden from the financial crisis Dubai faced five years ago. The International Monetary Fund (IMF) estimated the Emirate’s debt burden at US$ 120 billion with maturity payments and repayments of US$ 85 billion up to 2017.

Transport and Logistics

Wider connectivity or air transportation network alongside expansion of airport passenger handling capabilities will help boost tourism alongside the Dubai Expo 2020, as approximately 17.5 million (70 percent) of its visitors are expected to be foreigners. By 2018, Dubai International Airport, the second busiest airport in the world that is undergoing expansion apart from the new Al Maktoum international airport, will have increased its capacity to 90 million passengers a year from the current 60 million. This is expected to boost tourist arrivals on a large scale.

Job Creation and Employment

A recent report titled “The Report: Dubai 2015” by Oxford Business Group on the emirate’s economy forecasts the Dubai Expo 2020 to create over 277,000 jobs. A vast proportion is likely to be contractual, white collar and professional jobs. 90 percent of the projected 277,000 employment opportunities would occur from 2018 to 2021 with an overall demand in the residential and retail markets.

Hospitality and Tourism

Dubai is driving hotel developments in the Middle East and Africa region, with 36,523 rooms and 96 projects in the city’s pipeline, set for opening in time for World Expo 2020. Hospitality and tourism sectors are likely to benefit the most as demand for an additional 45,000 to 50,000 hotel rooms is estimated by various analysts, based on the forecast that 25 million visitors will be from outside the UAE. This will translate to construction of at least 100 to 200 hotel properties ranging from budget through luxury.

Jones Lang Lasalle (JLL) reports 65,000 rooms are available in Dubai as of 2015, with new developments expected to take that number to 100,000 by 2020. This will also generate employment exclusively in the tourism and hospitality sector to the tune of 100,000 jobs of the total 277,000 expected across sectors, according to analysts.
## Major Dubai Expo 2020 Projects

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Industry</th>
<th>Client</th>
<th>Consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burj 2020 in DMCC</td>
<td>Buildings</td>
<td>Dubai Multi Commodities Centre (DMCC)</td>
<td>Adrian Smith + Gordon Gill Architecture (AS + GG)</td>
</tr>
<tr>
<td>Expo Village – Residential Development</td>
<td>Buildings</td>
<td>Dubai World Trade Center (DWTC)</td>
<td>KEO International Consultants</td>
</tr>
<tr>
<td>Hotel Apartments in Dubai World Central</td>
<td>Buildings</td>
<td>Buroj Property</td>
<td>--</td>
</tr>
<tr>
<td>Dubai Metro - Red Line Extension</td>
<td>Infrastructure</td>
<td>Roads and Transport Authority (RTA)</td>
<td>Parsons International, Dubai / Systra, Dubai</td>
</tr>
<tr>
<td>Dubai Metro - Green Line Extension</td>
<td>Infrastructure</td>
<td>Roads and Transport Authority (RTA)</td>
<td>Parsons International, Dubai / Systra, Dubai</td>
</tr>
<tr>
<td>Double Decking of Sheikh Zayed Road</td>
<td>Infrastructure</td>
<td>Roads and Transport Authority (RTA)</td>
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</tr>
<tr>
<td>Expansion of Dubai Metro - New Station</td>
<td>Buildings</td>
<td>Roads and Transport Authority (RTA)</td>
<td>--</td>
</tr>
<tr>
<td>Dubai Trade Centre – Jebel Ali</td>
<td>Buildings</td>
<td>Expo 2020 Higher Committee / DWTC</td>
<td>HOK, Arup, and Populous (Masterplan)</td>
</tr>
<tr>
<td>Mall of the World on Sheikh Zayed Road</td>
<td>Buildings</td>
<td>Dubai Holding / Emaar Properties</td>
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<tr>
<td>Dubai Metro - Expo 2020 Line</td>
<td>Infrastructure</td>
<td>Roads and Transport Authority (RTA)</td>
<td>Parsons International, Dubai / Systra, Dubai</td>
</tr>
</tbody>
</table>

*Source: Ventures Onsite MENA and GCC Projects Database, www.venturesonsite.com*

In addition, work has already commenced on major tourist and leisure attractions across Dubai with developers continuing to announce new projects. Majority of these attractions are set for completion before 2020. A few of the mega projects lined up to cash in on the Dubai Expo 2020 include:

- The Dubai Water Canal Project
- Jewel of the Creek
- Al Habtoor City
- Deira Islands
- Aladdim City
- Al Mamzar Beachfront project
- Museum of the Future
- Dubai Frame
- Dubai Parks and Resorts
- Mohammed Bin Rashid Al Maktoum (MBR) City - District One

### Beyond 2020

Beyond 2020, the Dubai Expo 2020 site will serve as a permanent attraction adding to the country’s long-term appeal as a premier destination in hosting high-profile global events. Thereafter, the 438-hectare facility will be further developed as a state-of-the-art Exhibition and Convention Centre.