



**IN DIALOGUE WITH
H.E. ANDREA MATTEO FONTANA,
AMBASSADOR TO THE
DELEGATION OF THE EUROPEAN
UNION TO THE UNITED ARAB
EMIRATES**



Q

With your notable tenure in diplomatic roles across Eastern Europe and the Middle East, could you share insights into how your experiences in the Gulf region differed from your prior appointments?

A

Over the years, I have had the privilege to work in many interesting countries. During this time, I have developed a profound interest for the Arab world, its historic connections to Europe, its importance as our main neighbour on the other side of the Mediterranean and all the way to the Gulf. I have lived for long periods in Syria, Jordan and the UAE and travelled extensively in Palestine, Egypt, Tunisia and Morocco. Although I had visited the UAE before my appointment as Ambassador, I have learnt a lot about the country and the Gulf region. What has impressed me most in the UAE is its unique societal project, which attracts people from all around the world and manages to create a safe environment where everybody feels valued and respected.

Q

As you approach the culmination of your term as the European Ambassador to the United Arab Emirates, would you mind sharing the professional and personal highlights from your time in the UAE?

A

The main highlight of my stay was the participation of the EU in EXPO 2020 Dubai. As EU Commissioner General for EXPO, I had the privilege of coordinating the series of events that the EU staged during the fair in order to share our knowledge and experience with the global audience attending this unique event. I think that the EU participation at EXPO 2020 Dubai was a public diplomacy success, because of the number and quality of the events organised, the significant number of EU high-level visits during the difficult time of the pandemic, and the ensuing outreach and media coverage. What I appreciated most has been our close cooperation with the 27 EU Member States: I visited all of their pavilions, where we organised jointly more than 60 EU events. This has shown our unity and purpose in the pursuit of our global priorities. EU events at EXPO focused on six thematic areas: the European Green Deal, Business & Economy, Innovation and Digitalisation, Inclusivity & Equality (with a focus on women empowerment), Food & Farming, and intercultural dialogue.

Q

The UAE, rebounding swiftly from the pandemic, is once again among the world's fastest-growing economies, with grand ambitions to solidify its global standing. As a seasoned economist with a specialty in transition economies, what potential do you foresee in bolstering trade and investment bonds between the EU and the UAE? Additionally, what proactive steps should the EU consider in order to realize this potential?

A

Indeed the UAE registered impressive economic growth last year surpassing 7% and a very significant part of this growth was generated by the non-oil sectors, which testifies to the long-lasting and targeted efforts by the country to diversify its economy.

Given our experience and the developed structure of our economies, there is a lot the EU can share with the UAE in terms of best practices for our mutual benefit. And the EU can also learn a lot from the UAE's dynamic and innovative approaches to developing its economy. For instance, digitalisation, advanced technologies, healthcare, education, logistics (aviation, ports), energy transition, space technologies, and food security are all areas where the UAE is investing heavily and this creates opportunities for EU business with leading technologies in these sectors.

European firms are already present in the UAE and in the wider region but there is more that we can do to further enhance bilateral trade and economic ties, for example in areas such as customs cooperation, the protection of intellectual property rights, facilitation of investments, and so on.

The "EU Strategic Partnership with the Gulf", adopted in 2022, contains a number of ideas on how we can develop further our trade and investment relations in the future.

Q

As global issues such as climate change, technological leaps demand collaborative international action, what opportunities do you envisage for strengthened cooperation between the EU and the UAE?

A

In order to respond to climate change, the EU has deployed important efforts to dramatically transform its economic model as part of the Green Deal. In addition, since February 2022 and in reaction to the Russian efforts to weaponize energy, the EU further accelerated its green energy transition, expediting renewable energy projects, improving energy efficiency, and enhancing energy cooperation with reliable partners like the UAE in order to diversify our supply sources.

Due to its vast regulatory and technological experience in the area, the EU is well-positioned to further engage with the UAE in the energy sector, providing a substantial and reliable market for energy products, particularly green hydrogen, and renewables. This could play a vital role in shaping alternative economic models for the country in a post-fossil fuel era.

The upcoming COP28 event in Dubai presents a unique opportunity for deepening cooperation with the UAE as the host country, as well as other GCC countries. Climate-related cooperation, including related economic opportunities, has become a priority area in our interactions with the UAE and we are working closely with the COP28 Presidency with a view to delivering on the high global expectations related to climate change.

Q

How does the EU Delegation to the UAE synergise with the individual EU member states represented in the UAE, especially in the realm of trade and investment?

A

Our Delegation works very closely with our colleagues at the EU Member States Embassies in the UAE to support the development of bilateral economic cooperation and the development of trade and investment relations.

One of our main roles as EU Delegation is to coordinate with Member States our joint actions to engage with the relevant UAE actors, both governmental and private. Our focus is on cooperation with the UAE authorities at the policy level in order to continuously improve and adapt the framework conditions for business to changing circumstances. Our colleagues from EU Member State embassies and Business Councils are in direct contact with European operators in the country in order to facilitate their cooperation with the UAE counterparts. Thus, our roles to further the EU's economic engagement in the UAE are complementary.

In this context, I would like to underline the useful bridging role the EU-GCC Economic Diversification Dialogue Project plays in organizing forums to exchange best practices to develop our economies, preparing studies and reports on relevant issues regarding innovative and competitive economies such as standardization, protection in intellectual property rights, etc. bringing together the different layers of our engagement with the UAE be it governmental, private, national or EU level.

Q

As the world increasingly gravitates towards economic competitiveness, with powerhouses like India and China amplifying their GCC trade share, what steps can the European Union undertake to enhance its market share of UAE trade?

A

The UAE is an increasingly important economic partner for the EU. The country is the EU's first export destination and investment partner in the MENA region. The UAE also serves as an important regional trade and logistics hub for EU operators.

While it is true that the competition is increasing and other major trading countries are more and more present here, the EU remains the UAE's second most important trading partner (after China) with 27% annual growth in bilateral trade in 2022, outpacing the growth rate of most of the other trading partners of the UAE, including those with whom preferential trade agreements (CEPAs) are in place.

The volume of bilateral trade in 2022 reached EUR 49 billion and the combined stock of bilateral EU-UAE investments increased to 277 EUR billion in 2021 (latest available figure), which makes the EU the largest investor in the UAE by a significant margin, while the UAE is one of the top investors in the EU single market.

But we should certainly not rest on our laurels, as the UAE market is very competitive and attracts most if not all, countries around the world. We intend to strive to find new ways for further engagements to improve and extend bilateral trade and investment ties reflecting the new priorities and opportunities identified in the "EU Strategic Partnership with the Gulf".