



## Home

Mujib Shaukatullah reveals how she recreates the magic of the Masters on canvas. **Page 2**



## Region

Prime Minister H. D. Gowda says his government is eager to hold Kashmir state assembly elections in September. **Page 6**

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## \$3billion free zone gets go-ahead at Abu Dhabi

Abu Dhabi has approved plans to set up the Middle East's first free zone to include warehousing, for oil, food, precious metals and other commodities.

The project, announced yesterday by Sheikh Hazaa Bin Zayed Al Nahyan, chairman of the zone, will be sited on Saadiyat island off Abu Dhabi and will cost \$3 billion. Much of the funding will be raised through public subscription in the UAE and overseas, Sheikh Hazaa said after announcing the creation of the zone.

Sheikh Hazaa said Abu Dhabi, the main oil producer in the UAE, had issued a law forming the zone's board and work would begin soon on the project, which includes building a six-kilometre causeway to link Saadiyat with the mainland.

"It will be completed in three to four years. It includes a port, warehouses and other infrastructure facilities," he said.

Saadiyat is located six kilometres east of Abu Dhabi and has an area of around 35 square kilometres.

Sheikh Hazaa said: "The zone will have the capacity to

store 67 basic commodities, including oil, grain, gold, diamonds and other precious metals, copper, and foodstuffs. There will also be various specialised trading floors and exchanges.

"We want to put Abu Dhabi on the map of international business and we believe we have unique advantages that will make us succeed.

"Moreover, and following the policy of the President His Highness Sheikh Zayed Bin Sultan Al Nahyan, we want the largest number of nationals to benefit from the opportunities that will be created by a project of this nature, hence the private sector company and the share offering."

Sheikh Hazaa said investment in the project would be open to "as many local and international investors as possible."

He said commodities stored on the island would be exported to local and external markets at very competitive prices. "There is no doubt this will encourage investment in the region, especially in the industrial sector."



Sheikh Hazaa Bin Zayed Al Nahyan announces the free zone project. On Sheikh Hazaa's right is Offset Office chief Amin Badr Alddin

Sheikh Hazaa said the board was drafting regulations governing business at the zone and foreign partnership. A task force has been formed to determine the needs of potential tenants of the zone and to co-ordinate action between various government departments.

"The zone authority is retaining specialist consultants

to help produce the regulatory framework for such a company and for the authority as well as advise on a number of organisational and policy issues.

"The authority is aiming for the zone to become a globally competitive enterprise and that it will be established and run as a private sector company that will be

floated for private investors."

Sheikh Hazaa said the annual worldwide trade in the commodities to be stored exceeded \$412 billion (Dhs1.5 trillion)

He added that the project would encourage investment in the industrial sector in the region as investors would be encouraged by the competitive pricing of its products.

Sheikh Hazaa thanked Sheikh Zayed and Abu Dhabi Crown Prince and Deputy Supreme Commander of the Armed Forces Sheikh Khalifa Bin Zayed al Nahyan for their support of the project and for the economic development of the UAE. He also thanked Armed Forces Chief of Staff Lt. General Sheikh Mohammed Bin Zayed Al Nahyan for his support through the UAE Offset Office.

Offset chief **Amin Badr Alddin**, a zone board member, said the project would support the Offset programme by attracting additional international investors, given the competitive pricing of the commodities. "The project will benefit banks and insurance companies as well as the housing sector. In general it will have a direct positive impact on the UAE economy," he said.

Dubai's Jebel Ali zone, is already the biggest free trade zone in the region with investment of more than \$3 billion but comprises mainly industrial and marketing units.

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