



World Eye Reports

The UAE

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Beyond oil — the Emirates positions itself as global hub

Celebrating the UAE's national day today, it is remarkable how Japan's involvement in the growth of the nation has evolved hand in hand with the country's vision of becoming more than just an oil-exporting economy.

While petroleum remains one of the main pillars of economic Japan-UAE relations, and crucial to Japan's energy policy, the Japanese have long been very active in other sectors as well — such as major infrastructure projects in tune with the UAE's goal of reinventing itself into a hub for business, logistics, health care and academic excellence.

"Prime Minister Shinzo Abe's visit to the UAE last year represents a renewed commitment toward strengthening the relationship between our two countries," says Yoshihiko Kamo, Japan's ambassador to the UAE.

"The UAE's economy is becoming mature and resilient outside the oil sector," he continues. "In order to build this nation, it needs help from its partners. It looks to Japan to assist in diversifying its economy. We are trying to widen our bilateral relations to include services, education and the medical industry, something that Abe is keen on developing."

Specifically, the emirate of Dubai continues to welcome the influx of Japanese companies that see the advantages of using it as their regional hub for the Middle East, Africa, Iran, India and the Commonwealth of Independent States.

"There are a lot of opportunities in Dubai, considering the rapid expansion of the UAE's economy in general, particularly the developments in Dubai in the fields of construction, transport, infrastructure, communication, tourism and hospitality," says Masayoshi Watanabe, managing director of JETRO Dubai, the Middle East and North Africa. The growth in the number of Japanese companies in Dubai reflects the high profitability of doing business here."

KYB, Yamaha Music and Brother International are just a few of the 400-plus Japanese companies that have benefited by establishing offices in Dubai. Meanwhile, a leading local distributor such as Galadari Brothers has seen advantages come from its close relationships with its Japanese partners Komatsu and Mazda over the past three decades.

With numerous memorandums of understanding signed recently in academics, scientific research and health care, the Japan-UAE relationship is poised for greater success.

"Going forward, the UAE seeks to position itself as a hub between Europe and Asia, with the world's largest airport, two of the world's fastest growing airlines and EXPO 2020 on the horizon. As the UAE moves toward a diversified knowledge-based economy through energy technology enhancement, development of domestic industries and human capital, there will undoubtedly emerge many opportunities for Japan's public and private sectors to work with UAE entities toward achieving these strategic goals," concludes H.E. Sheikh Hamdan bin Mubarak Al-Nahyan, minister of higher education and scientific research and chancellor of the United Arab Emirates University. ♦

Early investment in Dubai's potential pays off with success

In the early 1990s, the glitz and glamour that is Dubai today was in its infancy, and just beginning to realize the vision of Sheikh Mohammed bin Rashid Al Maktoum's father, Sheikh Rashid bin Saeed Al Maktoum — responsible for the transformation of the city from a few settlements by Dubai Creek to a modern commercial and logistics hub.

Multinational companies began to move their operations to Dubai during this period, as the Jebel Ali Free Zone (JAFZA) expanded its facilities to cater to the influx of investment. Japanese companies were among the first to establish a presence in Dubai to capitalize on the regional hub and savvy, affluent market that the Emirate was becoming.

In 1991, Brother Industries, the leading multinational electronics and electrical equipment group based in Nagoya, established its subsidiary in JAFZA to develop its business in the region.

"Brother wisely invested in Dubai, and we started physically visiting neighboring countries and negotiating with reputed business partners to distribute and service our products in their countries," recalls Soichi Murakami, managing director of Brother International (Gulf) FZE. "Excellent after-sales service is mandatory to grow the brand, so Brother Gulf set up a technical training hub in JAFZA to train engineers working for our distributors."

From its regional office here, the company works closely with its authorized distributors across the Middle East, Levant and significant parts of the African continent — including South Africa. Since the mid-90s, turnover has grown significantly.

"Currently our Printing Solutions Department forms a major part of our overall sales in the UAE and the rest of the region," says Murakami. "Here in the UAE, it is difficult to assess market share accurately since the published sales data includes re-exporting: which forms a major portion of the market. It is important to state that — depending on product segments — Brother enjoys the number one position in label printing in all markets, while in some markets we vary from number two to number four for printers, depending on the type of print engine."

Aside from this, the company's other products include a wide range of sewing machines, multifunction centers (MFCs), typewriters, fax machines and labelling machines.

In September of this year, Brother Gulf introduced the latest additions to its portfolio of products. New models of full range printers, MFCs, label printers, a hobby cutting machine and sewing machines were unveiled. The new products are cost effective, reliable and designed to address the growing market needs of office and home users.

"Our key segments are SOHOs (small office home office) and SMBs (small and medium-sized businesses), Murakami explains. "With the new printing devices equipped with wireless and wired network connectivity, we are able to cater to the needs of the business enterprise segment. Our success with large ministries, government bodies and large private sector companies that have a large number of Brother devices installed in their offices is a testimony to the quality of our products and our customer service."

Today, Brother Gulf is the only company in the region able to offer end users a three-year warranty for all laser, LED MFC and single function printing devices, A3 colour inkjet MFC printers and label printers.

"We work closely with our channel partners to offer our customers the best user experience," he adds. "Whenever our end-users need support, we work closely and quickly with our channel partners to solve their problems. This is supported by our highly responsive call center service: '800-Brother.'"

Defined by its corporate tagline "At your side," Brother has certainly situated itself right next to its customers in the UAE and beyond over the last two decades — as the country has developed into a diversified, multicultural and modern society.

And now, with Japan-UAE relations at an all-time high, Murakami is as committed as he's ever been: "Our main priorities are to establish a strong and responsive distribution channel in the Middle East and Africa."

"The visit of Japanese Prime Minister Shinzo Abe, to the UAE signals a growing commitment to the UAE," he concludes. "This year, both countries have committed themselves to working on subjects of mutual interest — such as partnerships on oil development — and have started discussions on other investments. The fact that the UAE welcomes foreign direct investment in industry and is investor-friendly makes it a very good destination for investments from Japan. It remains our hub for expansion in the Middle East and Africa because of excellent infrastructure for warehousing and shipping by sea, land and air into the region." ♦

welcome.brother.com/ae-en.html



Soichi Murakami, Managing Director, Brother International (Gulf) FZE

The UAE's economy is becoming mature and resilient outside the oil sector."

— YOSHIHIKO KAMO
Japan's Ambassador to the UAE



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— MASAYOSHI WATANABE
Managing Director
JETRO Dubai, the Middle East and North Africa.



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Japanese Excellence
For Over 100 Years

The UAE Business Report

A huge territory — united by an appreciation of music

Across a territory covering 82 countries in Africa, the Commonwealth of Independent States, the Gulf Cooperation Council (GCC), the Middle East and the Indian Ocean, Yamaha Music Gulf (YMGF) represents a large international subsidiary of the leading global manufacturer of musical instruments, Yamaha Corporation. “Through our office in Jebel Ali, Dubai we are responsible for a territory with a population of 1.5 billion people — the largest in our group,” says Yasuaki Gyoten, managing director of YMGF. “This provides us with a lot of opportunity despite the ongoing crises and issues that have affected some of



The PSR-A2000 keyboard is a portable keyboard which is designed for playing oriental (Arabic) music and contains many kinds of oriental instruments and rhythms.

our markets in recent years.” YMGF enjoys a leadership position in the GCC. Its two single largest markets are South Africa and the UAE. “Our business in the UAE this year has been reasonably good thus far, with our total business seeing 10 percent growth,” says Gyoten. “Population has been increasing steadily in the UAE for expats and locals, and they represent our customer base here.” The company offers professional and commercial audio equipment, audiovisual products and the full range of Yamaha musical instruments, including the PSR-A2000, which is a popular arranger workstation specifically designed for oriental music. It offers a variety of oriental instrument sounds and rhythms as on-board contents, which are very essential for oriental music, and it also allows the installation of additional sounds and rhythms with a built-in 64MB flash memory. While the sales of its products are essential to the growth of the business, music education is equally as important as it paves the way for future generations to learn and enjoy music. Through Thomsun, YMGF’s local distributor for over two decades,



Yasuaki Gyoten, Managing Director, Yamaha Music Gulf FZE

three music schools have been established in Dubai. They are currently pursuing closer cooperation with the many international schools based there. “At YMGF, we have a strong commitment to promote and support music education,” explains Gyoten. “Through our products and activities, we want to continue to contribute to the local music culture and ensure that people keep enjoying music and creating music.” ♦ ae.yamaha.com

Empowering future generations through education

The petroleum industry has played an important role in the UAE-Japan economic relationship in the last four decades. Approximately 40 percent of UAE oil is exported to Japan, making the countries important energy partners. Today, this relationship also encompasses trade, training and education. Established in 2001, the Petroleum Institute (PI) is a world-class body focusing on engineering education and energy research within the oil and gas industry. PI’s success is based on its close relationship with Abu Dhabi National Oil Company (ADNOC) and major international oil companies such as Japan Oil Development Company (JODCO), which has been active in the offshore oil fields of Abu Dhabi since 1973. “Japan is one of our major share-



Thomas Hochstettler, President, Petroleum Institute

holders,” says PI’s President Thomas Hochstettler. “We have established several successful initiatives with our Japanese partners. We facilitate faculty and student exchanges, and

internship opportunities, and have signed key memorandums of understanding with Japanese institutes. As a highly efficient economy, Japan has a great deal to offer the world, and we continue to learn from our Japanese friends.” Currently, PI students are collaborating with their counterparts from Japan’s Tokai University to create a single-seat, 150 kg solar-powered car: capable of speeds of up to 150 kph, which will be entered in the “Abu Dhabi Solar Challenge” in January. “This cooperation will enable our team to discover Japanese technologies and create a competitive vehicle for the race,” says Hochstettler. “Sustainability and green energy innovations are a large part of our academic programs.” Next year, it will also inaugurate

the “PI Research Center” and expand its campus through the construction of an array of buildings. “We are investing in our future, resources and leadership teams,” explains Hochstettler. “There is huge potential in the UAE, and we have an important duty to empower future generations as we continue to build PI into a world class institute through the support of JODCO and our other partners.” ♦ www.pi.ac.ae



Twin Japanese partnerships for a company that knows region best

Both the Japanese and Arab cultures value friendship, honor and a long-term approach to partnerships. For Galadari Brothers, a leading diversified group that has introduced over 30 global brands into the region since it was established over five decades ago, these shared values with Japan’s Komatsu and Mazda have transformed their partnerships into highly successful ventures. In recent years, Galadari has been awarded multiple times by both Komatsu and Mazda. In 2011, Mazda honored it for being the “Best GCC Distributor Facility and Performance.” Two years later, it received Mazda’s award for “Best Sales Achievement.” “This strategic partnership with Mazda has been created over the past 40 years on the solid basis of mutual trust and common long-term corporate interests,” says Khaled A. Soli-



Khaled A. Soliman, Group Chief Executive Officer, Galadari Brothers Co. LLC

man, Group CEO of Galadari Brothers. “Our relationship with Mazda has gone through several phases, but the current one is the strongest because of the excellent strategic synergy we mutually share.”

In 2010, the group’s subsidiary dedicated to Mazda — Galadari Automobiles — underwent restructuring to relaunch the brand and focus on after-sales service. This culminated in the inauguration last year of its new state-of-the-art House of Mazda showroom in Dubai, which will display the 2015 Mazda3, the Mazda CX-5 and the new Mazda6. “With our new marketing plans and investments aimed at strengthening the Mazda brand in place, I look forward to our continuous endeavors to strengthen our enduring and established partnership,” says Soliman. The group also nurtures over a 30-year relationship with its other Japanese partner, Komatsu. “Komatsu is another success story for us, and we say this with a lot of pride,” he comments. “They are a genuine partner of ours, and we have worked with them in all parts of the business.”

Galadari Trucks and Heavy Equipment (GTHE), the group’s subsidiary distributing Komatsu equipment, has capitalized on the huge demand for construction equipment in the UAE and ridden it into a leadership position with over 40 percent of the market share. Komatsu recently awarded GTHE with an “Achievement Award” for the outstanding market share of 2013, as well as the number one seller status in track type tractors worldwide. “We are growing from strength to strength by expanding our business, opening more branches, invading competitors’ share of the market and providing our customers with the best in after-sales service and training facilities,” says Soliman. ♦ www.galadaringroup.com



Ideal location and pro-business mentality bolster business for market leader

When one of every four vehicles that leaves production lines worldwide is fitted with your products, it is key to position yourself at the center of the markets you serve through a logistics hub with direct access to neighboring regions. For KYB’s Middle East subsidiary, a UAE location was the obvious choice. “We want to be where our customers are, and to be in a position to support them promptly and efficiently,” says Jean Michel Selles, managing director of KYB Middle East. “From our location in the Jebel Ali Free Zone (JAFZA) in Dubai, we provide sales and support to 65 countries across the Middle East and Africa.” KYB was one of the first Japanese automotive parts manufacturers to establish its operations in JAFZA, and to capitalize on Dubai’s reputation for seamless business operations. “The UAE is a base of worldwide companies,” says Selles. “It is an ideal location of its political stability, safety and pro-business mentality.” KYB’s core philosophy has always been to supply the highest quality products that ensure value, endurance and safety. Shock absorbers are an essential part of the



Jean Michel Selles, Managing Director, KYB Middle East FZE


stability, control and balance of the vehicle, taking into consideration the tough road conditions and high temperatures in the Middle East, the demand for KYB shock absorber has increased significantly. Moreover, KYB supplies the widest range of shocks covering most of the car models available worldwide and this adds a lot of value to its customers. “We have good partnerships with Japanese and European auto companies, and we remain market leaders in this part of the world,” says Selles. “One of the strengths is that we develop our markets and after-sales

markets by ourselves.” KYB will celebrate its 10th anniversary in the UAE next year, and Selles remains committed to providing his customers with superior service and products that they have grown accustomed to over time. “By being close to our customers, we will continue to provide them with the safest and most reliable



products that are available in the market,” he concludes. The company is also Japan’s leading hydraulics manufacturers, with its product used in the maritime, aeronautical and rail industries. In fact, Japan’s iconic shinkansen (high-speed trains) use KYB’s unique semi-active suspension. ♦ www.kybmiddleeast.com



KYB “Excel-G” and “Premium” aftermarket replacement shock absorbers



His car will have KYB shock absorbers, just like 1 in 4 new cars in the world



KYB Middle East FZE www.kybmiddleeast.com