



His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai with His Excellency Pedro Sanchez, Prime Minister of Spain

Photo Credit: Government of Dubai Media Office



His Excellency Iñigo de Palacio España
Ambassador of Spain in UAE

UAE & Spain, A Friendship to Last



Elena Ramírez Marín
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**Kreston Iberaudit and UAE:
A look to the future**



His Excellency Dinesh Kumar Patnaik
Indian Ambassador to the Kingdom of Spain

Strengthening India - Spain Ties

EDITOR'S NOTE



CA. RAJU MENON

After nearly three years, the first in-person Kreston World Conference is all set! The 2022 Kreston EMEA & World Conference which is held in Madrid, Spain from October 19th to 22nd brings together more than 200 delegates from 94 countries. This joint EMEA & World Conference is a great opportunity to reconnect with fellow Kreston firms from around the world and initiate future network collaborations. This year's agenda is inspiring as it focuses on the updated Kreston Strategic Plan, and its key themes for the future: talent and sustainability.

This special edition features an article from His Excellency Iñigo de Palacio España, Ambassador of Spain to the UAE, where he talks about the achievements both countries have achieved without abandoning tradition. He explains the extensive agreements on political dialogue, cooperation in security, defence, sports, education, health which attests how the economic and business relations between Spain and the UAE will grow stronger in the future.

His Excellency Dinesh Kumar Patnaik, Ambassador of India to the Kingdom of Spain expounds on the growing India-Spain economic relationships, in his article "Strengthening India-Spain Ties". He not only recaps the history of cordial relationship between the nations, but also shares an optimistic view on how Indian Startups can benefit from the robust Spanish entrepreneurship ecosystem.

Elena Ramírez Marín, Managing Partner, International Office of Kreston Iberaudit – the host of the World Conference, and Board Member of Kreston Global explains how the warm bilateral relations have resulted in major UAE investments in Spain and on the attractiveness of UAE Market for Spanish companies and products.

The Kreston World Conference will be a platform for member firms to network and build relations to serve our clients better globally – be it to support overseas expansion plans of a client or as an alternative service provider across multiple territories for a multinational or to provide investment and tax advice to investors across different jurisdictions across regions.

Kreston Global with 160 collaborating member firms across 110 countries remains committed to find the best business solutions for our clients.

SPIRIT OF KRESTON AWARD



Sudhir Kumar, Senior Partner & Head - Corporate Communications, Kreston Menon won the Spirit of Kreston award inspired by the Kreston Global network founder, Dr Gabriel Brösztl. This annual award recognises a person in the network who embodies Kreston's ethos of an international mindset, who seeks to connect people and is entrepreneurial, driving positive change for their clients and their people.





STRENGTHENING INDIA - SPAIN TIES



His Excellency Dinesh Kumar Patnaik

Indian Ambassador to the Kingdom of Spain
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I am delighted that Kreston Global is having their Annual conference in Spain. While the UAE-Spain trade and business corridor is quite active, I would like to talk here a bit about the India-Spain economic & commercial relationship.

India and Spain share a very close relationship, both being strong democracies and without any bilateral, geopolitical irritants. Relations between India and Spain go back to the 20th century and Christopher Columbus, who discovered America, was actually sent by the Spanish Queen to look for a route to India. In 1937, Rabindranath Tagore wrote a Pamphlet titled "Conscience of Humanity", which appealed to Indians to help in the fight for democracy during the Spanish civil war. In modern times, we established democratic relations in 1956 and today we have a vibrant political and economic relationship, which also encompasses considerable interaction in the field of Education, Science & Technology, Culture and other fields.

Economic & Trade relations have been extremely vibrant and Spain is India's 6th largest trading partner in the EU. Bilateral trade, which registered a drop of 19 per cent during the pandemic, has rebounded and crossed 2019 figure of US\$ 6.5 billion. India has a surplus of about US\$ 3 billion in its trade balance with Spain, but this is offset to a large extent by the large number of Spanish companies present in India who are doing very good business.

There are about 250 Spanish companies in India, with multi-sector presence across infrastructure & construction, auxiliary products and industrial engineering, renewable energy and environmentally sustainable products, EICT (electronic information and communication technologies),

automotive components and automotive accessories. Spain has also invested more than US\$ 3.56 billion as cumulative FDI in India. Recently, the Ferrovial Group of Spain invested US\$ 425 million in the infrastructure sector through Prime Minister's Gati Shakti Master Plan.

In addition, India has recently signed a major contract with Airbus Spain for procurement of 56 C-295 military transport aircrafts. This is one of the biggest 'Make in India' contracts signed as 40 of the 56 aircrafts would be completely made in India with almost 13,000 plus parts of the aircrafts to be manufactured and assembled in India. This will see a relocation of the entire supply chain for Aerospace industries, especially for the C-295 aircrafts to India.

As I had mentioned before, India has a surplus in its bilateral trade with Spain with the main items of export being organic chemicals, textiles and garments, steel, fuels & mineral oils, aluminium and other articles, leather and leather goods, marine products, vehicles, auto components, pharmaceutical, pigments, inorganic chemicals, etc.

India has also made considerable investment in Spain of almost US\$ 1 billion. There are more than 50 Indian companies in Spain mainly in Software & IT services, automotive parts & automobile industries, pharmaceuticals, chemicals and logistics.

The future looks bright for India-Spain collaboration and there are many sectors in which there is considerable scope for cooperation among entrepreneurs of Spain in India, with a maximum potential being in the start-up business. Spanish entrepreneurship ecosystem increased between 2015 to 2021 from €10 billion to €46 billion. This provides considerable opportunity for start-ups in India to upscale in Spain and Spanish speaking countries as well as for Spanish start-ups to do the same in India. The future is bright for India-Spain relations and companies and organizations active in this corridor, especially in UAE should take advantage of this opportunity.



UAE AND SPAIN, A FRIENDSHIP TO LAST



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We understand friendship to be a state of lasting affection, esteem, intimacy, and trust. Since I have been performing my duties as Ambassador of Spain, barely a year ago, I feel that Spain is treated as a friend in the United Arab Emirates. This friendship has been built on multiple historical and cultural connections, as we witnessed at the Spain Pavilion at EXPO Dubai 2020, where visitors were presented with traits of a common history in areas such as arts, science, tradition, gastronomy and language. It is not sufficiently remembered that more than 4,000 words of everyday Spanish vocabulary come from Arabic, through a centuries-long evolution that has kept them practically intact.

In recent history, our affection has transcended these cultural and historical links. The Spanish community in the UAE, made up of more than ten thousand nationals, is the largest community in the whole of the Middle East, Sub-Saharan Africa and Asia. They are present in the most diverse professional sectors, working in Spanish and foreign companies, in universities and in the Emirati public administration. There are doctors, engineers, owners of SMEs, lawyers, entrepreneurs in the hospitality sector, in finance and banking, among others. All of them feel at home because of the tolerance and open-mindedness they have found in the country that welcomes them and their families.

On the other hand, Spain is one of the favourite destinations for tourism in the UAE. The pre-COVID 19 figures have been recovered. 120,000 Emirati tourists visit Spain every year, and the trend points to future growth. Their interest is evenly split between Barcelona, Madrid and Andalusia, although more and more tourists are keen to discover other regions, such as the charming north of Spain, the Basque Country, Cantabria, Asturias and Galice.

They like our culture, our gastronomy, the historical sites, the football championship "La Liga" and, of course, the character of our people because, as is the tradition in the UAE, we know how to be hospitable.

Both countries have achieved rapid and vigorous economic development without abandoning tradition. Spain is the fourth largest economy in the European Union, ranked as one of the best countries to live in because of its high quality of life, its world-class infrastructure system, and its political and economic stability. Moreover, the UAE is admired not only within the Middle East region but around the world because it has proven to be able to develop the Founder's vision consistently and effectively and to be at the forefront in many of its global initiatives. The aspiration for continuous progress makes Emirati society strong and forward-looking in a global environment undergoing enormous geopolitical transformations.

But building a lasting friendship requires trust to inspire our bilateral relations. The UAE and Spain have extensive agreements on political dialogue, cooperation in security, defence, sports, education, health and, of course, in the economic and business fields. In all these fields, we consider the UAE a growing strategic partner and we aspire to consolidate this understanding together. Proof of this are the fruitful visits during the EXPO: our Prime Minister, six cabinet ministers, several presidents of autonomous regions and more than a dozen delegations representing the most varied interest groups. All these visitors were very impressed by a sometimes little-known reality, characterised by a high level of development and the promise of a bright future of internal cohesion and influence in the world. H.M. King Felipe VI personally came to present His condolences and those of the Spanish people to H.H. the President, Sheikh Mohamed bin Zayed Al Nahyan, on the passing of the late H.H. Sheikh Khalifa.

Trust is also at the heart of any economic and commercial relationship. It is true that the Spanish business presence in the UAE was not as early as in other neighbouring countries, because the process of internationalisation of Spanish companies had begun in the European Union's market and in Ibero-America in the late 1990s. However,

in the last twenty years bilateral economic and trade relations have increased exponentially. Not in vain, almost 8,000 Spanish companies export annually to the UAE and our exports reached €2 billion before COVID 19 and during the first 6 months of 2022 we have achieved the same exports as in 2019. UAE exports to the Spanish market are growing at an even faster pace, experiencing a 167% increase in 2021 compared to 2020. Aluminium, mineral oils and plastics are experiencing an increasing weight in the UAE's trade flows to Spain.

We also see a strong presence of Spanish companies in the UAE and a long history of projects and investments in both directions. We have a reputation for efficiency in civil works, including engineering, railway technology, energy, water and hospitality, among other sectors. We have found fertile ground in energy, renewables and water management. Just as an example, I can recall that the first solar park in the UAE and the Middle East (Al Shams) was designed and executed by a Spanish company or that five different Spanish companies have participated in all the different phases of the Al Maktoum Solar Park, the largest single plant solar park in the world.

The UAE is a place where our companies feel comfortable doing business and benefit from being based in a country like the UAE, which is the most important commercial and financial centre in the region and a major connection further afield in Africa and Asia. Spanish companies know that the UAE is a very competitive and demanding market, but it allows them to gain experience that enables them to compete anywhere in the world. Although COVID 19 has slowed this flow of investment, I know that the investment appetite of Spanish companies remains intact and that investments are underway in less mature sectors such as information technologies and digital solutions for the new economy, health, agro-technology, defence, aerospace.



Raju Menon - Chairman and Managing Partner and Sudhir Kumar, Senior Partner & Head-Corporate Communications, Kreston Menon met with His Excellency Iñigo de Palacio España, Ambassador of Spain in UAE and His Excellency Andrés Salinero, Trade & Economic Counsellor, Embassy of Spain in UAE at the Kreston Menon Dubai HQ.

To support these ongoing flows of investment and activity to the UAE, in addition to the Spanish Embassy and its Economic and Commercial Office, the Spanish Business Council (SBC) plays a key role in this important mission. The SBC represents the majority of the 250 Spanish companies permanently established in the UAE and its hard work and leadership role in the region has earned it the vice-presidency of the Spanish Business Councils in the Middle East, Asia, Africa and Australia.

Emirati investors also have confidence in the Spanish economy, representing one of the leading foreign investors in Spain (10th outside the EU and 16th worldwide). UAE investment flows to Spain are mainly through its sovereign

wealth funds (ADIA and Mubadala), Aldahra or DP World, although other investors of more moderate size are investing or are interested in doing so in the short and medium term. Although the stock of UAE foreign direct investment in Spain is already high (over 6 billion euros), I am sure that the great opportunities offered by the Spanish economy will lead to a substantial increase in investment flows from the UAE in the future. On the occasion of the visit of our Prime Minister during Spain's National Day at EXPO Dubai 2020 on 2 February, two important agreements were signed to boost investment flows from the UAE and from Spain, namely the Bilateral Investment Treaty and the MOU between Mubadala and COFIDES (a Spanish state-owned financial company). Hopefully, we will soon reap the fruits of both agreements.

But what lies ahead for our future economic relations? The Emirati authorities, as part of their economic diversification strategy, have ambitious plans in sectors such as railways, water desalination, aerospace and defence, the circular economy, agro-technology and hydrogen. Some of these have become the fastest growing sectors in the world, so the UAE is set to become a major global player in these domains. Spanish companies are aware of these opportunities and can contribute to their development with their experience, professionalism and technology. We have shown that we are a reliable and long-term partner. Local institutions and companies want to work with the best in the world and know that Spain is among the world leaders in some of the sectors mentioned.

It is illustrative briefly to review some key data of our strengths in these areas: in renewable energies, in 2021 Spanish power plants produced 46.6% of national electricity from renewable sources. In the railway sector, Spain has the second longest high-speed rail network in the world, and we enjoy the highest reputation in this sector in engineering, systems, rolling stock and operations management. In the field of desalination, Spain started in the 1960s in the Canary Islands and today we have more than 700 plants in Spain, mainly on the coast, being a world leader in the more sustainable and efficient reverse osmosis technology. In 2021, Spain was again the largest producer of fruit and vegetables in the EU.

Given that the climatic and soil conditions in the UAE are quite similar to those of some Spanish regions such as Murcia or Andalusia, the scope for collaboration is enormous. Finally, Spain has approved the Hydrogen Roadmap which aims to provide ambitious targets: an installed capacity of 4 GW of electrolyzers and a series of milestones in the industrial, mobility and electric sectors, for which it will be necessary to mobilise investments estimated at 8-9 billion euros during the period 2020-2030. In Spain, the largest green hydrogen plant for industrial use in Europe was inaugurated last May in Puertollano, developed by the Spanish champion Iberdrola for the Fertiberia Group. These are just a few examples of how Spanish companies can become ideal candidates to participate in ambitious projects in the UAE in the coming years.

Beyond our significant economic achievements and our promising path together, we know that the UAE and Spain are much more than economic partners. Their mutual affinity and affection will only grow stronger as we look to the future, in good times and in bad, such is our friendship.

Kreston Iberaudit and UAE: A look to the future



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Spain's economic relationship with the Middle East has been consolidating for more than a decade. In this context of trade exchanges, the search for new business opportunities and the attraction of foreign capital, the United Arab Emirates (UAE) has become a key strategic partner, with diplomatic relations between the two countries being one of the most important aspects of our foreign policy agendas.

The good harmony with the Emirati country has marked the continuity of bilateral relations that have resulted in strong UAE investment in the Spanish economy and the presence of some of our companies in the Middle Eastern country.

The potential of the Spanish market for investment from the UAE and the Middle East

The relationship between Spain and the United Arab Emirates (UAE) is a relationship of opportunities between first-class partners. Middle Eastern companies, such as the Emiratis, find business opportunities in the Spanish market, while Spain finds the opportunity to receive a significant economic injection. Specifically, the UAE ranks 16th among foreign investors in Spain with 6,148 million euros in 2019, which makes it a strategic partner.

Strengthening trade ties with the United Arab Emirates ensures that Spain will boost its economy by strengthening contacts between national and foreign companies and establishing medium and long-term economic relations. It is, therefore, an advantageous alliance for the Spanish business fabric. In fact, in 2020, the United Arab Emirates ranked as our **30th customer** internationally and the first among Middle Eastern customers in 2019, according to data from the Institute for Foreign Trade (ICEX) Spain.

ICEX confirms that Spain made exports to United Arab Emirates in 2020 worth 1,509 million euros, a significant figure considering that the UAE leaves in Spain a stock of 6,000 million euros in investments. These investments originate in the sovereign wealth fund Mubadala, the UAE government's investment fund.

For the UAE, Spain contributes to its industrial plan for the next ten years. This plan involves the **diversification of its economy**, opening up to sectors such as technology, infrastructures, health and food security through investment abroad. In this sense, the impact of COVID has put international service companies, including Spanish companies, in the UAE's sights.

Economic and political stability: Spain's main attractions for Emirati capital

There are many reasons why investment in Spanish companies is attractive. Aspects such as socio-political security and its membership of the European Union as a member state, together with the good performance of foreign investments in our country, are important and

relevant arguments for the UAE's foreign trade strategy. Precisely, Spain has the **Recovery, Transformation and Resilience Plan** underway, through which European Next Generation funds will be used to attract investment to mitigate the impact of COVID on our economy.

Among the different sectors of shared interest between Spain and the UAE, I would highlight the development of renewable energies, as Spain is a world reference in this sector and the UAE is at the forefront in the production of electricity from solar energy. Other sectors with ample possibilities for expansion and growth are energy transition, sustainable mobility, transport, circular economy, digitalisation, biotechnology and agribusiness.

Moreover, we should not forget that the excellent relations between the Spanish and Emirati monarchies have played a fundamental role in the consolidation of this strategic alliance.

On the other hand, Spain's close ties with Latin America, both economically and culturally, are an additional incentive for the UAE, which, in order to diversify its economy, has seen South America as a potential strategic and commercial partner. Proof of this was the Dubai Chamber of Commerce's holding of the Global Business Forum Latin America last February.

Legal reforms to attract foreign investment in the UAE

To mark the 50th anniversary of the country's independence in 1971, the UAE has undertaken a **revolutionary reform programme to make foreign investment more flexible**. On 2 February 2022, the new Federal Companies Law came into force, abolishing the previous requirement

that a majority of the shares of the investing company in the country be owned by an Emirati national or company. This important reform also makes it easier for Spanish companies to have a presence in the UAE, particularly those linked to the energy, financial, infrastructure and industrial sectors.

Kreston Iberaudit, the best ally for UAE companies investing in Spain

UAE companies wishing to establish themselves in Spain will find in Kreston Iberaudit a faithful companion for their **adaptation to the local legal framework**, as our professionals have extensive experience in national and international tax law, being able to provide the resources and legal solutions necessary for the consolidation and growth of their investments. Kreston Iberaudit has a total of 320 employees and 15 offices, providing services in the areas of tax, auditing, consulting, legal and outsourcing, combining experience, solvency and empathy to provide multidisciplinary advice to help our clients meet their objectives.

This core business, the added value of its team and future strategic lines, such as sustainability, form part of the conference programme that will be addressed at the next Kreston Global world congress in Madrid from 19 to 21 October 2022. The congress will be hosted by Kreston Iberaudit, the exclusive representative of Kreston Global in Spain, Andorra and Portugal and with a presence in the main Spanish cities. Kreston EMEA & World Conference in Madrid will be the first congress held by Kreston Global after pandemic, which is another sign of the importance of Spain as a country for investment and business development.



Thursday, 20 October

AGENDA

09:45-10:30

Welcome coffee with first-time attendees and Board of Directors

10:30-11:00

Chairman's and host firm's welcome

11:00-12:30

Report to members and AGM

12:30-13:00

Coffee break

13:00-14:00

Keynote: Influential leadership skills for challenging leadership times

Mariana Ferrari, President, DOOIT

14:00-15:45

Lunch

15:45-16:45

Kreston Futures: Attracting and retaining your talent

Liza Robbins, Kreston Global
Carla Torras Martí, Kreston Iberaudit
Emily Baldwin, Kreston Reeves

16:45-17:45

Kreston Futures: Developing your talent and growing your firms

Virginia Cook, Kreston Global
Shibu Abraham, Kreston Menon
Heidi Thompson, Duncan & Toplis

19:30-0:00

MasterChef activity with dinner

Friday, 21 October

10:00-11:15

Marketing breakfast: Building an employer brand

Virginia Cook, Kreston Global
Sudhir Kumar, Kreston Menon
Caroline Cleary, Duncan & Toplis
Paul Seymour, Bishop Fleming

11:30-14:30

Global Group meetings: Audit, Corporate Finance, Tax

14:30-16:00

Lunch

16:00-17:20

The journey to sustainability: Featuring case studies from across the network

Liza Robbins, Kreston Global
Andrew Griggs, Kreston Reeves

17:20-18:00

Conference wrap-up

21:00-3:00

Gala dinner & afterparty

Saturday, 22 October

12:00-19:00

Day trip to Finca Los Jarales

UAE BUSINESS UPDATE



Dubai launches Metaverse Strategy

Adopting every revolutionary idea in a pragmatic way, and to become a global hub for innovation and futuristic transformations and a key driver for digital and knowledge-based economies around the world, Dubai is launching its strategy on Metaverse. Recently concluded Dubai Metaverse Assembly hosted various activities such as panel discussions and specialized workshops for major companies and organizations to generate tangible outcomes. The assembly put forth thoughts from various leaders to share their vision of the future, considering the infinite opportunities and unprecedented solutions offered by the metaverse. Reports estimate expenditure on virtual products in the metaverse reached \$54 billion in 2020, whereas, in 2021, just the NFT or non-fungible tokens market amounted to nearly \$41 billion.

The assembly further explored how the revolutionary technology can be deployed across vital sectors to create a better future and quality of life for humanity and further demonstrate to position Dubai as one of the best cities in the world by investing in promising economic opportunities, adopting, and deploying metaverse technology, and developing digital infrastructure that supports global transformations and the digital economy.

