

The economic impact of Expo 2020 Dubai

Executive summary

April 2019

Prepared for



**EXPO
2020
DUBAI
UAE**

EY

Building a better
working world

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Expo 2020 Dubai at a glance

Expo 2020 Dubai (Expo 2020 or Expo) is an international mega event that will be hosted in Dubai, United Arab Emirates (UAE). It aims to entertain and educate a global audience, celebrate innovation, promote progress and foster cooperation.

EY analysis shows how Expo 2020 is a long-term investment for the UAE, how it is expected to create jobs directly and indirectly and how it is expected to have a significant positive impact on the UAE's economy now, during, and after the event.

From 2013-31, Expo 2020 and its legacy are likely to contribute

AED122.6b gross value added (GVA)



to the UAE's economy.*

At its peak level of activity (During-Expo), the impact is expected to be equivalent to 1.5% of the UAE's annual gross domestic product (GDP).

Expo 2020 and its legacy are also expected to support



c.905,200 full-time equivalent (FTE) job-years

in the UAE from 2013-31.

This is equivalent to **c.49,700 FTE jobs** per annum in the UAE.*



AED40.1b is expected to be invested in

infrastructure and other assets

for Expo 2020.*

Most of the infrastructure is likely to be retained for future use.

Expo 2020 will run from



October 2020 to April 2021.

Economic impacts will be felt before, during and after these dates.

Expo 2020 is expected to attract



25 million visits

and

190 country participants.



As an **Expo host**,

the UAE is likely to benefit from improved international profile and reputation.

Pre-Expo (2013-20)

Total GVA **AED37.7b**

Average **37,500 jobs** supported per annum

During-Expo (2020-21)

Total GVA **AED22.7b**

94,400 jobs supported per annum

Legacy (2021-31)

Total GVA **AED62.2b**

Average **53,800 jobs** supported per annum **

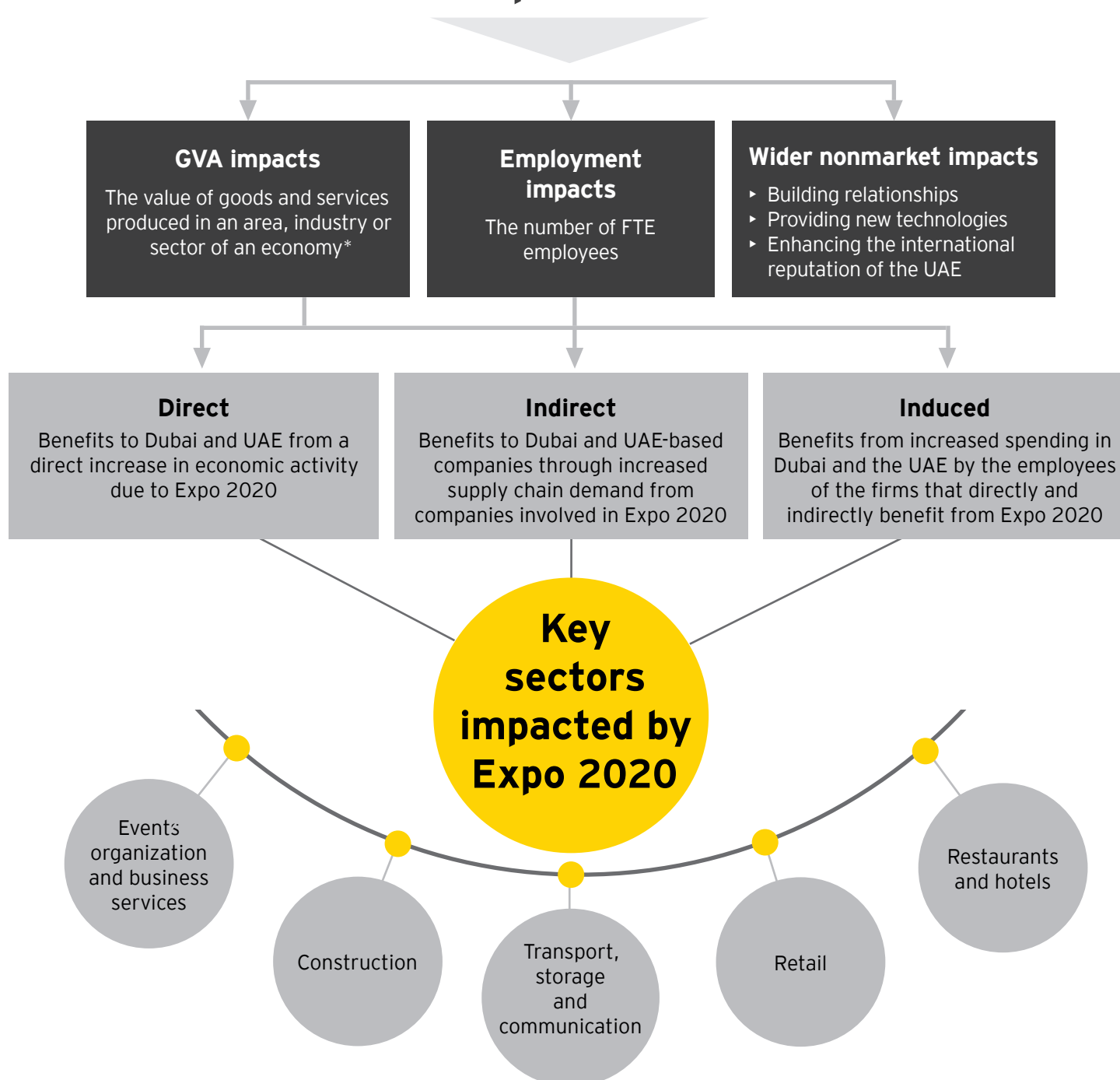
Impact over time in the UAE

*Estimates are based on available data (sources include Expo 2020 organizers, Roads & Transport Authority (RTA), Dubai Municipality (DM), Etisalat, and Dubai Electricity & Water Authority (DEWA)). This includes on-site and off-site investments by the Expo 2020 organizers and other investors from 2013-31. Numbers are stated in 2018 AED. Employment estimates are not restricted to employees directly hired by Expo 2020; they also include employees in related sectors. Further, the employment estimates exclude volunteers (expected to be 30,000 volunteers in the During-Expo period). One job-year refers to a year's employment for one FTE employee. The total foreign investment related to Expo is estimated to be AED4.5b.

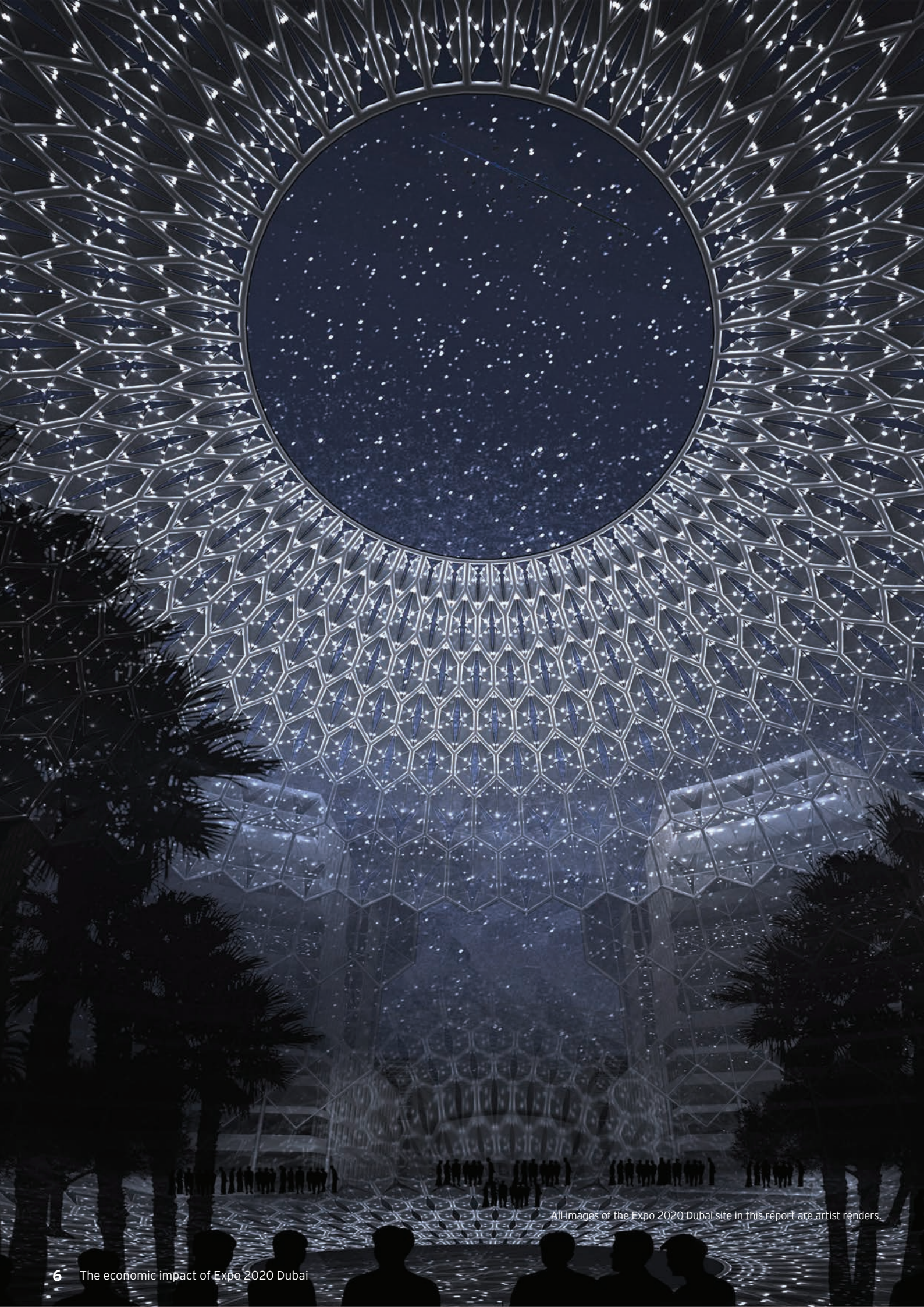
** Note that the Legacy impacts are based on a number of assumptions about the likely economic activity during this phase.

Expo 2020 is expected to deliver value to the UAE economy directly and indirectly

Expo 2020



*For the purposes of understanding the economic contribution of Expo 2020, GVA can be considered similar to GDP. GVA differs from investment, which has been estimated as the total Expo-related capital expenditure.



All images of the Expo 2020 Dubai site in this report are artist renders.

The impact of Expo 2020 is expected to occur in three distinct phases, covering both on-site and off-site activity

The impact of Expo 2020 is likely to be felt in three distinct phases:

- **Pre-Expo:** from November 2013 (when Dubai won the bid to host the Expo) until October 2020 (when the Expo opens)
- **During-Expo:** from October 2020 until April 2021
- **Legacy:** from May 2021 until December 2031

EY teams calculated the impacts separately for each of these time periods. The teams also calculated the total GVA impact, average FTE employment and total FTE job-years supported over the full period.

The study focuses on the activities and investment on the Expo site. However, significant investments are happening outside the boundaries of the event site (the site), which would not have happened, or would have happened only at a later date, if the Expo were not scheduled in 2020. This is also included in the economic impact assessment (EIA).

Key drivers of impact

Pre-Expo (2013-20)

- Construction: on-site, supporting infrastructure, adjacent sites
- Employment: construction sector

- Construction and employment: on-site and off-site, including utilities and infrastructure investment

Relevant activities

During-Expo (2020-21)

- Visitors to Expo (residents and tourists)
- On-site and off-site operational spend

- Visitor expenditure: on-site and off-site (hotels, retail and hospitality)
- Employment: on-site and Expo-related expenditure
- Operations: on-site buildings and on-site and off-site infrastructure operations and maintenance

Relevant activities

Legacy (2021-31)

- District 2020 creation and operations
- Dubai Exhibition Centre (DEC) expansion and operations

- On-site investment, operations and employment
- Off-site investment, operations, maintenance and employment
- Delegate expenditure (hotels, retail and hospitality)

Relevant activities



Total contribution (November 2013 to December 2031)

Expo 2020 is expected to make a significant contribution to the UAE economy. This is through:

- ▶ Construction activity: especially in the Pre-Expo phase
- ▶ Visitor activity: especially in the During-Expo phase
- ▶ Commercial activity and visitors to DEC: during the Legacy phase

Over the whole period of this study, AED40.1b is expected to be invested in infrastructure and other capital assets. The vast majority of this investment is in the Pre-Expo phase. Most of the infrastructure is likely to be retained for future use through the Legacy period and beyond.

Expo 2020 is expected to attract 25 million visits and 190 country participants. Visitor expenditure is expected to be the key driver of the economic contribution in the During-Expo period.

GVA

of

AED122.6b

is likely to be supported in the UAE by Expo-related activity from 2013-2031.



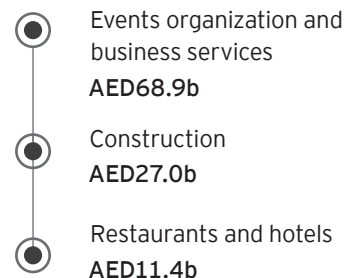
The relationships and experiences created by Expo are likely to continue to have an impact long into the future.

At its peak level of activity, in the During-Expo phase, the GVA impact is expected to be equivalent to 1.5% of the UAE's annual GDP.

The sector story is more complex, with different sectors benefiting during different phases of the project. The events organization and business services sector is expected to be impacted most consistently across all phases, and particularly in the Legacy phase. The construction sector is likely to be particularly impacted in the Pre-Expo phase, and the restaurants and hotels sector in the During-Expo phase.

Expo activity is expected to support the equivalent of c.905,200 FTE job-years over the full period of this study (2013-31). This is equivalent to an average of c.49,700 FTE jobs per annum in the UAE.

Top sectors by total GVA*



* This only covers the top three impacted sectors.

A range of nonquantifiable impacts are also likely in the Legacy period. Although the scale of these impacts has not been measured in this study, they are likely to have an economic impact on the UAE for a number of years. These include:

- ▶ Fostering innovation by supporting small- and medium-sized enterprises (SMEs) through Expo Live and other key initiatives in the UAE
- ▶ Improved trade relations at a country-to-country level from relationships developed during the Expo
- ▶ Improved business relations at a firm-to-firm level from the relationships developed during the Expo
- ▶ Increased international profile of Dubai and the UAE as a place to do business, work and invest
- ▶ Increased international profile and attractiveness of Dubai and the UAE as a tourist destination

A total of

c.905,200

FTE job-years are likely to be supported in the UAE by Expo-related activity from 2013-31.

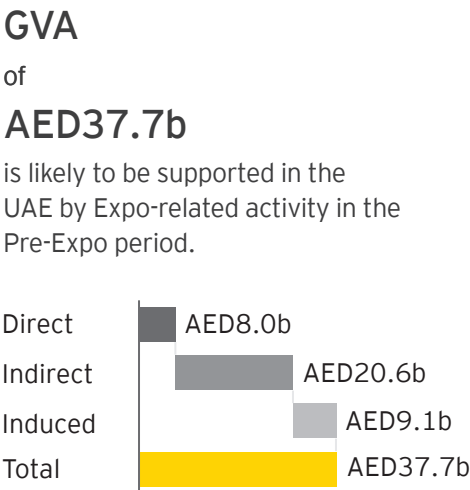




Pre-Expo contribution (November 2013 to October 2020)

Construction activity is expected to drive Expo-related activity in the Pre-Expo period. This includes:

- On-site activities such as site preparation, as well as facilities and infrastructure development through investments by the Expo 2020 organizers and other infrastructure providers, as well as on-site investments. It also includes on-site investments by participating countries in their pavilions.
- Off-site activities such as investments by third parties in activities, or investments that have been brought forward as a result of Expo 2020, with most of the activities relating to infrastructure investments by the Roads & Transport Authority (RTA), Dubai Electricity & Water Authority (DEWA), Etisalat and Dubai Municipality (DM).



The GVA impact in the Pre-Expo period is estimated to be AED37.7b.

An estimated 68% of the total GVA impact is likely to be felt in the construction sector. Other sectors in the Dubai and UAE economy that are likely to feel significant impact include events organization and business services and transport, storage and communication.

Around 20% of the on-site spending is likely to be directed toward the SME sector – the equivalent of AED4.7b.



The Pre-Expo period is expected to support an average 37,500 FTE jobs per annum. These include an average of 27,600 FTE jobs per annum in the construction sector.



During-Expo contribution (October 2020 to April 2021)

The economic impact of the During-Expo period is expected to come mainly from the 25 million visits forecast to the site and the upkeep of the site. This includes:

Visitor expenditure

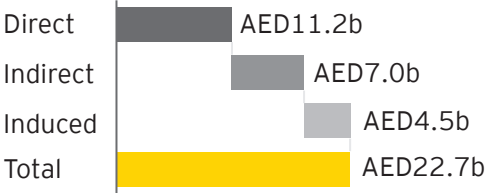
- On-site: this includes entry tickets, merchandise purchases and food and beverage (F&B) purchases at the Expo site.
- Off-site in the UAE: this includes expenditure on aviation, hotels, F&B, retail, and local transport for the portions of visitors' stay that relate to visiting the Expo site.

Operational spending

- On-site: This includes employee and contractor salaries and maintenance spending on on-site infrastructure and buildings.
- Off-site: This includes operational spending beyond what would have occurred in the absence of Expo. It also includes salaries and maintenance related to off-site infrastructure and investments for additional taxi fleets and bus services.

GVA
of
AED22.7b

is likely to be supported in the UAE by Expo-related activity in the During-Expo period.



The GVA impact of the During-Expo period is estimated to be AED22.7b.

An estimated 39% of this impact is likely to be felt in the restaurants and hotels sector. Other sectors of the economy that are expected to feel significant impact include the events organization and business services sector.

Around 20% of the on-site spending is expected to be directed toward the SME sector – the equivalent of AED505m.

Top sectors by total GVA*

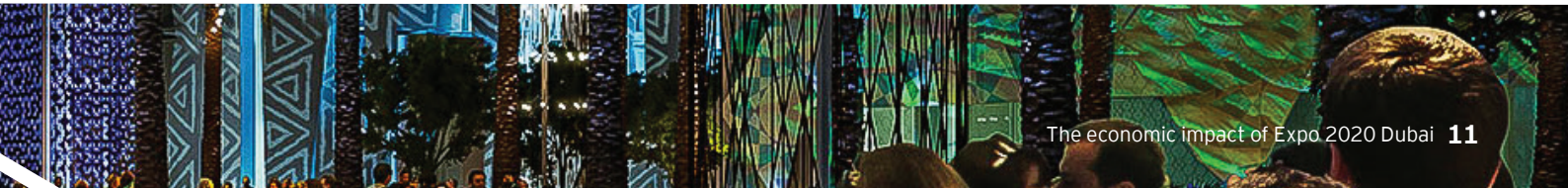
- Restaurants and hotels
AED8.9b
- Events organization and business services
AED7.7b
- Transport, storage and communication
AED2.6b

*This only covers the top three impacted sectors.

The During-Expo period is expected to support 94,400 FTE jobs. These include 51,100 FTE jobs in the restaurants and hotels sector.



A total of
94,400
FTE jobs are likely to be supported in the UAE by Expo-related activity in the During-Expo period.



Legacy contribution (May 2021 to December 2031)

During the Legacy period, the Expo site is expected to transition to District 2020, a large, mixed-used development. District 2020 has been planned to support the UAE's future vision by supporting sustainable economic development, moving toward an innovation-driven economy and creating a business environment to help support key growth industries such as logistics and transport, travel and tourism, construction and real estate and education.

Over 80% of the Expo built environment is planned to be retained for District 2020, which is planned to eventually expand into a city covering more than four million square meters.

Confirmed tenants include Siemens and Accenture, supporting a focus on technology and innovation, with a range of companies expected to follow suit, including a mix of corporations and SMEs. The DEC is also expected to be a key facility in the site.

EY teams have assessed the impact over a 10-year period from 2021-31 to reflect the time frame for the site to become fully operational.

The economic impact of the Legacy period is mainly expected to be driven by the development activity and operations of District 2020 and the incremental effects of the expansion of the DEC. These include:

- ▶ Capital and operational activities for the District 2020 site such as construction of new buildings (commercial, residential and hospitality), employee and contractor salaries, rental revenues, and maintenance spending on existing infrastructure
- ▶ Capital and operational spending for the DEC and visitor expenditure by delegates attending events at the DEC

The GVA impact of the Legacy period is estimated to be AED62.2b.

An estimated 87% of this impact is likely to be felt in the events organization and business services sector. The Legacy period is also expected to support an average 53,800 FTE jobs per annum.

A range of nonquantifiable impacts are also likely in the Legacy period. Although the scale of these has not been measured in this study, they are likely to have an economic impact on the UAE economy for a number of years. These include:

- ▶ Improved trade relations at a country-to-country level from relationships developed during the Expo
- ▶ Improved business relations at a firm-to-firm level from the relationships developed during the Expo
- ▶ Increased international profile of Dubai and the UAE as a place to do business, work and invest
- ▶ Increased international profile and attractiveness of Dubai and the UAE as a tourist destination

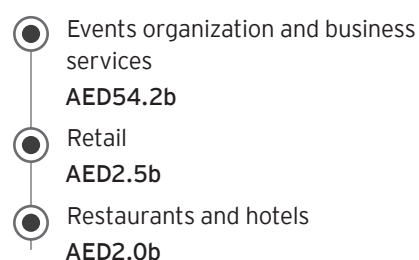
GVA of AED62.2b

is likely to be supported in the UAE by Expo-related activity in the Legacy period.*



*Total does not sum due to rounding.

Top sectors by total GVA*



*This only covers the top three impacted sectors.



A total of
548,300

FTE job-years are likely to be supported in the UAE by Expo-related activity in the Legacy period.



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