

**GBATA 2016**

**18<sup>th</sup> Annual International Conference**

# Innovation and Sustainable Development

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# Outline

## Innovation and Sustainable Development

- The skewed welfare
- Constraints of factors of production
- Quest for a Sustainable Future
- The Case of Dubai

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# The Skewed Welfare

## Innovation and Sustainable Development

- ❑ The world has produced non-stop but vulnerability remains.
- ❑ World Gross Product exceeds US\$108 trillion.
- ❑ More than 83 percent of it is enjoyed by the richest 20 percent of the population.
- ❑ The poorest 20 percent, enjoys less than 1 percentage.

# Constraints of factors of production

## Innovation and Sustainable Development

### How exhausted are the natural resources?

- Only 2.5 percent of water on earth is clean out of which 70% is frozen.
- 70% of available fresh water is allocated to agriculture, 20% to industry and the remainder of 10% to drinking.

# Constraints of factors of production

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# Constraints of factors of production

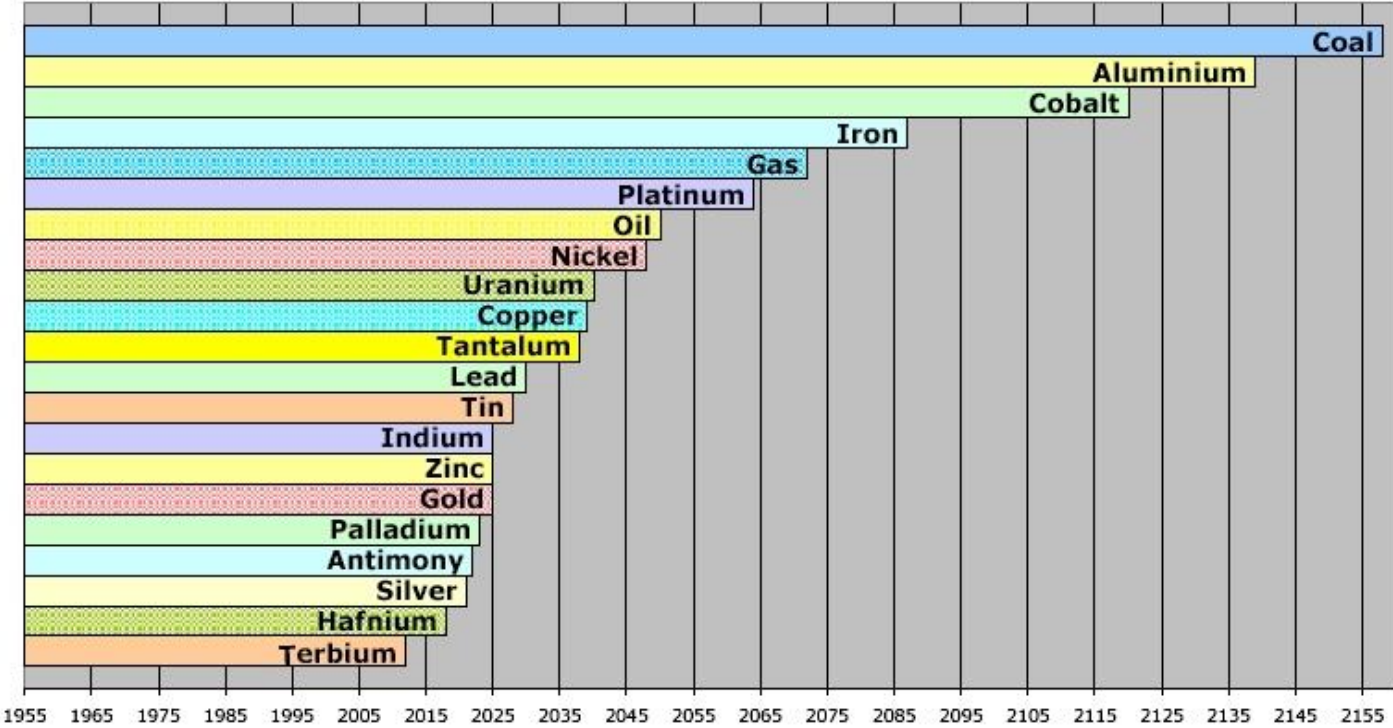
## Innovation and Sustainable Development

- ❑ Oil reserves are non-renewable, and still accounts for 40% of all energy needs.
- ❑ 18 million acres of forests are destroyed annually resulting in half of world's forests already cleared.
- ❑ Deforestation contributes with over 15 percent of global greenhouse gas emissions annually.

# Constraints of factors of production

## Innovation and Sustainable Development

Projected dates for the exhaustion of exploitable natural resources at current consumption rates

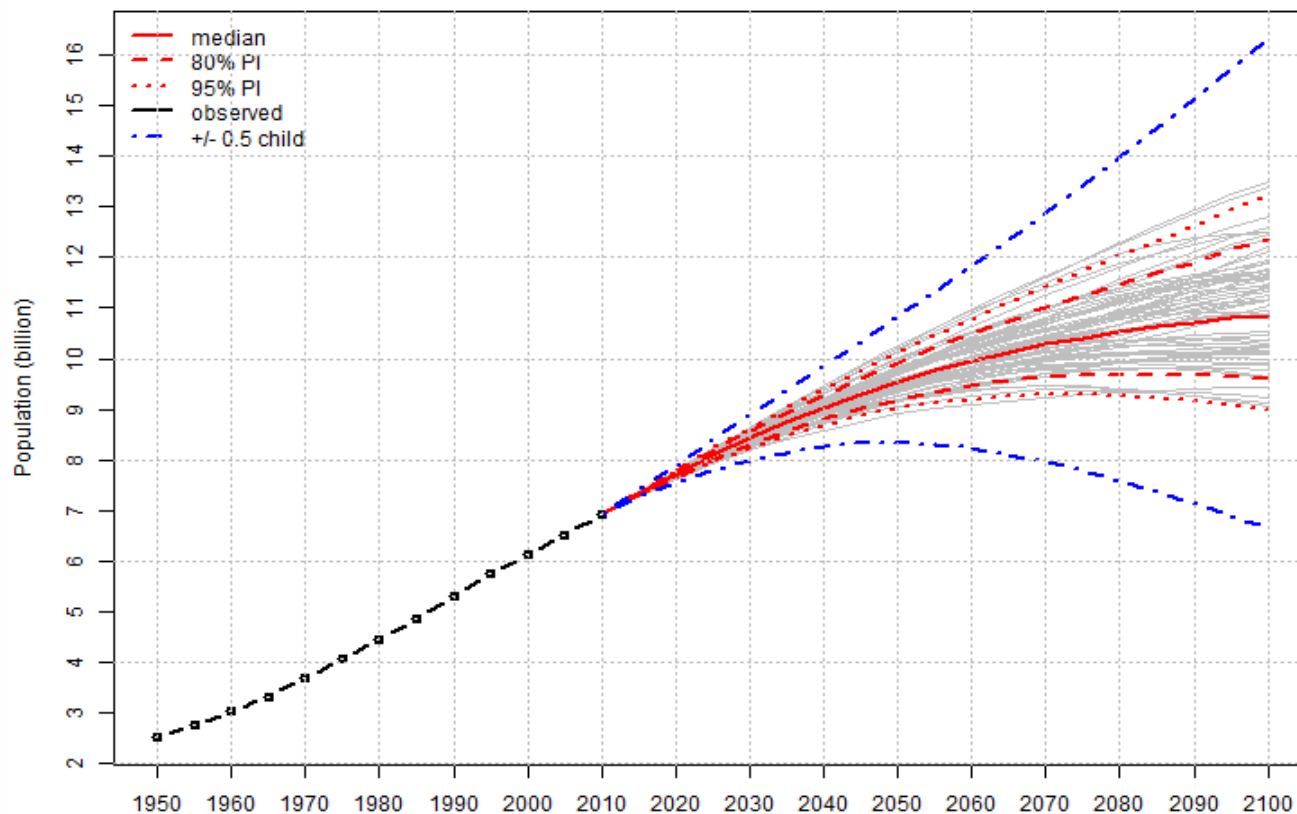


<http://terresacree.org/ressourcesanglais.htm>

# Constraints of factors of production

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WORLD: Total Population



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# Quest for a Sustainable Future

## Innovation and Sustainable Development

Depleting natural resources and increasing needs of the population, enforce markets, as never before, to use available resources more safely and efficiently.

### The challenge:

Markets need to produce more against less resources.

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# Quest for a Sustainable Future

## Innovation and Sustainable Development

It seems that invention and innovation are our only way-out for a sustainable future:

- Markets need to find new ways of production and consumption.
- Technological progress that adds supply with no additional inputs, keeping the cost-function intact.
- Increasing the consumer's surplus and positive externalities.
- Sustainable consumption is supported by the so-called TFP generation.

# Quest for a Sustainable Future

## Innovation and Sustainable Development

- Markets and the public need to focus on TFP generation;
- To help reduce the misallocation of inputs and the general consumption.
- Public goods; an efficient and knowledgeable living environment

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# The Case of Dubai

## Innovation and Sustainable Development

### Oil & Oil Export Hub

- Oil production and export

#### Ports / Airports

- Port Rashid
- Jebel Ali Port
- Dubai International Airport

1960's – 1970's

### Trade, Services & Industry Hub

- Jebel Ali Freezone
- Multi Commodities Center
- Gold & Commodities
- Emirates Airlines
- Dubai Creek
- Dubai Dry Docks
- Dubai Aluminum Company

1980's

### Education, Health & Communication Hub

- Knowledge Village
- Academic City
- Road projects
- Health Care City

1990's

### Urbanization & Tourism Hub

- Real Estate & Industrial Freezone opened to expats
- Telecommunication & Media
- International Financial Center
- Dubai Metro
- Burj Khalifa
- Burj Al Arab
- Palm Jumeirah Islands
- Shopping malls

2000's

### Sustainability

- **Mohammed bin Rashid Center for Government Innovation**
  - to stimulate and enrich the culture of innovation within the government sector
- **Dubai Plan 2021:** sustainable developments addressing:
  - The People
  - The Experience
  - The Place
  - The Economy
  - The Government

2010's

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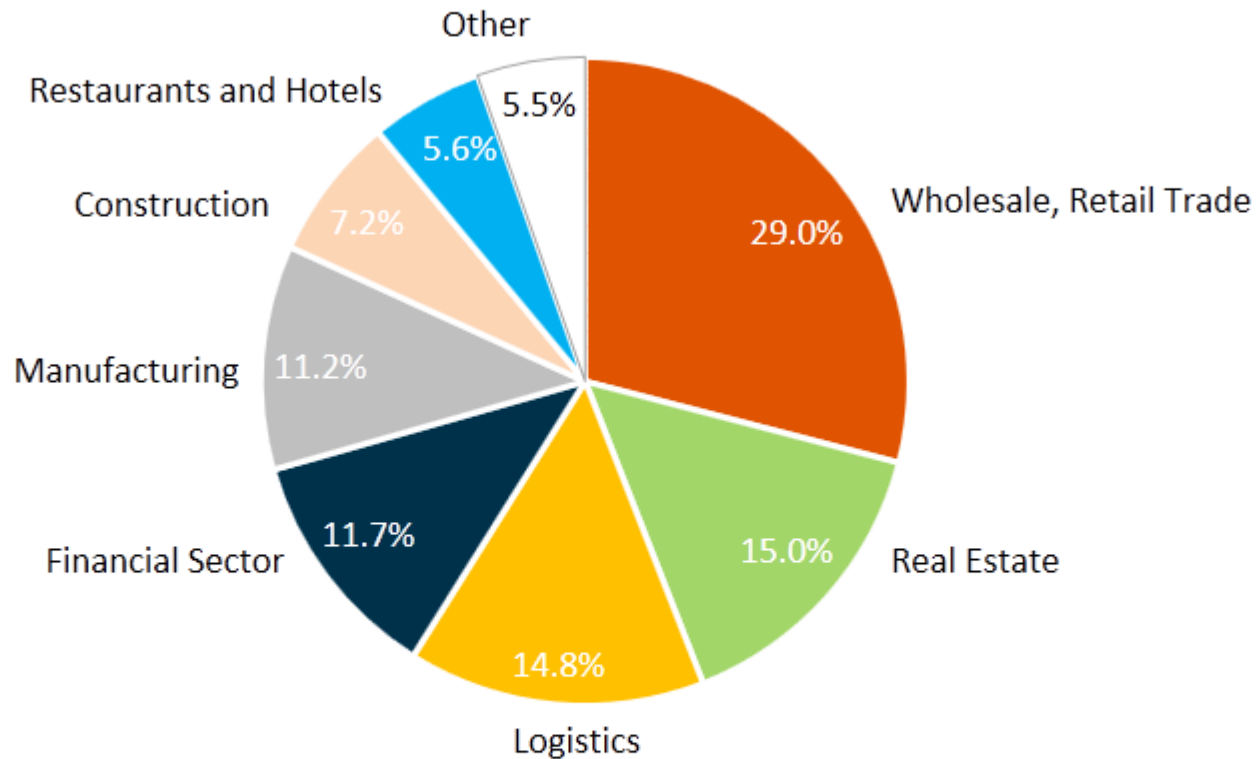


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# The Case of Dubai

## Innovation and Sustainable Development

Dubai Economic Structure -2015 (% share)



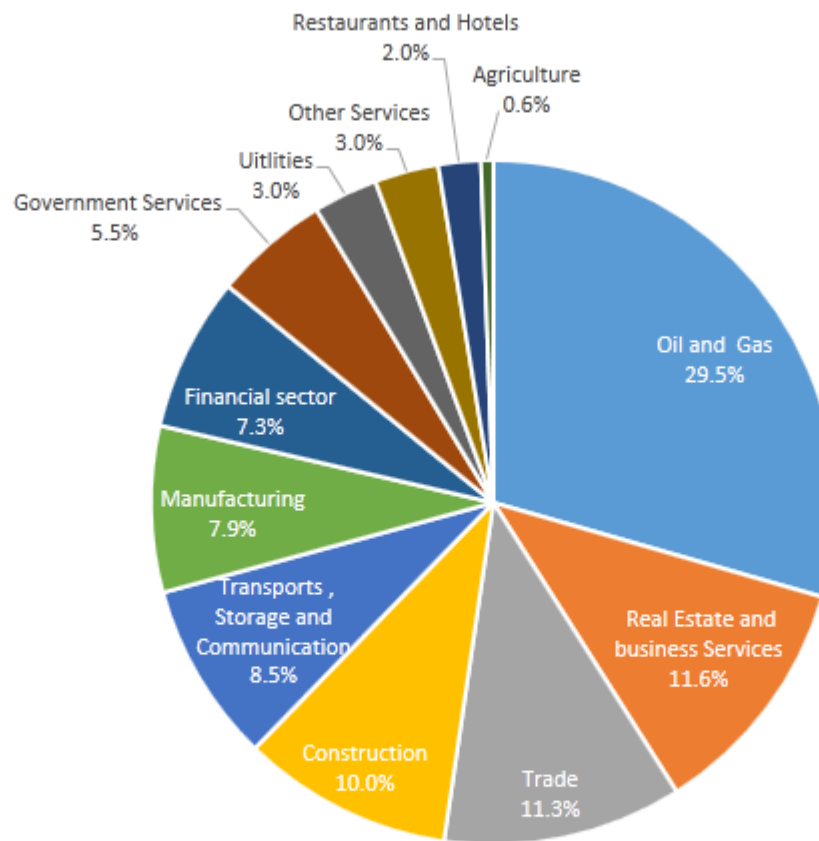
Source: Dubai Chamber, Dubai Statistics Center

- 2015 Real GDP: \$99.8 billion
- 2015 Real GDP per Capita: \$39,900
- 2015 Real GDP Growth: 4.1%

# The Case of UAE

## Innovation and Sustainable Development

### UAE Economic Structure -2015 (% share)



Source: Dubai Chamber, UAE National Bureau of Statistics

- 2015 Real GDP: **\$326.8 billion**
- 2015 Real GDP per Capita: **\$36,060**
- 2015 Real GDP Growth: **3.9%**