

Comments on SME integration into Expo 2020 in Gulf News, 30 Aug 2016

The original article titled "[SME integration into Expo 2020 to help them financially: experts](#)" was published on 30th August 2016 in Gulf News; comments highlighted below.

SME integration into Expo 2020 to help them financially: experts

Expo 2020 Dubai Bureau to allocate 20 per cent of the Expo's Dh25b total spend to local and international SMEs

Awarding contracts to SMEs (small and medium enterprises) to take part in the Expo 2020 will help businesses and the wider economy, economists say. The Expo 2020 Dubai Bureau announced on Monday that it will allocate 20 per cent of the expo's total direct and indirect spend of Dh25 billion, representing more than Dh5 billion in contracts, to local and international SMEs. The contracts will be for work before and during the expo.

The Bureau said it would be spending a total of Dh25 billion on projects to host the expo.

Nasser Saidi, president of economic advisory firm Nasser Saidi and Associates, and former chief economist at the Dubai International Financial Centre (DIFC), said the move by the Expo 2020 Dubai Bureau will give SMEs international exposure and help them receive financing.

"Because of their connection with the expo, it will be easier for SMEs to get financing. Banks will view them as lower risk because of their association with expo," Saidi told Gulf News by phone.

Meanwhile, Marios Maratheftis, chief economist at Standard Chartered, said the contracts will increase economic and

business activity in the UAE. "It is important especially given that global economic growth is slowing down," he said.

At least 10 per cent of all federal contracts in the UAE are allocated to SMEs, according to the Federal Law No 2 of 2014 on Small and Medium-Sized Enterprises and Projects.

The law also stipulates that companies in which the federal government owns a 25 per cent stake must contract local SMEs for at least 5 per cent of their total purchasing, servicing and consulting needs, according to the Expo statement.

Sultan Bin Saeed Al Mansouri, Minister of Economy and Chairman of the UAE SME Council, said in a statement that SMEs play "a central role in the UAE's drive towards cultivating a thriving private sector and diversified economy."

On the opportunities available for SMEs at the Expo, Reem Al Hashimy, UAE Minister of State for International Cooperation and Director General of the Bureau Expo Dubai 2020, stated: "The possibilities for SME participation in Expo 2020 Dubai are vast and extend far beyond the physical site and the six-month duration of the event itself. From the needs of our 30,000 strong force of volunteers, to the services required by international participants developing self-built pavilions, and the transfer of knowledge in the legacy phase, we are committed to working with the most innovative businesses of all sizes."

Vendors and suppliers interested in taking part in the Expo can register on the Expo 2020 Dubai eSourcing portal, which features announcements on upcoming tenders, gives details on awarded packages related to goods and services, and provides further opportunities to integrate into the supply chain through indirect procurement and collaboration.

The procurement process has also been modified to include a proposal validity of 60 days and no requirement for tender bonds and advanced payment guarantee. It also includes 50 per cent advanced payment for goods and materials, 25 per cent advanced payment for services, and a commitment to 30 days' payment from receipt of an approved invoice.

Expo 2020 Dubai will run from October 20, 2020 to April 10,

2021. It is expected to attract 25 million people, with 70 per cent of visitors anticipated to come from outside the UAE.