



# PROPOSAL FOR A UAE COUNCIL OF ECONOMIC ADVISORS

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March 2010



# A UAE Council of Economic Advisors

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**Rationale for UAE CEA**

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**Mission of the CEA**

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**CEA Duties and Functions**

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**CEA Structure & Organisation**

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**Next Steps**

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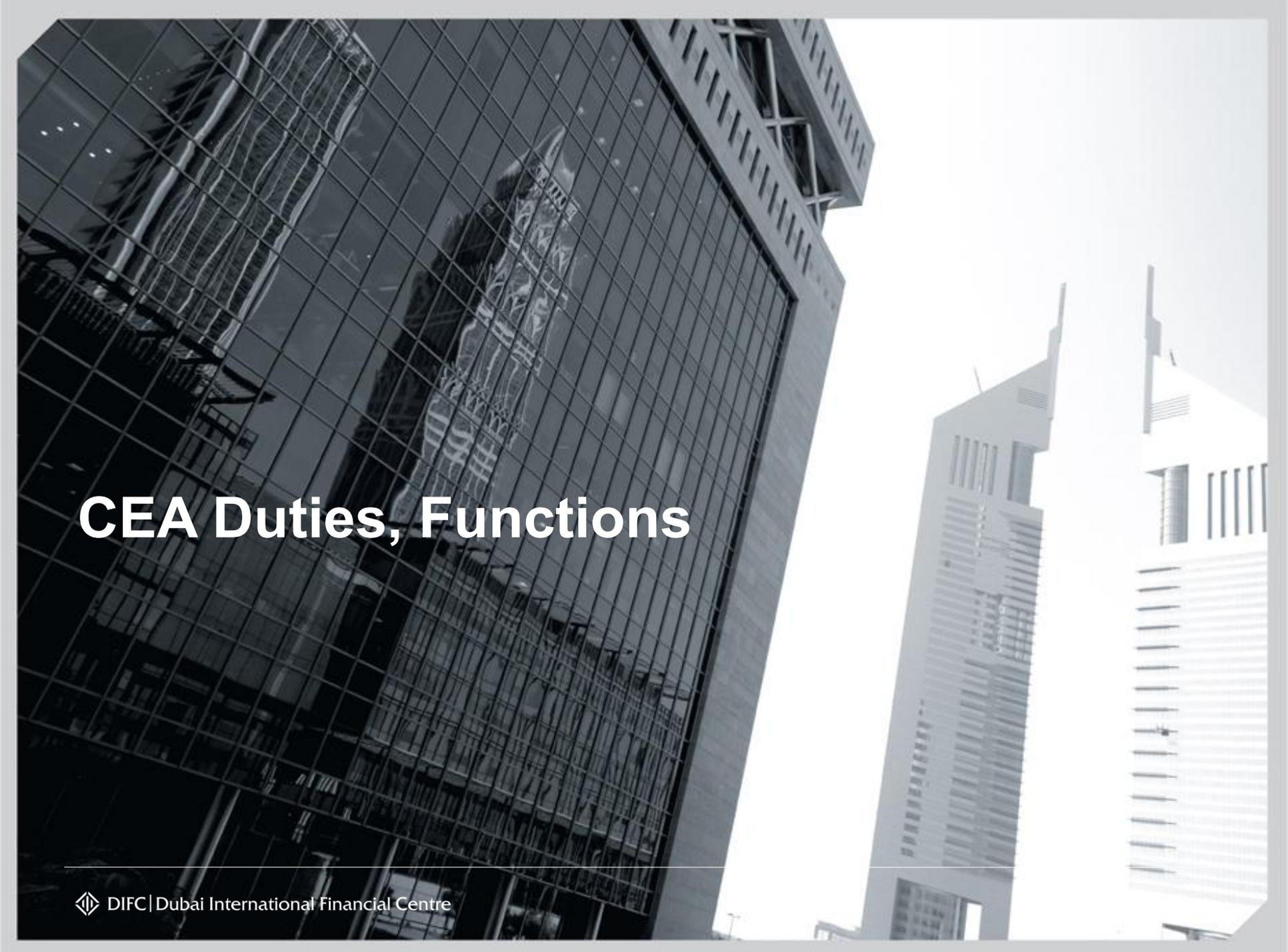
## Rationale for a Council of Economic Advisors

- ❑ The UAE is undergoing a process of growth, modernization and structural transformation with increased investment in infrastructure, financial market development, and economic diversification, in a challenging context of increased GCC, regional and international economic integration.
- ❑ The strategic policy objective is for the UAE to become the central economic and financial hub for a large and dynamic region. The UAE's strategy needs to be supported & enabled by reforms in economic and financial policies and institutions.
- ❑ The UAE is facing an unprecedented global financial and economic crisis which is threatening recent economic and financial achievements. These external threats and their spill over effects require the design, development, formulation and implementation of appropriate policies to counter the effects of the global crisis and its consequences.
- ❑ The UAE needs to develop monetary, fiscal and financial analysis and policy tools to address domestic, regional and international developments and challenges.
- ❑ Current economic & financial developments require rapid action to ensure macro-financial stability. The UAE does not currently possess the requisite agency to undertake economic analysis and develop an appropriate policy framework and tools. This agency would be a Council of Economic Advisors to the Prime Minister (PM) of the UAE.

## Mission of a Council of Economic Advisors

□ The mission of a Council of Economic Advisers (CEA) to the Prime Minister of the UAE is to provide objective economic and financial analysis and advice on the development and implementation of domestic and international economic policy issues, through a consistent economic framework; assess and develop economic, financial and fiscal policy options, develop capacity for economic, financial and fiscal policy analysis to assess economic developments and the financial position of the Federal government and public sector, and focus on the interactions between medium-term economic, financial and fiscal policies, and provide economic forecasting and simulation for the government.

□ The CEA will help ensure the implementation of prudent macro-financial management policies and adequate coordination with monetary and exchange rate policies to achieve macro-financial stability.



# CEA Duties, Functions

# CEA Duties and Functions I

The CEA would have five main duties and functions:

1. To gather timely and authoritative data and information concerning economic & financial developments and economic trends, both current and prospective; to analyze and interpret such information for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of the UAE's strategy & policy objectives; and to compile and submit to the PM reports & studies relating to such developments and trends
2. To develop and recommend to the PM national economic policies in order to maintain macro-financial stability, to foster and promote the competitiveness of the UAE, and to avoid economic fluctuations or to diminish their effects.
3. To make and provide studies, reports and recommendations with respect to matters of Federal economic & financial policy and legislation as the PM may request
4. To appraise the various programs and activities of the Federal Government for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the PM with respect thereto
5. To assist and advise the PM in the preparation of the Annual Economic Report and prepare an authoritative Monthly Economic report for the Council of Ministers that includes economic & financial information on business and financial activity, prices and purchasing power, money, credit, financial markets and Federal finance

## CEA Duties and Functions II

- **Access sources of data** from other government agencies and international financial organizations (IMF, World Bank, UN, OECD and others).
- **Regularly monitor and report on economic conditions, including domestic, regional and international**
- **Act as a policy coordinator** between Federal Ministries and Agencies
- **Function as the economic and financial secretariat for the Council of Ministers**, preparing and addressing the issues on the agenda. The CEA would act as policy advisory body to the Council of Ministers. The CEA would prepare policy orientated briefs, reports and analysis to support the CoM's deliberations.
- **Maintain contact and report to regional and international financial organizations**, including the GCC agencies, Islamic economic and financial agencies, the Arab Monetary Fund, IMF, World Bank, the UN, OECD and others.

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## CEA Reports and Deliverables

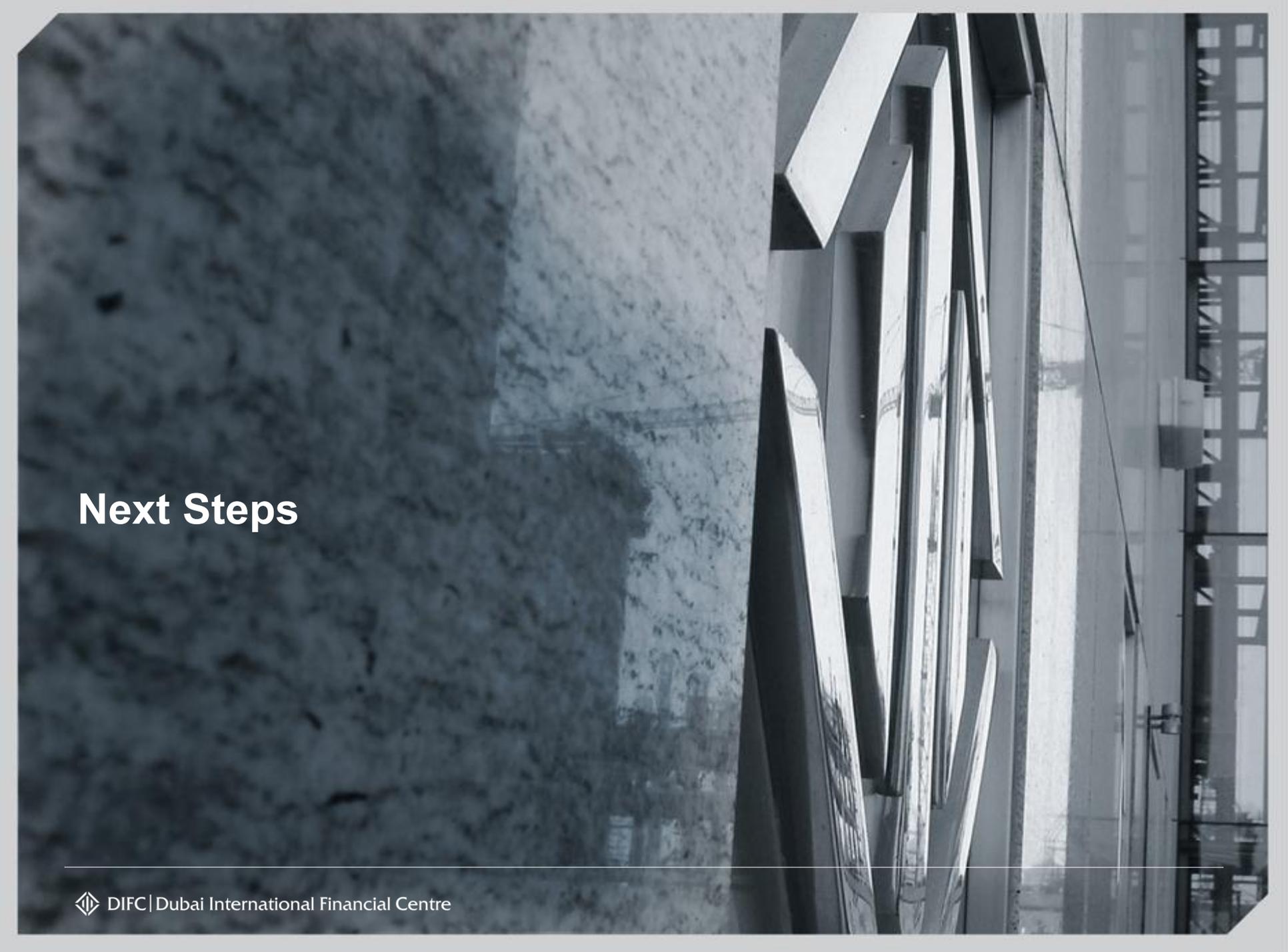
- ❑ **Monthly Economic & Financial Indicators**
- ❑ **Economic Report of the Prime Minister**
- ❑ **Develop Economic Analysis & Policy Framework**
- ❑ **Forecasting and Simulation of UAE economy and economic policies**
- ❑ **Reporting to Regional & International Economic & Financial organisations**



# Organisation of the CEA

## Organisation of the CEA

- The CEA would be part of the PM's Office and report directly to the PM
- Council would consist of three members, one of whom is chair, appointed by the PM, with the advice and consent of the Cabinet.
- Three economists act as senior professional staff to the Council, with the help of 3 junior staff economists. Two statisticians also assist the Council with identification and interpretation of economic data.
- Outreach: Council is responsible for shaping public understanding of current economic & financial issues and government policies. This involves being available to government ministries and agencies to evaluate economic policy issues, giving speeches, and conducting media & television interviews to answer the public's questions.



# Next Steps

## Next Steps

- **Agree CEA concept, mission and objectives**
- **Develop CEA implementation plan, including legal, administrative and budget**
- **Obtain approval**
- **Implement**