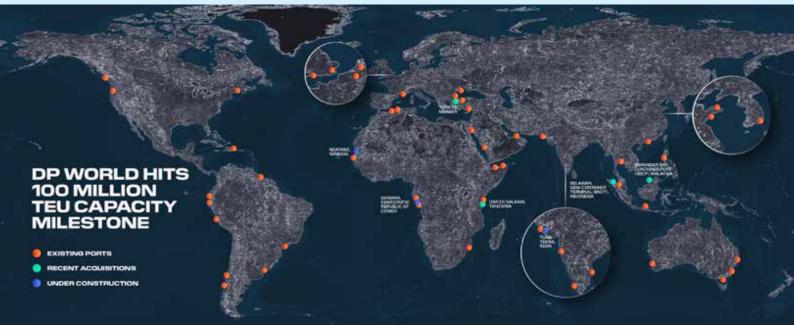
## ReGlobalisation — Opportunities in the UAE



President Trump's second term has started with a bang. Central to his economic and global trade agenda is the need for the U.S. to reduce trade deficits, particularly with China.

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is launch of tariffs, central to his objectives, will ripple across the world, including the Middle East. For the UAE and other regional players, the future is filled with immense challenges – but unlimited opportunities.

President Trump's import tariffs are expected to turbocharge the new era of Re-Globalisation. As explained in ReGlobalisation – Redefining Global Supply Chains, the world is moving away from traditional globalisation toward diversified, resilient supply chains through a combination of nearshoring, reshoring, friendshoring and technological development.

Since the 2020 pandemic, supply chain leaders have gained invaluable experience in managing operations amid a stream of disruptions reshaping the global supply chain landscape. Globally, supply chain leaders must continue to rethink sourcing, manufacturing and distribution in response to ongoing disruptions, including trade wars, economic nationalism and geopolitical instability.

Already, Trump has implemented a 10% import tax on all Chinese-made goods, on top of earlier tariffs on Chinese products. He also has added 25% tariffs on all steel and aluminium products entering the U.S. February 13th Trump signed an executive order to establish a system of reciprocal tariffs with US trading partners. Expect more tariffs in the coming weeks, potentially leading to retaliatory tariffs and a global trade war.

## The UAE's critical role in ReGlobalisation

U.S. tariffs will significantly affect the UAE's aluminium industry. The UAE is currently the second-largest exporter of aluminium to the U.S., behind Canada. Last year, the UAE exported 347,033 tonnes of high-quality aluminium to the U.S. in 2024, most of it used to manufacture aircraft.

Despite that, the UAE is poised to reap the benefits as global companies seek optionality and look to diversify trade – multiple options for procurement, production and supply chain.

The UAE stands out as a critical regional logistics hub. Its infrastructure, strategic location and stability provide significant opportunities for businesses looking to add optionality to their global operations. The UAE offers a low tax regime and a stable pro-business government whose objective it is to facilitate business and trade through the UAE.

The UAE offers a secure environment for storing and distributing high-value goods to regions with greater geopolitical risks. Its reliable infrastructure and strong governance make it a preferred gateway and distribution choice for businesses serving markets in Eastern Africa, India, Pakistan, Central Asia and beyond. These markets combined have a rapidly growing population of more than 2.2 billion people, all within 4.5 hours flying distance of the UAE. With a relatively young population and a growing middle-class, this presents immense long-term opportunities to companies looking to invest in infrastructure, logistics and distribution networks throughout the region.

The UAE is positioned as a gateway between Asia, Africa, and Europe. With world-class ports like Jebel Ali and leading aviation hubs such as DXB and DWC, the country is ideally suited for global distribution. Abu Dhabi's investment in Etihad and AD Ports further strengthens the UAE's capabilities as a regional logistics leader.

Al Maktoum International Airport is currently undergoing a transformative expansion with the addition of the massive new passenger terminal and additional runways. Upon completion, all operations at DXB, including those of Emirates, will be progressively transferred over the coming years, establishing the airport as the largest in the world by capacity. The modern logistics infrastructure parc around Al Maktoum with its proximity to Jebel Ali and Khalifa Port makes it the leading regional logistics hub.

DP World is also investing heavily in building port and logistics infrastructure across the wider region in India, Pakistan, Bangladesh and Eastern Africa. The AD Ports Group is planning similar expansions. This provides a solid foundation for other UAE-based logistics groupsglobal logistics providers, to piggyback off these investments to provide forwarding and integrated logistics services to clients across the region.

One such example of regional expansion is French CMA-CGM. CMA Terminals now has a Port Terminal at Khalifa Port, halfway between Abu Dhabi and Dubai, able to process 1.8 million TEU a year. CMA-CGM also operates port terminals in India. In 2024, CEVA Logistics and Almajdouie Logistics signed a joint venture in Saudi Arabia. The new partnership will combine the companies' logistics and transport operations to meet the growing demand for integrated logistics solutions in the Kingdom.

The Middle East's e-commerce market is rapidly expanding, making the UAE an ideal hub for e-fulfillment. With efficient trucking, sea and air transport options, companies can distribute products seamlessly across the region into Eastern Africa, India and beyond.

This is already happening with UAEbased e-commerce platforms such as Amazon and Noon. DUBUY by DP World is a leading e-commerce platform



**Trump** made the announcement with Damac Group founder **Hussain Sajwani** in Florida.

connecting into the region and Africa. Its digital trading concept provides an African gateway with local warehouses for imports, exports and regional trade.

The UAE's unique geographic position allows it also to serve as a sea-sea and sea-air logistics hub, providing efficient inventory holding for goods arriving from China and South Asia before distribution across the Middle East, Africa, and parts of Europe.

## The UAE's investments in Al and data centres

The UAE's government forward looking business planning has enabled further diversification and transformation of the UAE economy. It is investing heavily into the digital economy of tomorrow, enabling it to take a global leadership role.

The UAE is actively positioning itself as a leader in digital technologies, artificial intelligence and data infrastructure.

Companies like G42 and MGX are expanding the country's AI footprint, with substantial investments in global data centres. MGX, backed by the government of Abu Dhabi, is one of the investors in OpenAI's Stargate. It has also announced a \$30-50 billion USD deal with the French government to build data centres in France.

Additionally, Dubai-based EDGNEX

DAMAC has just announced a \$20 billion USD investment in U.S. data centres, reflecting the UAE's further commitment to becoming a key global player in the digital economy.

## Developing a successful ReGlobalisation strategy

Businesses globally and in the Middle East must take a structured approach to ReGlobalisation, using logistics and manufacturing data to evaluate alternative supply chain configurations. Decision-makers should weigh the costs, risks, and long-term benefits of regionalizing operations to align with the shifting global trade landscape.

ReGlobalisation presents new challenges but also substantial opportunities, particularly for companies leveraging the UAE's strategic advantages. As supply chains continue to evolve, the UAE is uniquely positioned to help businesses build resilience and maintain competitive advantage in a rapidly changing world.

For more insights on how ReGlobalisation can benefit your company in the UAE and the Middle East Region, how to mitigate supply chain risks with smart regional distribution and scalable go-to-market solutions, please contact the authors.