

UAE budget aims at social spending

Waheed Abbas

DUBAI — The UAE Cabinet on Tuesday approved a zero-deficit budget for 2020 with an estimated outlay of Dh61.354 billion.

It is a third consecutive year of zero-deficit budget by the federal government with a strong focus on social development, infrastructure and key sectors such as education and healthcare.

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, termed 2020 to be the beginning of a new development decade for the country.

He said one-third of the budget is allocated to the social sector development, one-third to government affairs and the rest to infrastructure and economic developments. “The federal budget is balanced and reflects our national priorities and is managed efficiently,” Sheikh Mohammed said.

The budget — the largest federally since the establishment of the state — reflects the strength of the national economy and the abundance and sustainability of resources to finance economic and social development projects in the country.



CABINET CLEARS BUDGET: Sheikh Mohammed chairing the UAE Cabinet meeting on Tuesday. Mohammad bin Abdullah Al Gergawi, Minister of Cabinet Affairs and The Future; Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai and Minister of Finance; and Sheikh Abdullah bin Zayed Al Nahyan, UAE Minister of Foreign Affairs and International Cooperation; among others, attended the meeting which approved the budget for 2020. — Wam

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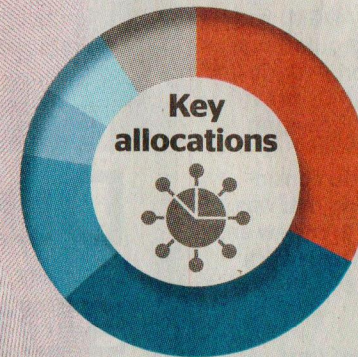
His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai



Dh61.35B
Total outlay of budget



33%
Of spending goes to education, health and pensions



Government affairs **32.6%**
Social sector development **31%**
Infrastructure and economic resources **14%**
Social benefits **6.5%**
Healthcare **6.9%**
Others **9%**

It's a budget for all sectors

- Zero deficit for third-year in row
- Largest-ever budget since UAE's creation
- 300 times bigger than UAE's first federal budget
- Reflects the strength of the national economy
- Subsidies for special groups and needy individuals

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“The year 2020 will be the start of a new and rapidly developing decade. The federal budget is balanced and reflects our national priorities,” said Sheikh Mohammed.

Allocations for social development amounted to Dh26.7 billion while Dh10.4 billion announced for education and Dh4.9 billion reserved for the healthcare sector to ensure highest level of medical facilities to citizens.

The Cabinet also approved the establishment of the Education Support Fund to encourage partnerships with the private sector. The fund will ensure sustainability of educational development programmes which will be managed by federal authorities and ministries.

Funds are also allocated to guarantee social rights and ensure social integration programmes in the Ministry of Community Development, as an amount of Dh3.5 billion, or 5 per cent of the total public budget, will be available to support and provide subsidies to special groups in need of care. An amount of Dh1.8 billion has been allocated to the Sheikh Zayed Housing Programme, or 2.5 per cent of the total public budget, in order to support the provision of adequate housing to the UAE nationals.

The allocations of social ben-

efits programmes such as pensions totalled Dh4.6 billion, or 6.5 per cent, of the total budget, to provide a decent life for retired civil and military officials.

A total of Dh23 billion is allocated to the Governmental Affairs Department, and Dh9.9 billion was allocated to infrastructure and economic affairs. A total of Dh21.9 billion was allocated to social development programmes.

Arun Leslie John, chief market analyst at Century Financial, said the UAE federal budget of 2020 focusses on those projects, which can transform the UAE economy and improve its competitiveness further.

“The second phase of Etihad rail project could get an allocation. The funding is also expected for the Khalifa Initiative in the Northern Emirates, which aims to raise the quality of life of citizens in these Emirates. Another sector that could get funding is the space sector since UAE has ambitious plans for this sector,” John said.

Samer Hijazi Partner, head of Abu Dhabi Office at Grant Thornton UAE, said the UAE will focus on tourism and culture, Expo 2020 infrastructure, digitalisation of government services, healthcare sector and financial services infrastructure development.

“Knowledge economy will facilitate economic diversification and development of tourism, culture and infrastructure is part of the UAE’s long-term strategy to diversify away from economic dependence on energy. The UAE has long term plans to improve the quality and efficiency of all government services to all residents and digitalisation of all services and related feedback is key to this,” Hijazi said.

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