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1981-1985

ARAB EMIRATES
PLANNING
DEPARTMENT

امارات العربية المتحدة



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(to be linked in PLANS)

**GENERAL OUTLINE OF THE FIRST
FIVE YEAR PLAN FOR ECONOMIC
AND SOCIAL DEVELOPMENT
1981-1985**

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UNITED ARAB EMIRATES
MINISTRY OF PLANNING
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دولة الإمارات العربية المتحدة



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CENTRE FOR ARAB GULF STUDIES
UNIVERSITY OF EXETER

1981

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GENERAL OUTLINE OF THE FIRST FIVE YEAR
PLAN FOR ECONOMIC & SOCIAL DEVELOPMENT
(1981-1985)

INTRODUCTION:

Trade, fishing and pearl hunting, were the main stream of the U.A.E. economy. In less than four decades, the economy has spectacularly changed from state of scare economic, financial and human resources in the fifties, to state of relative abundancy in economic, financial and human resources in the seventies.

The oil discovery in the early sixties, and establishment of the U.A.E. Federation in 1971, were the main cause of the changes which lead to the remarkable transformation of the economy. It was natural to account for various adverse effects on the general and individual levels, irrespect of the many positive effects which accompanied the economic transformation. Economic decisions were off-hand, taking little note of the repercussions of such decisions on the overall economic and social conditions of the country.

If the sixties have given way to development efforts to head everywhere, due to drastice needs for economic changes, the completion of the basic economic and social infrastructure, calls for organization and Coordination of development efforts within a framework of an overall plan to attain the desired objectives and eliminate the negative effects of the past period. This has highlighted the importance of preparing the first economic and social development plan for the country. The plan has been set on various basic premises which could be outlined in the following:-

1. Strengthening the country economic and political independence and laying firm foundation for the Federation.
2. Preservation and strengthening of the value systems based on Islam and Arab traditions.

3. Concentration on social development in connection with economic development, and promotion of individual capabilities to ensure positive participation in the country development, emanating from the fact that, the individual is the mean and end of development.
4. Creation of a viable economy.

These premises emanate from the overall development objectives for the U.A.E., which represent "the attainment of a viable economy with diversified resources, and existence of a society where well-being, justice, security and freedom prevail in full fledge, and a unified independant country which possess complementary and Co-operative relations with the Gulf States and the Arab World, within a framework of value system based on Islam."

The five year plan objectives to be attained in the longrun, are determined by the country development strategy and basic premises. These objectives could be summarized as follows:-

1. Strengthening the country entity and building its image.
2. Directing continuous attention to develop the U.A.E. citizen, considering him to be the means and end of the overall development.
3. Raising the standard of living in the various regions of the country, keeping a persistence look for its betterment for the generation. to come.
4. Attaining and preserving an ideal population structure, to insure a continuous development on one hand, and preservation of social values on the other hand.
5. Continuing to diversify sources of income, and associating oil policy with the country high interests.

6. Emphasizing the role of the private sector, in the economic development and encouraging individual initiatives in the light of the plan general objectives.
7. Attaining co-ordination with the Arab Gulf States, with the aim of realizing an Arab economic integration.

The five year plan general objectives (1981-1985) are determined on the basis of the long run objectives as follows:-

(1) Satisfying the basic individual needs, whether material or spiritual, and developing his abilities and capabilities, to undertake a positive and creative role in the development process through:-

- Ensuring a suitable income level to cope up with the increasing cost of living.

- Undertaking continuous efforts to promote and provide government services.

- Raising individuals abilities to contribute much to development process.

(2) Associating manpower needs with the basic development requirements in the light of the plan needs. This could be achieved through the following:-

- Setting specific terms and constraints on the type of expatriate labour force according to the plan needs.

- Eliminating un-employment in its various forms.

- Increasing labour productivity .

- Obtaining maximum contribution from expatriate labour in the development process, through provision of suitable living conditions.

(3) Developing and promoting human resources and encouraging the increase of local population and manpower through the following:-

- Increasing education out put in the light of basic development requirements.

- Using material and spiritual incentives to increase the number of national population.

- Raising production efficiency of national labour force through education and training.

- Encouraging women contribution in the labour force.

- Equipping nationals to undertake key posts in the country.

(4) Preservation and development of the society natural wealth through the following:-

- Associating crude oil and gas production policy with the development basic requirements.

- Directing great attention to water sources, and rationalization of its use, as it is considered a basic element for development.

- Continuing to explore and develop natural resources in all regions of the country.

- Reclamation of agricultural land to attain better economic utilization.

(5) Expanding the country productive base through the increase of growth rates in other productive non-oil sectors, especially the manufacturing sector. The development of this sector is to be approached through different aspects which include:-

- Making maximum use of the country relative importance (capital, energy, hydrocarbon materials).

- Applying capital intensive procedures.

- Employing advanced technology which suit the country conditions.

- Increasing the oil and other commodities exports.

(6) Producing locally the most possible commodities and agricultural products to attain food security, and taking necessary steps to provide for shortage in supply, through long term import agreements with the producing countries. This entail the creation of storage essentialities which ensure the setting of a strategic limit for the existence of food to suffice for appropriate maximum periods of time.

(7) Creation of economic and social conditions for balanced development between the various Emirates through:-

- Completion of the infra structure projects in the various Emirates, to proceed to attain the productive development.

- Attaining efficient and better distribution of investments among the various Emirates by making use of the relative importance of each Emirate.

- Directing great attention to the geographical network distribution of the productive projects among the various Emirates.

- Providing the required finance for the different projects, through establishment of specialized financial institutes.

- Rationalization of public consumption and use of public budgets as a tool to attain fair distribution among the various

income groups, to reduce inflationary adverse effects and promote incentives in general to increase performance levels and productivity.

(9) Better rationalization of foreign investments of surpluses, in the manner which lead to development of the country economy on one side, and maximization of its returns in the least risk bearing tendencies, on the other side.

(10) Increasing the standard of government administration in the way which make it possible to attain the plan objectives more efficiently.

In the process of the display of the general objectives of the first five year plan (1981-1985), it becomes more appropriate to bring to focus the detailed objectives in terms of the quantitative accomplishments, which the plan aims to achieve in the various sectors, as follows:-

AGRICULTURE, LIVESTOCK & FISHERIES

The agriculture Sector gains its importance by being the Sector which is expected to undertake an essential role to attain Food Security and where national employment will continue to be majority. The plan has directed increasing attention to this sector to carryout the functions entrusted. Consequently this necessitate taking over positive measures to combat the handicaps which limit the activities of this sector. The handicaps include shortage of water, smallness of agriculture, holdings adverse weather & climatic conditions, non-existence of financing corporations, low wages and poor skills. It became necessary for the plan to eliminate these handicaps or reduce their effect to create better conditions which enable the sector to achieve its objectives.

The importance of this sector is reflected on the quantitative objectives set out for this sector, which include the following:-

1. The agriculture production will reach 333 ton in 1985, compared with 194 ton of vegetables and fruits in 1980. The annual growth rate will be 11.3%.
2. Total livestock production in 1985 will amount to 53.1 ton of milk and its by products, meat and poultry. The eggs production will be 200 million eggs, compared with 33.7 ton and about 80 million eggs in 1980. The annual growth rates will be 9.3% for live stock and 20% for eggs.
3. Fishery production will amount to 106.3 ton in 1985, compared with 68.3 ton in 1980. The annual growth rate will be 9.3%.

The investments allotted for this Sector for the period (1981-1985) will amount to DH 3.7 billion in comparison to DH 1.7 billion during the period (1976-1980). This shows that, the plan has increased investments by more than 20%.

The DH 1 billion allotted for the subsidy program, reflect the plan intention to expand this program to cover fishery and agriculture loans, purchase of fertilizers, seeds and insecticides.

OIL, MINING & QUARRYING INDUSTRIES

The oil discovery, transferred the country from state of backwardness to modern development, especially after the oil price increase in 1974. Oil became the main driving force for the economic activity. The large oil revenues, made other economic sectors to contribute to national economy. This lead to the reduction of oil sector contribution in the GDP till it reached 61% in 1980. Crude oil and natural gas represent the only export goods, which in turn, are the main source of finance for imports. The plan has given utmost attention to diversify sources of income and striking a balance for relative contribution of other sectors in the national income, to avoid the crisis which emanate from relying on one source of income, crude oil, which itself depend on international economic and

political tendencies. This emphasize the fact that the product of this sector has to be within the standards required to attain finance requirements, increase reserves life-time, preservation of wealth for the coming generation, meeting consumption requirements, attainment of export surplus of petroleum by products, obtainment of the most available financial resources, utilization of natural gas to create other important sources of income for the country.

The plan will direct continuous attention during the coming five years to explore oil and natural gas, especially in the Northern Emirates, in addition to the establishment of an advanced energy research centre, completion and promotion of mineral, semi mineral and geological surveys.

MANUFACTURING INDUSTRIES

The plan rely on this sector to perform an essential role in the future period to come. It will contribute to great extent in diversifying sources of income, relieving the oil Sector from the exhaustive contribution in the national income, strengthening and broadening the productive base and increasing rates of material production. It will make utmost use of the relative significance of the abundant oil wealth through the manufacture of oil by products, petro-chemical industries, attainment of self sufficiency, meeting consumption requirements, substituting local products in place of imports, in addition to changing and diversifying export structure. The sector will contribute considerably in attainment of relative balanced development and appropriate re-construction of the economic structure.

The objectives of this sector could be outlined in the following:-

1. Attaining an annual growth rate of about 27% for the manufacturing industries.
2. Giving priority to industries which use local raw materials such as oil, natural gas and other activities to obtain an annual growth rate of about 23.6%.

3. Distributing industries over the Emirates to obtain a balanced regional distribution.

4. Establishing Co-ordinated and integrated industries with Gulf States in particular and Arab World in general.

The contribution of this sector in the national income is estimated to rise from 2.8% in 1980 to 10% by 1985. Production will increase from DH 6.9 billion in 1980 to DH 24.1 billion by 1985, with an annual growth rate of 28.4%.

Fixed investments, during the span of the plan (1981-1985), will amount to DH 50.1 billion in comparison to DH 35.3 billion allotted in the period 1976-1980.

The production of oil by products is expected to shoot up from 1/2 million ton in 1980 to 14.1 million ton in 1985. Production of liquid gas by products will increase from 3.3 million ton to 8.2 million ton in 1985, aluminium products from 25000 ton to 135000 ton by the end of the plan.

Other various products will be produced for the first time, such as ammonia, urea, metallic oils, organic solvents, chlorine, gases, chemical liquids, metallic pipes, electric bulbs, wires, high voltage cables, dry and liquid batteries etc.... In addition to the increase of production volume of other industrial products which will constitute intermediary goods for other complementary industries, or be used in other sectors.

The share of industry in the structure and volume of exports, will increase on realization of manufacturing industries objectives. On the change of structure of manufacturing industries, chemical and oil industries will come on top of the list and achieve about 64% of the sector total production, followed by metallic industries about 14% non-metallic industries 11% and other industries 11%.

WATER & ELECTRICITY SECTOR

The sector has direct effect on economic and social development plans.

ELECTRICITY ACTIVITY

The plan has directed continuous consideration to this sector to meet the increasing demand over the previous years. The power generated increased from 1.3 billion K.W.H. in 1975 to 6.5 billion K.W.H. in 1980. The individual average consumption doubled from 2.1 thousand K.W.H. in 1975 to 5.9 thousand K.W.H. in 1980. The installed capacity developed to great extent from 453 M.W. in 1975, to reach 2550 M.W. in 1980. Grants developed from DH 362 million in 1975 to DH, 1,2 billion in 1980. The plan looks forward to increase the activity of this sector to attain the development general objectives which as follows:-

1. Raising installed capacity from 2550 M.W in 1980 to 4595 M.W in 1985, with an annual growth rate of 12.5%.
2. Developing the power generated from 6.5 billion K.W.H. in 1980 to 13.7 billion K.W.H. in 1985, with an annual growth rate of 16.2%.
3. Individual average share of electricity is to reach 12.1 thousand K.W.H by the end of the plan, compared with 5.9 thousand K.W.H. in 1980. The annual growth rate will be 15.5%.

Reduction of unit average price from FIL 10.4 K.W.H. in 1980 to reach FILS 7.8/K.W.H in 1985.

Raising total subsidy from DH 1.2 billion in 1980 to DH 2.9 billion by the end of the plan.

4. Production is to develop from DH 1.9 billion in 1980 to reach DH 3.9 billion in 1985, with an annual growth rate of 15.7%.

The investments allotted by the plan for this sector, will amount to DH 10.2 billion, which reflect how big the volume of projects will be, some of these projects are the following:-

1. Establishing the New Central Station at (Al Tawillala) - Abu Dhabi - cost estimated is DH. 1 billion.
2. Installing turbines at Al-Sadyat Abu Dhabi. Cost estimated is DH 590 million
2. The New Steam Station - Dubai cost estimated is DH 773 million
4. Expanding the present steam station - Dubai. Cost estimated is DH 600 million
5. Expanding the steam station at (Al-Lyah) - Sharjah cost estimated is DH 750 million
6. Expansions at (Ghalilah) Station Ras-Al-Khaimah. Cost estimated is DH 810 million
7. Establishing a central station at the Western Coast- Um-Al-Qawain. estimated cost is DH 323 million
8. Establishing transport & distribution lines & subsidiary stations at the Northern Emirates. cost estimated is DH 230 million
9. Increasing capacity of the Ministry electric stations in the Northern Emirates. Cost estimated is DH 140 million

In addition to other various projects, with a total cost of DH 4.5 billion.

WATER ACTIVITY

This activity has a vital importance on both human needs and the increasing demand laid forward by development. The investments allotted by the plan for this sector amounted to DH 7.2 billion, in comparison to DH 4.7 billion during the previous five years. The plan aims to attain the following for this Sector:

1. Water produced will amount to 97 billion gallon in 1985 in comparison to 47 billion gallon in 1980.
2. Individual average consumption will reach 58.4 thousand gallon in 1985, in comparison to 33.7 thousand gallon in 1980.
3. Provision and development of desalinated and treated water sources for various uses.

The plan has main projects for this activity all over the Emirates, which include water desalination stations, development and expansion of distribution network, wells drilling, establishment of reservoirs, water sources surveys and research undertaking.

The production value is expected to reach DH 1.2 billion in 1985, compared with DH 0.7 billion in 1980. Subsidies allotted to this sector will increase from DH 170 million in 1980 to DH 289 million in 1985.

CONSTRUCTION SECTOR

It is the sector which performs all works and constructions of the various economic activities in the country. It has a major role in accomplishing and attaining the plan objectives and effecting development in general. The previous stage developments have lead to

immense development in the capacity and efforts of the sector to cope up with the requirements of the coming period. The production value increased from DH 8.5 billion in 1975 to reach DH 14.2 billion in 1980. Investments during the plan period (1981-1985) will reach DH 5 billion compared with DH 3.9 billion for the period (1976-1980).

The sector will attain a number of works during the plan period. Some of these works are the following:-

- Drilling 350 wells
- Reclamation of 7 000 (donum).
- Establishing 64 big factories, which include a refinery and gas liquifaction factory at Al-riwais.
- Establishing Iron and steel complex in Abu Dhabi.
- Establishing 4 water & Electricity stations.
- Paving 4000 Kilometer internal and external roads.
- Establishing 75000 housing units.
- " 275 school
- " 77 hospital
- " 113 mosque

In addition to other projects which include establishment of silos in ports, completion of Laboratories for building materials research etc.,

TRADE, RESTAURANTS & HOTELS SECTOR

The rapid growth in the previous stage has lead to spectacular development in whole-sale and retail trade, restaurants, hotels and tourism activities. The production value increased from HD 6 billion in 1975 to DH 10.8 billion in 1980.

Total investments in the last five years amounted to 5.7 billion. The role of the sector in general development will be much more emphasized as direct effect of national economy developments in the coming five years. The production value of this sector will increase from DH 10.6 billion in 1980 to DH 16.6 billion by the end of the plan in 1985.

This will be attained through realization of the plan specific objectives, which as follows:-

1. Ensuring the flow of required goods to meet consumption and production requirements and to provide for appropriate stock.
2. Supporting and developing Co-operative activity and establishing more Co-operative societies to achieve more balanced market prices.
3. Establishing a number of first class hotels for tourism purposes.
4. Better utilization of hotels capacity to provide a reasonable price hotels service.
5. Establishment of 3 rest houses in tourism areas and a second class hotel in Abu Dhabi with a capacity of 250 rooms.

TRANSPORT, STORAGE & COMMUNICATION SECTOR

It is one of the main sectors in the economic structure, as it constitute the base for development. The sector has undergone spectacular development which is reflected on building the basic infra structure for the country. The plan aims to raise production value from DH 5.1 billion in 1980 to DH 6.8 billion for 1985. The investments allotted by the plan amounted to DH 28.5 billion. Some of the projects of this sector are the following:-

1. Paving 4000 kilometer roads.
2. Establishing 515 kilometer of gas pipes.
3. Establishing 4 new ports and expanding the present ports.
4. Purchase of 10 tankers to transport oil by products.
5. Establishing 2 International air ports in Abu Dhabi & Al-Ain.
6. Establishing silos for strategic storage, with a capacity of 30 000 ton.

7. Establishing closed sheds with a capacity of 290 000 sq.mt.
8. Establishing storage areas with a capacity of 1,2 million sq.mt.
9. Establishing bonds for semi-processed oil, with a capacity of 45.5 thousand barrel.
10. Establishing 37 post office, with a capacity of 50 000 mail box.
11. Adding 114 thousand telephone lines and 2200 telex lines.
12. Import of 92 thousand vehicles and trucks.

FINANCE & INSURANCE SECTOR

The sector has important role in monetary and financial affairs of the country, as it comprise the banks and insurance companies. The efforts directed to organize this sector, aims to gear the on going forces, with the society general objectives. The plan in this respect aims to attain the following:-

1. Increasing the support directed to the Central Bank and granting it all possible jurisdictions to run its monetary authorities in the best manner.
2. Establishing specialized banks to finance various economic activities.
3. Organizing banks conditions and banking system and determining its cooperations.
4. Adopting appropriate policy to reduce inflation rates through use of financial and monetary policies.
5. Encouraging saving in the private sector and limiting the loss of capital to the outside world.
6. Directing credit according to plan objectives.

7. Developing insurance activities and directing proceeds towards productive sectors.
8. Establishing local or Gulf-insurance companies to limit the loss of the sector savings to the outside world.

EDUCATION AND TRAINING SECTOR

Education activity is given priority in the plan as it is the main foundation for building the human being which is the aim and means for development. The overall aim is to develop a national caliber to match the requirements laid down by development process and to take over works discharged now by expatriate element. Education activity has developed to great extent over the past years. The number of students increased from 73 thousands in 1975/76 to 124 thousand students in 1980. The percentage of female students to total students reached 45%. The percentage of national students to total national population increased to 26%, which is a high percentage regarding the recently developing education and the prevailing economic and social situations. The number of schools increased from 227 school with a capacity of 2398 class in 1975/76 to 322 school with a capacity of 4524 class for the year 1979/80. The number of teachers increased from 5740 to 7812 for the same period, while the class density decreased from 31 student to 27 student for each class. In addition to this a university was built in Al-Ain, students are sent abroad, and literacy centres were established. The education budget amounted to 15% of total government expenditure.

The educational system will have an essential role in providing the appropriate specialities, and the national capabilities required for the development process. The quantitative objectives of this activity could be enlisted as follows:-

1. Combating illiteracy of 80% of total, males and 40% females, for the age group (20-40) years.
2. Increasing percentage of children in K.G (Kindred Garten) from 31% for 1980 to 62% in 1985, age groups of 4 & 5 years.

3. Increasing percentage of nationals pupils, at the age of 6 from 75% in 1980 to 95% in 1985, and accommodating all wishing expatriates.
4. Preserving the present rate of one teacher for every 16 students.
5. Reducing the number of students for each social supervisor from 460 to 250 students.
6. Reducing students rates in each class, 25 instead of 29 (K.G), 25 instead of 28 (preliminary), 22 instead of 26 (intermediate), 20 instead of 22 (Secondary).
7. Reducing drop-out and failure rates according to indicators specified by the plan.
8. Sending abroad 25% of Secondary School Certificate national holders to be trained in the various technical fields.
9. Training 500 specialized teachers in recapitulation programmes to assist national students.
10. Conducting periodical training for 50% of total national and expatriate teachers.
11. Training 40% of government national administrators in the Institute of Administrative Development and through specialized courses inside and outside the country.
12. Raising skills of 30% nationals who have limited capabilities through technical education in industrial, commercial, and agricultural schools.

In the process to achieve these quantitative objectives, the plan aims to implement the following educational projects:-

- New projects :

15 k.G., 122 preliminary school; 47 intermediate & Secondary Schools, 13 linguistic Laboratory, 30 Library halls, 30 technical education halls, 2 technical education centres (**polytechnic**), 13 scientific laboratory.

- Completion projects

32 K.G., 99 preliminary school, 26 intermediate school, 21 secondary school, 759 additional class, 6 hostels, Linguistic institute, educational means centre, agriculture school in (Al-Daqdaqa).

- Replacement projects

4 religious education schools, the industrial school in Ras-Al-Khaimah. On completion of these projects by the end of the plan, about **6196 class** will be added in comparison to the 3460 class already existing.

The plan also aims to completion of the university institutions, which include the Engineering and Agriculture Faculties, Educational Methods Establishment, Central Library Building, the Gulf studies and Research Centre, the National Computer Centre, University Administration Building, the New University Complex etc...

The plan expect to raise the total number of students from 124 thousand in 1979/80 to 202 thousand in the year 1984/85.

- Housing activity

The plan aims to provide a healthy, economically and socially appropriate housing unit. Housing activity was a prominent sign for economic and social development in the past period.

The years (1975-1980) witnessed increasing activity by the Federal and Local Government in building low income houses in rural and

urban regions. About 130 thousand new housing units were built, which exceed what was built before the year 1973, by more than 1.3 times. Building activity included other types of housing, where the private sector has an upper hand. The investment raised by the private sector in this connection amounted to DH 14 billion, which represent 80% of total housing investments in the last five years.

The five year plan (1981-1985) aims to achieve the following objectives with respect to housing activity:-

1. Granting low income nationals houses of their own, which suit their living conditions. This include:-
 - Building 21400 house for local families.
 - Maintaining 10 thousand of the present houses and adding 10 thousand new rooms.
2. Raising percentage of housing ownership for low income local families from 50% to 80%, through:-
 - Building 6600 housing units for local families.
 - Adding 3600 new rooms for the present houses.
 - Maintaining 5800 housing units.
3. Reducing room average occupation from 2.5 persons to 1.5 persons.
4. Providing all housing units with water and electricity and drainage systems.
5. Increasing buildings life time by using concrete structures and conducting necessary research on building materials, and carrying out periodic maintenance works.

The investments allotted by the plan for building activity will amount to DH 14.2 billions. The housing units to be built during the five year plan will reach 75 000 units where about 57000 units of it will be for replacement.

HEALTH SERVICES

The essential role entrusted to this activity in development process, urged the government to direct utmost consideration and efforts, to attain the various objectives laid down by the five year plan. The number of hospitals increased from 15 in 1975 to 25 in 1980, number of beds from 1450 to 4290 clinics from 33 to 66, in addition to other health services. The number of doctors and medical staff increased three times together with preventive medicine activity.

The five year plan (1981-1985) look forward to provide appropriate medical care for all people to ensure sound participation in all development activities. In this respect the plan aims to achieve the following:-

1. One bed for each 200 persons, which require addition of 2074 beds.
2. One clinic for 105 thousand persons, which require establishment of 33 other clinics.
3. Medical complex for each 25 thousand persons, which require establishment of 2 medical complex (type A).
4. Medical complex for each 15 thousand persons which require establishment of 5 medical complex (type B).
5. Medical complex for each 10 thousand persons, which require establishment of 5 medical complex (type C).
6. Medical complex for each 5 thousand persons, which require establishment of 3 new clinics.
7. Dental clinic for each 70 thousand persons, which require establishment of 3 new clinics.
8. Maternity and baby care centre for each 7000 female which require establishment of 7 new centres.

9. School health clinic for each 7700 pupils, which require establishment of 10 clinics.
10. 2 emergency centres and one emergency hospital.
11. Getting one dental doctor for each 8 thousand persons by the end of the plan, which require addition of more 46 doctors.
12. Getting one doctor for each 430 persons by the end of the plan, which require addition of 1113 doctors.
13. Getting one nurse for each 180 persons which require addition of 23000 nurse.
14. Getting one technician for each 6 thousand persons which require addition of more 670 technicians.

SOCIAL SERVICES:

Social services aim to satisfy individual needs, preserve society values and deepening the role of religion in general life. Material development will not completely attain its objectives if it doesn't give enough room for human and spiritual element, since the individual is the mean and end of development. Relying on this assumption, the plan directed considerable attention to develop social services, which include:-

1. Cultural, youth and religious services.
2. Justice and security services.
3. Social care services.
4. Public utilities services.

These services have witnessed a remarkable development in the previous period, nevertheless their full provision and betterment calls for appropriate planning to attain the following objectives during the coming five years.

A. CULTURAL, YOUTH AND RELIGIOUS SERVICES

1. Spreading culture and knowledge.
2. Reviving national relics and paying considerable attention to be recorded.
3. Directing special care towards folklore and promotion of music and arts.
4. Laying grounds for youth up bring on cultural, sport and social basis.
5. Directing Youth leisure time towards useful and constructive activities.
6. Spreading religious culture and developing Islamic awareness and thinking.

To attain these objectives, the plan will direct efforts towards the following:-

1. Promotion of TV and Cinema production unit.
2. Introducing the educational TV, and opening the second channel in Abu Dhabi TV.
3. Development of sound and picture network and establishment of new transmission and control rooms.
4. Development of radio broadcast rooms and studios.
5. Establishment of a radio station in Sharjah and completion of Fujairah station.
6. Establishment of information agency centre in Abu Dhabi.
7. Establishment of 7 Cultural Centres and the National Theatre.

8. Establishment of 14 new playgrounds at schools and completion of the playgrounds of other schools.
9. Establishment of the national theatre and the public library at Al-Ain.
10. Establishment of 7 new sport halls.
11. Completion of 4 gymnasium halls.
12. Completion of youth house at Ras-Al-Khaimah and Ras-Al-Khaimah Sport Club.
13. Establishment of the second phase for 3 clubs.
14. Establishment of the second phase of Zayed Sport Town.
15. Establishment of 42 new mosque and re-building of 71 mosque already built.
16. Establishment of the Islamic Institute at Abu Dhabi.
17. Establishment of religious institute.
18. Establishment of the holy Koran Centre.

B. JUSTICE AND SECURITY SERVICES

The general objectives represent provision of security for all citizens and preservation of order in the state. The plan aims to implement the following projects:-

1. Establishment of 9 police stations, 4 centres, 15 units.
2. Establishment of 11 civil defence centres, 4 centres for coast guards, 3 branches for passport & immigration.

3. One passport centre each, in Sharjah & Um-Al-Quwain.
4. 3 police head-quarters and one prison.
5. The main headquarter and its branch for air police.
6. Establishment of 7 courts at the Emirates.
7. The Federal High Court building.
8. The Islamic court and traffic court in Abu Dhabi.
9. Court complex one in Abu Dhabi, and the other in Al-Ain.

C. SOCIAL CARE SERVICES

The plan aims to implement the following projects:-

1. Establishment of 2 centres for juvenile delinquents in Abu Dhabi and Sharjah.
2. Establishment of 2 centres for disabled people.
3. Establishment of 10 centres all over the Emirates for old age people, which accommodate 370 persons.
4. Establishment of 11 centres and social units in the Emirates to undertake all social activities.
5. Increase of social assistance granted to poor families, in addition to the efforts to be taken to train them to perform productive works.

D. PUBLIC UTILITIES

This include industrial and health drainage, public hygiene works, connecting sewerage networks to all densely populated areas.

ADMINISTRATIVE SYSTEM

Realizing the fact that the success of development plan lie to great extent with the Government system, the plan directed utmost attention to the administrative system to increase its efficiency and ability to perform the various works entrusted. To attain this objective, the plan will take the following steps:-

1. Completion of all laws and regulations which ensure the efficiency of various administrative, economic and social institutes.
2. Eliminating duplication, whether on the Federal or Local level, through affiliation of systems which perform similar activities.
3. Raising performance efficiency in all government systems through training and adoption of appropriate incentive procedures.
4. Elimination of bureaucracy.
5. Establishment and promotion of statistical and planning systems in all Federal and Local institutions.
6. Organization and promotion of Civil Service Commission and Personnel Department to ensure their efficiency in Personnel Planning and Supervision, in addition to the increase of Ministries role in this connection.
7. Re-evaluation of Ministries organizational and administrative structures to strick a balance between authorities and responsibilities, job description, management modernization and creation of gradual administrative decentralization.
8. Re-distribution of labour force over the various Ministries to attain relative balance between the present level of employment and the actual volume of employment required.

Total planned developments during the first five year plan (1981-1985)

It is worth while to draw a general outline of total objectives of various economic variables, which are the optimum outcome of detailed objectives. The total objectives are set on basis of the outcome of the present tendencies which would direct the future course of the economy in general. They are not in fact an off-hand outcome of the various economic sectors. These developments could be outlined as follows.

Employment and Population

Population policy is considered the core of the first development plan, due to the major impact of population profile on security, national population structure and the Arabian identity of the community. Previous growth have resulted in various negative effects on the population side. It became inevitable for development strategy to direct considerable attention to the human resource, as it represent the most scarce element in the country. The plan aims to attain the following in this respect:-

1. Total population will be 1040 thousand in 1985, the same level as in 1980.
2. The increase, during the plan period, will be limited to nationals.
3. Changing employment structure, through increase of skilled labour from 175 thousand in 1980 to 283 thousand in 1985, in comparison to reduction of unskilled labour from 185 thousand in 1980 to 94 thousand in 1985.
4. The new labour force have to include increasing percentage of local employment.
5. Increase the percentage of U.A.E. nationals in the critical sectors of Government, Petroleum production, petro chemical industries,

and a significant increase in numbers in policy making and management positions in industry and finance.

6. Increase nationals percentage to total population in a manner which comply with the plan strategy.
7. Raising percentage of Arabs, including nationals, to attain cultural and historical homogeneity.
8. Working out a balance for the expatriate nationalities to ensure an appropriate population structure.
9. Setting manpower requirements in the various planned stages, according to development needs.
10. Elimination of abundant employment, disguised unemployment, and setting measures which determine the required skills according to the plan needs.
11. Taking appropriate measures to raise percentage of females to males, in order to increase percentage of expatriate families.
12. Continuous evaluation of population policy to set out required measures which ensure conformity of population condition with the society general objectives.

INCOME

1. It is expected that when the investments allotted and production potentials are better used, the GDP of the various economic sectors, will attain an annual growth rate of about 9.6%, excluding the oil sector. This rate has been worked out on the assumption of constant oil production and prices for the period 1981-1985 (when crude oil is included, annual growth rate will be 3.9%). The plan has concentrated to great extent on the manufacturing sector to attain a relative balance of growth of the various economic sectors and

diversification of sources of income. The planned annual growth rate expected is 27%, followed by water and electricity about 13.3%, agriculture, livestock and fisheries 10.3%, government services (health, education, security etc.) about 15%.

2. The National income and Per Capita income development

The plan aims to increase national income from DH 9.7 billion in 1980 to DH 125.4 billion for 1985, attaining an annual growth rate of 4.9%. The rate of growth of per Capita income is expected to be equal to the growth rate of national income, due to the fact that population level in 1985 will be the same as 1980. The per Capita income will increase from DH 95 thousand in 1980, to DH 120.5 thousand by the end of the plan in 1985, taking into consideration that national income growth rate is greater than GDP annual growth rate (4.9%, 3.9% consecutively). This is due to the expected high increase of the country receipts from foreign investments, which was DH 2.3 billion in 1980, to reach DH 10.1 billion in 1985.

3. PRODUCTION

When the investments allotted, and efforts directed to improve productivity are followed according to the planned objectives, production is expected to rise from DH 134.8 billion in 1980 to DH 170.1 billion in 1985. The annual growth rate to be attained will reach 4.8%, including crude oil, which will consequently rise to 9.4% when crude oil is excluded from total output. This could be achieved when national economy is re-structured, relative balance to diversify sources of national income is actuated, and the impact of oil sovereignty is reduced. The plan aims that the manufacturing industries sector is to take over the lead and attain an annual growth rate of about 28.4%, followed by other sectors (government services, agriculture, water and electricity).

4. LEVELS OF LIVING

One of the basic objectives of the five year plan is to raise the

level of living for the whole U.A.E. residents. This increase will be as follows:-

1. Per Capita GDP

It will increase from DH 107 thousand in 1980 to DH 130 thousand for 1985, with an annual growth rate of 3.9%.

2. Per Capita final Consumption

It will increase from DH 30 thousand in 1980 to DH 49 thousand for 1985, with an annual growth rate of 10.3%.

3. Per Capita Government expenditure

It will increase from DH 12 thousand in 1980 to DH 21 thousand for 1985, with an annual growth rate of 12.4%.

4. Per Capita Private Consumption

It will increase from DH 18 thousand in 1980 to DH 28 thousand for 1985, with an annual growth rate of 9%.

5. Per Capita net national saving

It will increase from DH 59 thousand in 1980 to DH 68 thousand for 1985, with an annual growth rate of 3%.

6. Per Capita Commodity Imports

It will increase from DH 33 thousand in 1980 to DH thousand for 1985, with an annual growth rate of 1.7%.

7. Per Capita Commodity exports

It will increase from DH 81 thousand in 1980 to DH 84 thousand for 1985, with an annual growth rate of 0.7%.

5. Investments

The investments allotted by the plan for the coming five years (1981-1985), amounted to DH 171.1 billion, in comparison to DH 137 billion for the last five years (1976-1980). The plan aims to attain a relative balance in the economic structure, which will be caused by investments distributed over the various economic sectors, in a way which will increase the contribution of non-oil sectors in national income and diversify its sources. The share of the manufacturing industries sector amounted to DH 50.1 billion of total investments, the percentage share is 29.3% followed by transport, storage & communication sector, about 28.5 billion, percentage is 16.6%, government services (health, education, security etc.) about DH 24.1 billion, the share is 14.1%, crude oil and other quarrying industries about DH 23.9 billion, percentage is 14%, water & electricity DH 17.5 billion, percentage is 10.2%, real estate DH 14.2 billion, percentage is 8.3%, agriculture DH 3.7 billion, percentage is 2.1%.

The general budget of the Federal and Local Governments will amount to DH 70.3 billion of total investments which is DH 177.1 billion, the percentage is 41%. When investments of the Government business sector are added to public budget, total government investments (Federal, Local and Government business) will amount to DH 140.8 billion during the plan period, which is 82% of total investments. This points out the essential role entrusted to the Government to actuate the economic and social development.

6. Balance of Payment and foreign Investments

The enormous changes in the economic and social conditions, in the coming five years (1981-1985), will give way to positive improvements in the balance of payment transactions, which will be as follows:-

1. Commodity exports will increase to DH 435.7 billion, in comparison to DH 255.9 billion for the years 1976-1980.

2. The anticipated trade balance surplus will increase to DH 248 billion in comparison to DH 141.5 billion for the past years.
3. Services export growth rate will increase over import growth rate, as a result of encouraging tourism activity.
4. A significant change will take place in respect of property and entrepreneurial income transactions, in addition to a sizable increase in net income.
5. The country will continue to take the lead in donating grants and offering foreign assistance to developing countries.
6. The current account surplus will increase from DH 92.2 billion during 1976-1980, to DH 223 billion by the end of the plan period.

Emanating from the country financial position, and the results so far achieved, the plan suggest that the following has to be taken into consideration:-

1. Establishing a capital market in the Gulf area, as the region has large funds for worldwide investments.
2. Undertaking joint industrial and commercial ventures abroad, after a proper scrutiny for safety and yield.
3. Selecting projects which lead to diversify sources of income and assist in setting a developed productive base which weigh the relative shortage in human resources.
4. Contracting economic treaties with other countries which guarantee influx of strategic commodities, save accrual of foreign investments earnings and existence of markets for local products.

BUDGET AND PUBLIC FINANCE

The activity and behaviour of the financial system has direct and indirect effects on the economic and social development. It can be said that the success of development process depend to great extent on the performance of Government system and its activating tool, the general budget.

The five year plan has directed considerable attention towards, public finance, in order to determine the appropriate procedures and financial policies which conform with the right course of developmenet.

The public finance objectives during the period (1981-1985) are determined as follows:-

1. Rationalization of public expenditure .
2. Directing investments towards productive sectors after completion of basic infra structure and spread of public services.
3. Directing Federal Government investments of non-oil Emirates to attain a balanced regional development.
4. Arranging local finance for investments and non-reliance on foreign borrowing.
5. Accumulating and investing final surpluses.
6. Pre-planning the current surplus (Government saving).
7. Developing non-oil current receipts.
8. Supporting the Federal budget through development and diversification of sources of finance.
9. Total co-ordination between Federal Government and the Emirates on one hand, and the Emirates themselves on the other hand, to avoide duplication in implementing the plan.

The plan in its endeavour to attain the objectives laid down, has set appropriate policies and procedures to be followed on preparation of the country budget (Federal and Local Governments) for the period 1981-1985, which include the following:-

1. Current expenditure growth rate is to be less than current revenues growth rate.
2. Forming a joint committee between the Federal Government and the Emirates to review projects on the basis of their economic feasibility, sources of finance and to set measures for Co-ordination and elimination of duplication.
3. Rationalization of employment process and adoption of training procedures which raise efficiency and productivity.
4. Vertical expansion is to be adopted with regard to public services, whereas horizontal expansion is only resorted to when necessity arise according to population actual needs.
5. Review of government expenditure and elimination of unnecessary expenses.
6. The percentage of general surplus in the budget not to be less than 10% annually of total revenues.
7. Delegating financial authorities to concerned bodies to expedite works and eliminate administrative drawbacks.
8. Sticking to investment priorities contained in the plan.
9. Setting an overall credit policy and establishing specialized banks to provide the local finance.
10. Taking appropriate steps which ensure the obtainment of a final surplus for the Federal budget, and setting procedures which

assist in accumulating final surplus, which will in turn be invested abroad in a way which result in optimum earnings.

11. Activating non-oil current resources in the country.
12. Study of the basis of government business sector budget, and determination of the sector contribution in financing the public budget.

The volume of public budget will increase to great extent in the years to come. Total revenues will rise from DH 174.2 billion, during the period 1976-1980, to DH 303.2 billion during the five year plan. Public expenditure will rise from DH 138.7 to DH 249.9 for the years 1981-1985. The government final surplus will increase from DH 35.5 billion in the last five years to DH 53.3 billion for the period 1981-1985. The increase in revenues, will be mainly due to the growth of current revenues.

The increase in public expenditure ~~constitutents~~ during the plan period, will be the result of government role in development process. The developments of these public expenditure will be as follows:-

1. Wages will incrase to DH 50.7 billion, with an annual growth rate of 13.7%, in comparison to DH 21.3 billion for the last five years, with an annual growth rate of 28.3%.
2. Intermediate expenditure will amount to DH 50.7 billion, with an annual growth of 9.7% in comparison to DH 21.9 billion for the past years with an annual growth rate of 32.7%.
3. Current transfers will increase to DH 30.5 billion for the years 1981-1985, in comparison to DH 6.6 billion for the past years, with an annual growth rate of 19.4%. This rise in current transfers is attributed to the Government policy which aims to increase grants, subsidies and social assistance.

Total current expenditure will rise from DH 49.8 billion for the period 1976-1980, to DH 131.9 billion during the five year plan.

Capital expenditure will rise from DH 88.9 billion for the last five years to DH 118.0 during the plan period. It will be distributed as follows:-

1. Fixed capital formation will be DH 70.3 billion, where about DH 60 billion will be for Government investment program, in comparison to DH 48.3 billion achieved in the period 1976-1980.
2. Capital transfers will amount to DH 47.7 billion, in comparison to DH 40.6 billion for the past five years.

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