

industrial sectors through the country. At end-2015 the ESMA had accredited 73 testing and calibration laboratories, 38 inspection bodies, and 6 certification bodies.

3.62. An automated system of conformity assessment was introduced in early 2014 which takes about 8 days to process an application (provided all necessary documents are submitted, including approval from a certified conformity assessment body). At end-February 2016, about 80% of applications for conformity assessment were made through the automated system. The ESMA is also working on an online accreditation system for conformity assessment bodies and a certification system.

3.63. Specific labelling requirements in the UAE apply to toys, tobacco products, food, chemical products, industrial products, drinking water, textiles, and cosmetics. In addition, labels indicating energy efficiency are required for household electrical products. All labels must be in Arabic or in Arabic and English. Tobacco packages require a special health warning in Arabic.

3.64. Labelling and adjoining explanatory statements for food must be in Arabic, and, where another language is used, it must be alongside the Arabic. Mandatory labelling of pre-packaged foods must include: product name; a list of all ingredients declared in descending order of weight; and a list of food additives. Additionally, the label must contain the name and address of the manufacturer and packer (in cases where the packer is not a manufacturer), date of production, and instructions for storage. In cases where the food has been treated with ionizing radiation, there must be an indication of this next to the name of the food product and the international food irradiation symbol must be used. Meat products must also have a halal certificate.

3.3.2 Sanitary and phytosanitary requirements

3.65. During the review period, the institutional framework for sanitary and phytosanitary (SPS) measures remained largely unchanged. The Ministry of Environment and Water (MOEW) is responsible for SPS issues at the federal level in the UAE. Additionally, each emirate has its own agency responsible for applying rules adopted by the MOEW.³⁵

3.66. During 2012-2015 the UEA made 47 notifications under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. Of these one was a corrigendum, two were addenda, and 29 were emergency notifications (most of which referred to poultry products, as well as live sheep and goats and their products). The 15 regular notifications referred to new legislation or amendments to existing legislation. An additional 3 notifications were distributed between 1 January and 29 February 2016, of which one was an emergency notification for live poultry and poultry products. No specific trade concerns were raised by other WTO Members concerning SPS measures in the UAE.³⁶

3.67. Generally, the UAE federal regulations on SPS requirements are based on GCC standards. However, the UAE has extensive national legislation to regulate SPS measures. The main national laws are Federal Law No. 5 of 1979 on agricultural quarantine, as amended, Federal Law No. 6 of 1979 on veterinary quarantine, as amended, and Federal Law No. 10 of 2015 on food safety. All main federal laws, executive by-laws, and ministerial decrees with respect to SPS issues are available on the Ministry of Environment and Water's website.

3.68. All live animals and animal products (except food products of animal origin) and fodder need an import permit prior to importation issued by the MOEW. Additionally, all live animals and animal products as well as all plants and plant products are subject to quarantine measures and must be accompanied by a health certificate. Sperm for artificial insemination and hatching eggs may be imported only from countries that have been approved for exporting to the UAE, and must be accompanied by a health certificate stating that they are from animals free from disease. According to the authorities, country approval is based on OIE (World Organisation for Animal Health) country reports on animal health status. All shipments of food are visually inspected to ensure compliance with labelling and shelf-life regulations, while random samples are taken from some food consignments (depending on risk assessments) for laboratory tests to ensure compliance with UAE requirements.

³⁵ WTO document WT/TPR/S/262/Rev.1, 3 May 2012, Chapter III (2)(x).

³⁶ WTO SPS Information Management System database.

3.69. The GCC Guide for Control on Imported Foods was adopted in September 2014 by GCC Ministers in charge of food safety and issued as a draft in 2015. The Guide describes principles and regulatory requirements to be applied by the importing (GCC) countries in assuring the safety and suitability of shipments of imported food. Specific attestations for animal and plant health certification are also provided in the Guide. The Guide incorporates the Codex Alimentarius, OIE, and IPPC standards as international benchmarks where appropriate. Application of the Guide is to be on a trial basis until 1 June 2016.

3.70. There is ongoing work in GCC countries to harmonize all regulatory requirements for imported foods and provide a coordinated and efficient border inspection and clearance system. While regulatory requirements and procedures for imported foods are not as yet fully harmonized between the countries of the GCC, the Guide aims at contributing to the harmonization process.

3.71. In the period under review, the UAE concluded bilateral arrangements on SPS matters with the Republic of Korea, Ethiopia, Argentina, Uruguay, Poland, the Kingdom of Bahrain, Morocco, and Sultanate of Oman.

3.72. The UAE is a member the World Organization for Animal Health (OIE), the International Plant Protection Convention (IPPC), and the Codex Alimentarius.

3.3.3 State-owned enterprises and privatization

3.73. Government-related entities (GREs) have been a significant source of growth, development and diversification for the UAE economy and constitute a network of commercial corporations, financial institutions, and investment arms owned directly by the Governments of Dubai and Abu Dhabi organized and operated as large holding companies.

3.74. The natural resource endowments in the oil-rich UAE have decisively impacted the level of state ownership there. The oil industry, however, is not the only sector characterized by state dominance. State ownership encompasses nearly all other productive activities such as real estate, telecommunications, construction, manufacturing, electricity, transport, agribusiness, education, and health services. In 2009, the Government established the Emirates Competitiveness Council (ECC) to address issues related to improving the efficiency and governance of state-owned enterprises, recognizing that some of them are a fiscal burden while others are, or could be, a source of economic competitiveness. The ECC's other objectives include engaging with the private sector to identify and communicate its needs for improving competitiveness. The Dubai Government has also taken various measures since 2009 to improve the corporate governance in GREs. Many of these GREs are either listed or have been regular issuers of bonds and sukuk in the capital markets (DEWA, Emirates, Emaar, DP World, Nakheel, and JAFZA to name a few). These entities, as part of their investor relations, regularly disclose their financials, which include debt levels and asset positions, to lenders and bond holders.

3.75. Some GREs, such as Emirates National Oil Company (ENOC), are strategically important companies and important sources of fiscal revenue. In 2006, Mubadala Development Company established Masdar to develop renewable energy and sustainable technology industries. A number of GREs, such as Emirates Airlines and Etisalat, have in recent years emerged as internationally recognized brands. Some, but not all of these companies, operate in the same sectors and may compete against other state-owned firms (Emirates, Etihad and Fly Dubai in air transport or Etisalat and Du in telecommunications). According to the authorities, in many cases these companies, although state-owned, have full autonomy and are managed independently through their boards. In Dubai, GREs have been used as an engine for diversification and are present in a number of sectors, including construction, hospitality, transport, banking and telecommunications.

3.76. In 2012 the Central Bank required local financial institutions to limit their exposure to the Governments of the emirates in the federation and related entities to a maximum of 100% of their capital base, and their exposure to individual public sector borrowers to 25%. This measure was adopted as a reaction to the financial crisis, during which several GREs defaulted on loans, creating liquidity problems in the local banking market. In October 2012, the Government of Abu Dhabi issued a new decree requiring SOEs to apply for an explicit sovereign guarantee prior to issuing debt. Sectoral regulations also in some cases address governance structures and practices of GREs. The Government of Dubai also established a Supreme Fiscal Committee, which has the