

PEARLS, PETROL & PROGRESS

The tale of the UAE's economy weaves from pearl-rich depths to petroleum-swept dunes and its current economic landscape as a global hub of trade, tourism and innovation. By Christabel Lobo

ARCHAEOLOGICAL FINDS TELL us that despite the country's young age and size, the United Arab Emirates has played an essential role in the course of history. A thriving pearling industry that started more than 7000 years ago and the 20th-century oil boom were just precursors of the successful economic developments to follow.

Navigating a historical landscape entwined with deeply held social, political and cultural complexities is complex. But the UAE has managed to do so quite successfully, emerging with an unparalleled

standard of living and economic stability in today's Middle East.

The Pearl Trade

Evidence dating close to 8000 years ago testifies to the enduring legacy of the region's pearl diving trade. The large-scale trading of pearls originated in Mesopotamia and flourished for millennia, with the area exporting pearls far and wide, from Imperial Rome all the way east to India and China.

The pearl trade emerged as the economic backbone for many coastal communities in the Gulf in the 19th and early 20th

Below left: Dubai oil refinery; Below right: Fisherman looking for pearls



centuries. Abu Dhabi and Dubai both saw significant development as a result, with the latter's pioneering ruler, Sheikh Maktoum bin Hasher Al Maktoum, turning the city into a duty-free port – an enticing tax-free offer for Indian and Persian merchants, who, still today, remain keepers of Dubai Creek and its surrounding souqs.

Pearling was a tough, seasonal job that relied on the cooperation of weather and sea. The months of June to September provided optimal temperatures and calm waters, marking what was known as *Ghous Al Kabir*, or the big dive. Pearl diving crews would set off for sea in wooden dhows at the break of dawn for months at a time. Interspersed throughout the rest of the year were shorter, one-month stints of pearling, specifically in October and November.

Diving for pearls was nothing short of perilous; divers were only equipped with *fettam* (nose clips traditionally made from sheep bone or turtle shell) and *dean*, a woven bag tied around their necks to hold the collected oysters. A rope, known as *zubail*, had a stone weight and would be tied to the diver's legs to help sink them to the sea bed.

Their prized catch, luminescent pearls, were renowned for their size and lustre. According to Saif Marzooq al-Shamlan's 1970s memoir, *Pearling in the Arabian Gulf*, 1912 was a 'Year of Superabundance' when dhows would return from each trip with hundreds of pearls – a principal export for most of the region.

By the early 1930s, however, the pearl trade took a hit, collapsing on the heels of the Great Depression and the advent of Japanese cultured pearls – by 1935, Japan was producing approximately 10 million pearls per year. Once-bustling pearling centres turned into ghost towns, leading to a profound impact on local life in the region.

Discovery of Oil

The Trucial States, as they were commonly called at the time, began their explorations for oil throughout the Emirates. In 1960, the first commercial oil field was discovered in Abu Dhabi. Six years later, Dubai followed suit, turning the soon-to-be country's luck around. Newfound wealth from oil exports was not just used to modernise the emirates; it also served as a significant factor in the federation's formation in 1971.

For the next two decades, the country focused on building new infrastructure, investing in education and developing other critical sectors of the economy. This swift development on the heels of discovering oil helped solidify the UAE's status as one of the wealthiest countries globally.

Today, the UAE has the sixth-largest oil reserves and the seventh-largest reserves of natural gas in the world – approximately 96% of its oil fields lie in the emirate of Abu Dhabi. But sustained slumps in oil prices, coupled with Russia's war with Ukraine and the ongoing climate crisis, indicate the growing need for diversification in the country's sources of wealth.

Economic Diversification

The 21st-century push towards economic diversification led to a complete transformation of the UAE's economy. Gone were the days of its sole reliance on oil as a source of wealth. Instead, the country implemented strategic plans to foster growth in sectors like tourism, real estate, manufacturing and finance. Dubai's diversification strategy was particularly admirable, and a testament to its ruler, Sheikh Mohammed bin Rashid Al Maktoum's vision. Its non-oil sectors are thriving today, accounting for over 95% of the city's GDP.

As the country moves towards its future, renewable energy and sustainable technology are new economic focal points, aligning with the global shift towards greener economies. Initiatives like smart city projects, digital transformation and the development of the tech workforce are vital in helping the UAE on its path to becoming an internationally recognised tech hub.

Further hopes to transform the economy were unveiled with the country's 'We the UAE 2031' vision launch in 2022. Doubling its GDP to Dh3 trillion is a top priority for the next decade, along with increasing the rate of non-oil exports, foreign trade and tourism. On the UAE's 50th anniversary, the country's vice president, Sheikh Mohammed bin Rashid Al Maktoum, couldn't help but remind residents that while 'building a state, a home, a united people, a homeland for all' may have started out as just a dream, today, the country stands proud, rivalling some of the world's top nations.

FROM LEFT: TAVARUS/SHUTTERSTOCK ©; KATIE/K/SHUTTERSTOCK ©