**Leveraging innovation – a key accelerator for economic diversification**

Dubai is a remarkable place for many reasons. The city has effectively leveraged its geographic location, at a strategic crossroads between east and west, to become a leading, international hub for trade and commerce in a matter of decades. At the center of global growth and development, it is truly a main port of passage for connecting nations and people from all corners of the globe. With more people passing through its airport than any other in the world, overtaking London Heathrow last year, and its establishment of a dynamic, international financial center, there is no question that Dubai’s list of achievements is impressive.

The UAE’s place on the world map however is only one reason for this recent, rapid development – there is another critical element for the country’s future growth.

This factor is the ability to effectively leverage innovation. I believe this is the key catalyst to facilitating growth and further diversifying the UAE’s economy. Groundbreaking, innovative technology solutions are being introduced every day around the world, propelling some countries forward and leaving others behind. To accelerate the UAE’s growth and ensure its sustainable future, we must effectively leverage innovation.

In my opinion, there are three areas of focus to closely watch for changing or evolving trends, which then determine how best a business can leverage innovation. 1) The industry they operate in, 2) Changes in consumer behavior and expectations and 3) Wider global demographics. In the logistics industry for example, we routinely monitor these areas to find ways to effectively leverage innovation, both to develop the industry and better serve customers. Based on our findings and assessment, we identify the relevant technology and how best to deploy it. This is critical to implementing innovative technologies that are effective and sustainable.

From my experience, this approach to leveraging innovative technology has consistently had a direct, positive correlation to business performance and growth.

First, innovation in technology in the logistics sector is extremely important. Innovative technologies fuel e-commerce development, scheduling and delivering packages and maintaining exceptional levels of customer service. Drones and driverless trucks are even being considered for making deliveries in the near future, which would add an unparalleled element to cross-border trade. These technologies underpin wider business performance and are key to a logistics company’s sustainable development. There is no doubt that innovation in technology is critical for logistics players who strive to become market leaders, tap into new consumer bases or introduce new product offerings.

Second, consumers are changing the face of retail, which in turn drives change in the logistics industry. We are seeing customers quickly adopt a number of new technologies being made available to them, whether it’s through new phone apps for placing orders and deliveries, mobile banking options, or being able to track a package in real-time. As consumers quickly change and adapt their preferences to using new, innovative technologies, logistics players must also be able to predict and successfully meet these demands. Not doing so could put their business at risk.

Third, global demographics are quickly changing and are influencing logistics companies’ business decisions. Emerging markets are developing at a rapid pace, which has significant implications for the logistics industry. The Asia-Pacific is the fastest growing regional e-commerce market in the world, with a 35 percent year on year growth rate. Africa’s e-commerce market is also gaining traction, growing at about 25 percent year on year. This rapid emerging market growth is because of rising middle classes and increasing mobile phone penetration in highly populous countries and is transforming how people connect, communicate and shop - almost overnight. Because of this rapid growth, logistics companies must innovate faster than they would in developed markets to cater to this online shopping boom. Cargo trade routes across the east and west are also now outpacing the north and south, as economies in the Africa and Asia-Pacific become highly attractive investment destinations for more developed markets in the US and Europe. Economies worldwide are better connected than they have ever been, which is putting pressure on the logistics industry to offer faster, more efficient services.

To respond to and benefit from these trends, I believe that logistics companies must continue to innovate their last mile delivery technologies. While there a number of components that make a logistics company successful, ensuring that our customers receive their packages on time and at their doorstep is key. If logistics companies make a concentrated effort to innovate their last mile delivery technologies, the benefits would be profound. We would make better use of data and tracking to reach more consumers off the grid, deliver packages faster, reduce likelihood of error or delay and improve the overall customer experience. I am confident that logistics players will make a strong push to innovate their last mile delivery technologies, further diversify our economy for a more sustainable future and positively transform the face of global trade.

*The author is Hussein Hachem, CEO of Aramex, a leading global provider of comprehensive logistics and transportation solutions headquartered in Dubai.*