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Abu Dhabi's gold ATM machine a sign of more opulence to come

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Abu Dhabi's Emirates Palace is a case study of the opulence and glitz that has come to characterize cities in the oil-rich Arab Gulf.

So it should come as little surprise that the \$3bn government-owned hotel was the chosen destination for the region's latest example of extravagance - an ATM machine that dispenses gold in exchange for cash based on the latest prices. The Gold to Go machine, which is covered in 24-carat gold, was unveiled on Wednesday by Thomas Geissler, chief executive of Ex Oriente Lux AG.

Certainly it is no bad spot, as the Emirates Palace is a magnet for executives from around the globe seeking to tap into Abu Dhabi's wealth, powerful sheikhs and rich tourists drawn to a hotel that offers a "one million dollar tailor made suite holiday."

Yet one would think that such an example of bling would sit more comfortably down the road in Dubai, rather than Abu Dhabi, the United Arab Emirates' capital, which has been desperate to carve out a more up-market image.

While Dubai struggles under the burden of its debt mountain, Abu Dhabi is pushing ahead with a highly ambitious swathe of megaprojects, including the nearly \$30bn development of a cultural island that that will see branches of the Louvre and Guggenheim museums rise from the sand.

Bolstered by significant foreign assets tucked away in Abu Dhabi Investment Authority, one of the world's largest sovereign wealth funds, and more than 90 per cent of the UAE's oil reserves, the emirate has enviable financial muscle. But it has not been immune to the shockwaves of the global economic crisis, with many projects have been delayed or put on hold and belts forcibly tightened.

Many in the emirate say this was no bad thing as the development plans were in danger of getting out of control so now officials repeat the mantra of a more realistic approach going forward. Yet observers still question whether Abu Dhabi will successfully avoid the excesses of Dubai, steer clear of the bling and develop projects that are both sustainable and fit with the high-end, cultural image the emirate aspires to.

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