Country Profile

State of The UNITED ARAB EMIRATES

ICDT 2022

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General Data

General info

- Capital: Abu Dhabi
- Type of state: Constitutional monarchy - Federal state
- Location: Middle East - Area: 82,880 km²
- Time zone: GMT + 4

Demography

- Population : 9 991 083 - 2021
- Natural increase: 1% - 2021
- Official language: Arabic
- Business language: Arabic, English

Currency

- United Arab Emirates Dirham (AED)
- 1 USD = 3.67 AED November 2022

macro economy

- GDP: 358.87 MM USD Growth: -6.1% - 2020
- GDP per capita : 36,284.6 USD - 2020
- Employment rate of people aged 15 and over: 74 %

International trade

- Imports – 2021: 210.746 MM USD
- Exports – 2021: 240.939 MM USD

FDI

- FDI stocks in 2021: USD 20.67 MM
- Inward FDI flows in 2021: USD 171.56 MM

Strong facts

- Strong economic diversification
- Commercial and airline hub of the region
- Significant financial shock absorbers
- Rapid development of renewable energies

GDP growth (annual %)

Economic growth in the United Arab Emirates (UAE) is expected to rise in 2022 thanks to increased hydrocarbon production and exports. A strong surge in oil revenues will also boost domestic demand. Private consumption (35% of GDP) is expected to be the main driver of growth thanks to economic recovery. The latter derivesfrom high vaccination rates and increased confidence (reforms implemented by the authorities).

Tourism receipts (about 8% of GDP in 2019) could increase from USD 25 bn in 2021 to USD 40 bn in 2022, benefiting from the Expo, the Qatar 2022 World Cup, and the introduction of multiple-entry tourist visas.

UAE has announced its intention to invest USD 6 billion over the next 5 years in cultural and creative industries.

Rankings of Doing Business 2020 by Domain

The United Arab Emirates is ranked 16th in the Doing Business 2020 ranking, gaining 7 places compared to the previous ranking in 2019 thanks to several

Start a business	United Arab Emirates	Middle East
Procedures (number)	2	6.5
Time (days)	3.5	19.7

business reforms related to starting a business, obtaining a construction permit, protecting minority investors (disqualification of directors in case of harmful conflicts of interest), cross-border trade (digitalization of certificates of origin and issuance of certificates of conformity covering multiple shipments).

Main sectors of activity

1%	Share of agriculture in GDP It employs 7% of the population
49.8 %	Share of industry in GDP It employs 15% of the population
49.2 %	Share of services in GDP They employ 78% of the population

Sector Strategies

The United Arab Emirates has initiated 50 new economic initiatives to boost the country's economic competitiveness and attract $150 billion in foreign direct investment by 2030.

The "Projects of the 50" is a series of economic development projects marking the UAE's Golden Jubilee since its foundation in 1971. Its vision for the next 50 years is "to make the UAE the world's capital of investment and economic creativity, an integrated incubator for entrepreneurship and emerging projects, and an advanced laboratory for new economic opportunities.

Among the planned initiatives, the following can be mentioned:

- Upgrading visas and work permits
- Ratification of comprehensive economic partnership agreements with eight global markets including Indonesia and India
- Digital initiatives (new data law; the "100 coders every day" initiative to facilitate the establishment of programming companies in the UAE)
- Adoption of advanced technologies in the national industrial sector (500 national companies equipped with fourth industrial revolution technologies)
- Enhancement of the competitiveness of the UAE business environment:
- The adoption of the "National In-Country Value Program" at the federal level. The latter will support the redirection of higher portions of public spending into the national economy.
- The "Tech Drive" program to support the Fourth Industrial Revolution in the industrial sector.

Infrastructure

Maritime

90% of the cargo entering the UAE comes in the form of sea freight, a large proportion of which is carried in sea containers. Jebel Ali in Dubai is the largest seaport in the UAE and one of the largest man-made ports in the world. The UAE has 12 trading ports, other than oil ports. Overall, more than 60 percent of cargo to GCC states enters through UAE seaports.

Road

The UAE has an extensive and well-developed road network, mainly in the northern coastal area where the main population centers are located.

Airport

The UAE has several airports and airlines serving local and regional destinations such as Emirates Airlines, Etihad Airlines and Air Arabia.
Dubai International Airport is considered one of the largest hubs, with one of the highest passenger volumes in the world (80 million annually on average). It serves 260 destinations on five continents. The air transport, airport operations and aviation sector accounts for about 25% of the GDP of the emirate of Dubai in 2020

Railway

The Gulf Railway is an international rail project involving the six Gulf Cooperation Council states: Saudi Arabia, Oman, Kuwait, Bahrain, the United Arab Emirates and Qatar.
The rail line will bring together Abu Dhabi; Dubai; Sharjah; Ajman; Kalba; Fujairah.

Promising Sectors

01 **R&D** : high demand for R&D in cybersecurity, artificial intelligence, and health-related topics. The Abu Dhabi government has established a $1.09 billion fund to stimulate research and development, offering rebates on R&D spending and new business costs. Abu Dhabi has set aside $1.52 billion to support R&D on solutions to water scarcity and food security.

02 **Agribusiness:** Investors in production, processing, and distribution should benefit from the UAE's access to the Middle East and North Africa market, as well as its proximity to major growth centers (South Asia, East Africa). Opportunities are also emerging at the national level, with growing tourism, high per capita income, and a sustained economic recovery (tax incentives; US$272 million in R&D grants)

03 **Health :** There are 145 established hospitals, 4,659 clinics and health centers, with a combined capacity of 13,811 beds. - 100% health insurance coverage for all UAE residents.
Substantial opportunities exist for the development of teaching and research facilities, particularly in the Northern Emirates

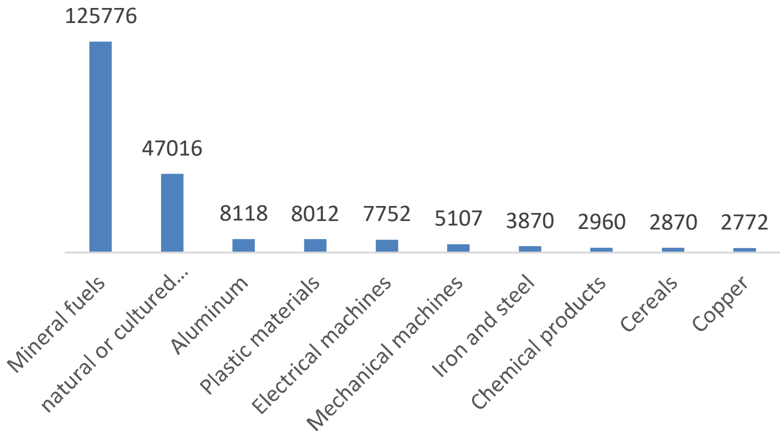
04 **Agro-Industry:** One of the most competitive industrial sectors (28th in the world for manufacturing value added per capita). The UAE strategy focuses on the following vital industrial sectors: Agribusiness, pharmaceuticals, electrical and electronic equipment, petrochemicals and chemicals, rubber and plastics, machinery and equipment, hydrogen, medical technology, space technology

05 **Pharmaceuticals:** The UAE's projected expenditure on generic drugs by 2030 is USD 1.4 billion, which corresponds to a CAGR of 7.3%. Opportunities exist for SME manufacturers in adhesive dressings, absorbent cotton and gauze, surgical gel preparations, first aid boxes and kits, and orthodontic appliances. The UAE is actively engaged in pharmaceutical development, such as self-sufficiency production as a means of reducing dependency.

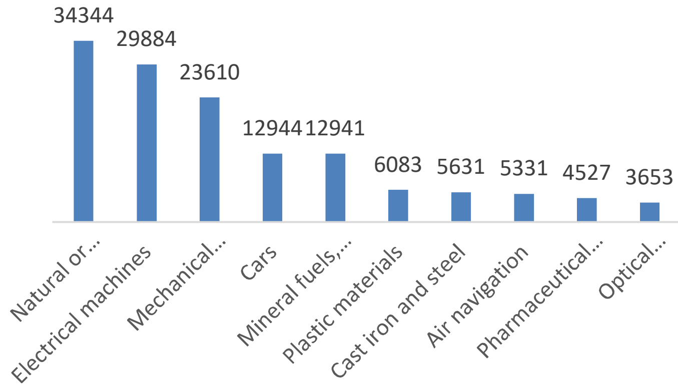
06 **IT - AI** : there is a heavy investment in creating a leading regulatory framework for IT / AI companies. The demand outlook for AI and Blockchain technologies is high. AI expenditures in the MENA region are expected to grow by nearly 43% annually. AI will contribute $96 billion to the UAE economy by 2030.

International trade

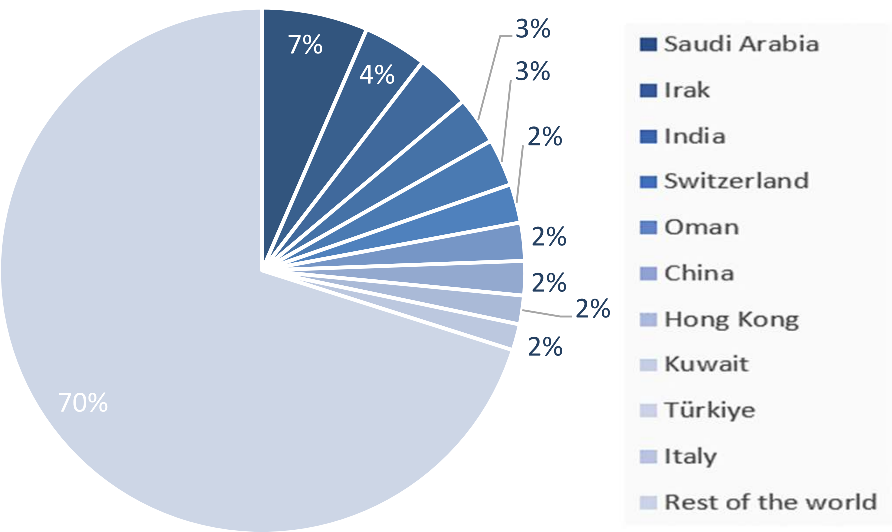
Main Products Exported by UAE in 2021 - MUSD



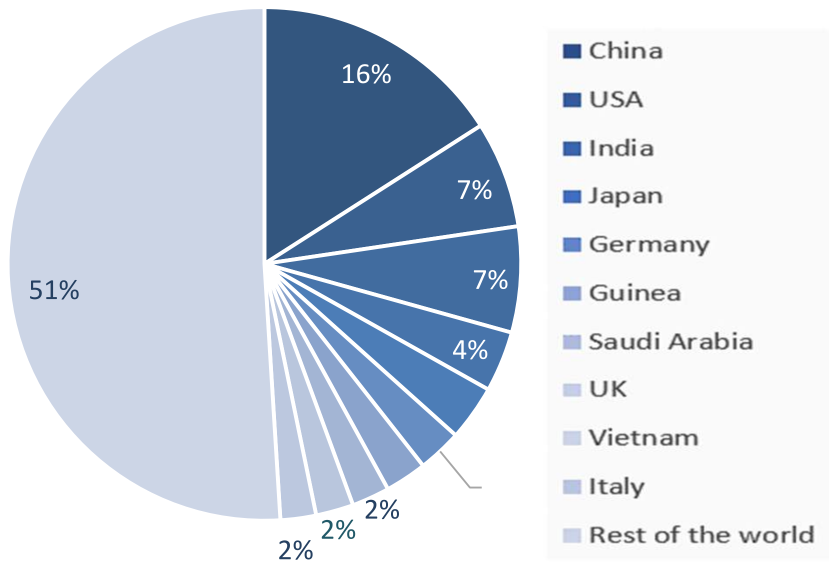
Main Products Imported by UAE in 2021- M USD



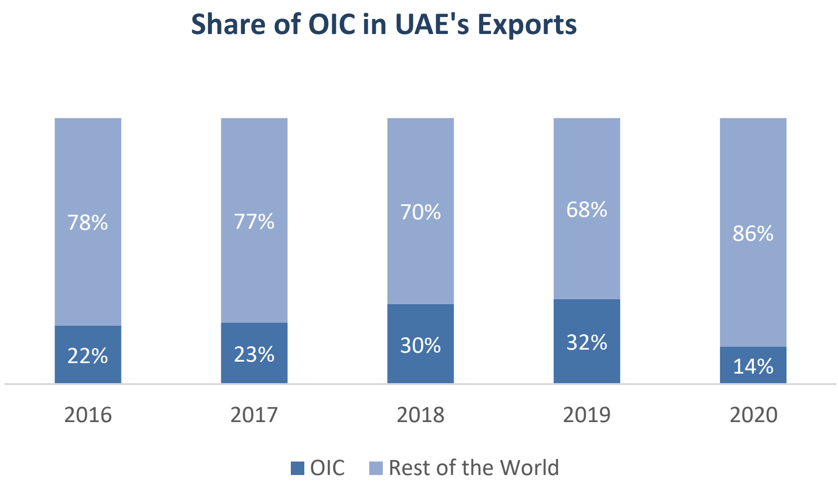
Top UAE Customers in 2021

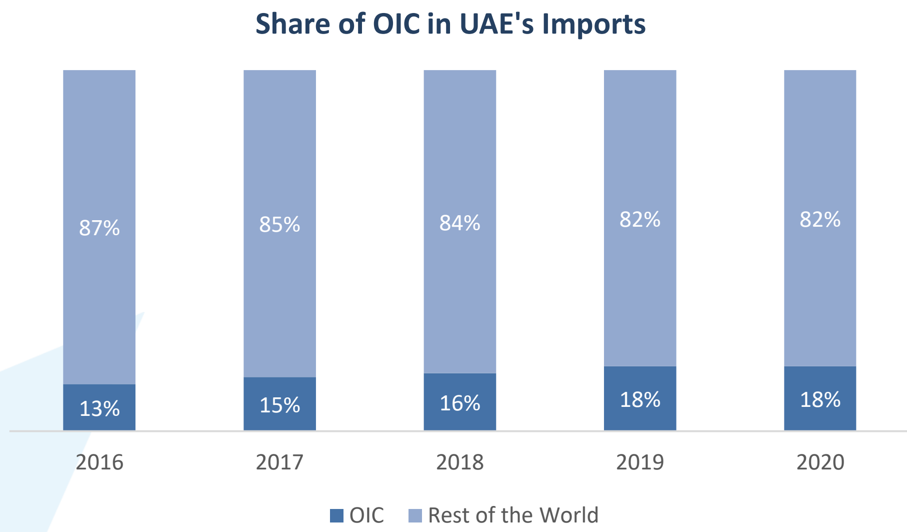


Top UAE Suppliers in 2020



Intra-OIC Trade





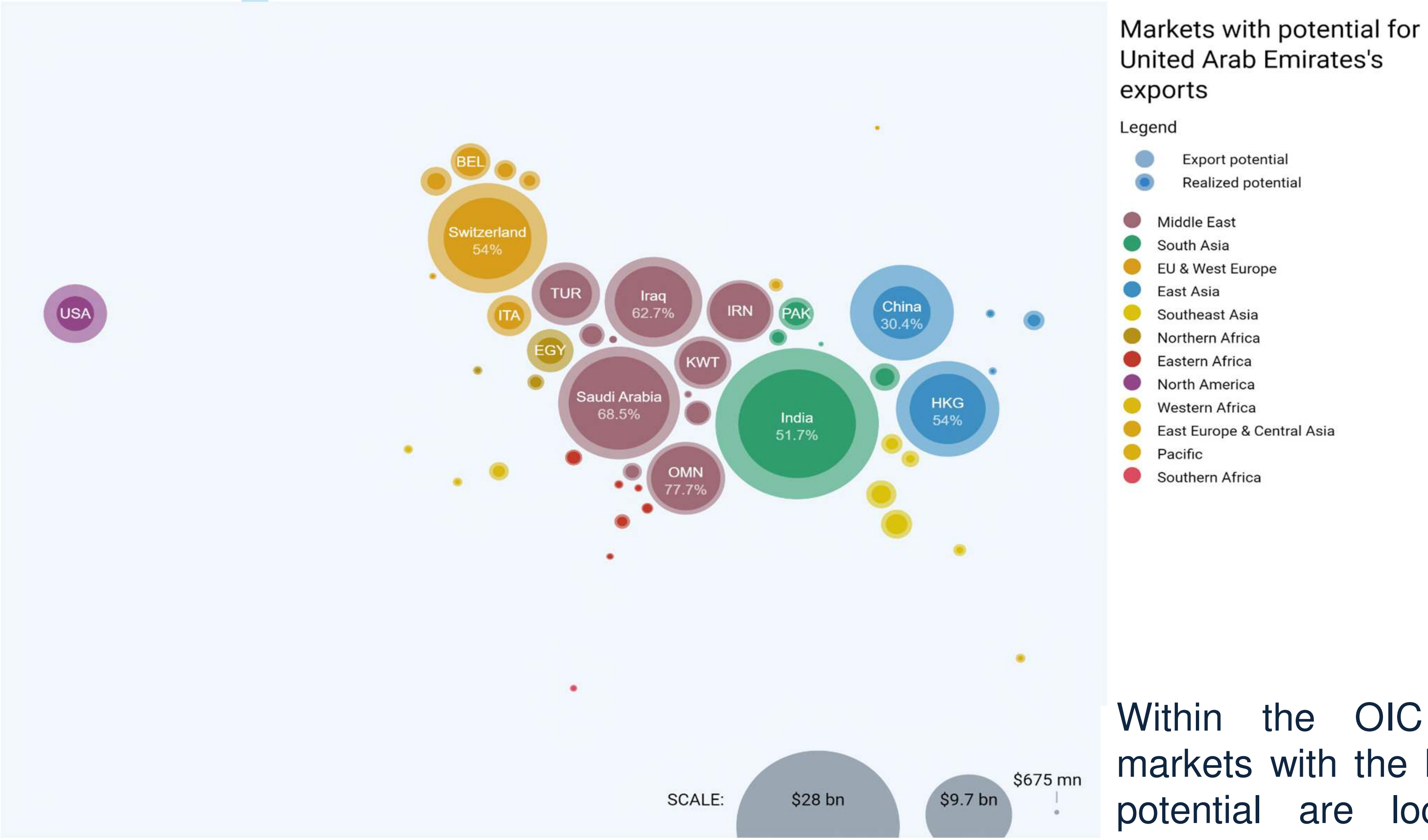
Top 10 Customers, OIC Members in 2020

1. Saudi Arabia
2. Iraq
3. Oman
4. Kuwait
5. Türkiye
6. Iran
7. Egypt
8. Pakistan
9. Bahrain
10. Jordan

Top 10 Suppliers, OIC Members in 2020

1. Guinea
2. Saudi Arabia
3. Egypt
4. Türkiye
5. Mali
6. Bahrain
7. Malaysia
8. Sudan
9. Oman
10. Niger

Export Potential Of The United Arab Emirates By Country Of Destination

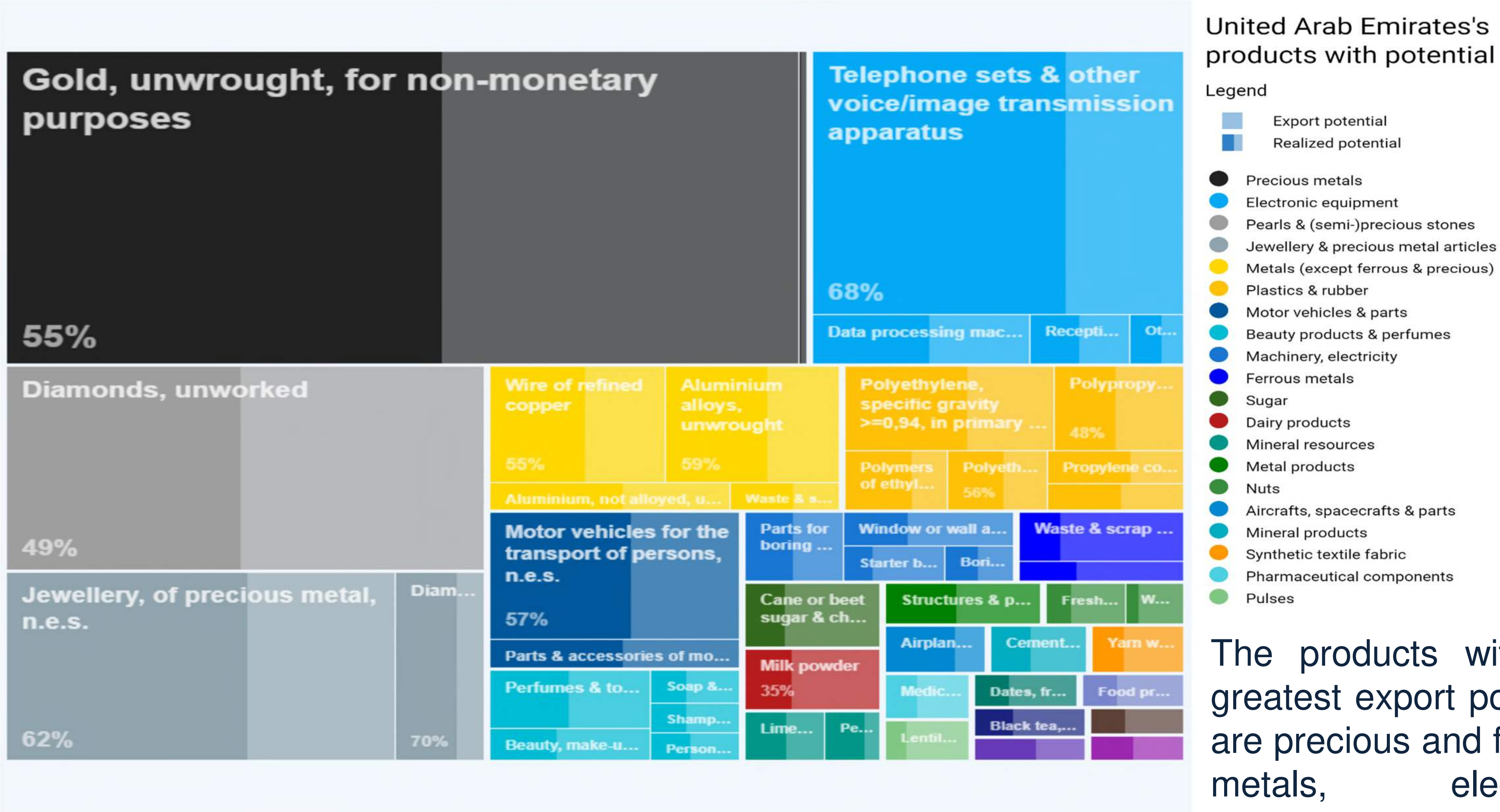


Within the OIC region, the markets with the highest export potential are located in the Middle East and South East Asia.

Source: International Trade Center

UAE Export Potential by Product

Source: International Trade Center



The products with the greatest export potential are precious and ferrous metals, electronic equipment, pearls and plastic

Market Access

Customs Duties and Taxes

Average rate: 4.8%
Average rate of agricultural products: 6.1%
Average rate of non-agricultural products: 4.6%

Trade agreements

Member of WTO;
Member of the Gulf Cooperation Council (GCC);
Commercial agreements :
EFTA - Gulf Cooperation Council (GCC)
Gulf Cooperation Council (GCC) - Singapore
India - United Arab Emirates
Morocco - United Arab Emirates
Pan Arab Free Trade Area (PAFTA)

Fairs and Ehxibitions

For more information, visit the website:
https://www.eventseye.com/fairs/c0_salons_emirats-arabes-unis.html

Public markets

Tenders from the United Arab Emirates are published on the website: https://www.emiratestenders.com/

Investing in UAE

Why UAE

Stable macroeconomic environment
Regional logistics hub with world-class infrastructure
Conducive business climate (adoption of the law on foreign direct investment (FDI) in 2018)
Dynamic and diversified economy
Solid, resilient banking sector supported by a strong sovereign wealth fund.
10th worldwide in digital competitiveness – 7th in talent attraction – 9th in terms of adoption of new technologies

Special Economic Zones

The United Arab Emirates offers investors more than 40 multidisciplinary free zones. These areas are characterized by a highly efficient infrastructure and distinct services.
For more information on each of the zones, please visit the link: https://www.moec.gov.ae/en/free-zones

Implemented Measures

- 10-year visas for investors, owners, entrepreneurs, science researchers and students
- 0% corporate income tax
- 5% Value Added Tax
- Absence of exchange control
- Absence of quotas or trade barriers
- Stable exchange rates (AED pegged to USD)
- State funding of R&D and tax rebates
- Total repatriation of capital and profits
- Economic agreements: 101 double taxation agreements and 67 bilateral investment agreements.

contacts

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https://www.fca.gov.ae/

Fédération des Chambres de Commerce et d'Industrie des EAU FCCIUAE

www.fcciuae.ae

Chambre de Commerce et d'Industrie Sharjah

www.sharjah.gov.ae

Invest in Emirates

https://www.investemirates.ae/

Chambre de Commerce et d'Industrie Abu Dhabi ADCCI

www.adcci-uae.com

Chambre de Commerce et d'Industrie Ajman AJCCI

www.ajcci.gov.ae

Chambre de Commerce et d'Industrie Dubai DCCI

www.dcci.gov.ae

Chambre de Commerce et d'Industrie Ras Al Khaimah

www.rakchamber.ae

Dubai Exports

www.dedc.gov.ae