UAE Economy at a Glance
UAE VISION 2021
UAE Vision 2021
We want to be among the best countries in the world by 2021

“In a strong and safe union, knowledgeable and innovative Emiratis will confidently build a competitive and resilient economy. They will thrive as a cohesive society bonded to its identity, and enjoy the highest standards of living within a nurturing and sustainable environment.”
Pillars of UAE Vision 2021

United In Responsibility
Cohesive Society and Preserved Identity

United In Destiny
Safe Public and Fair Judiciary

United In Knowledge
Competitive Knowledge Economy

United In Prosperity
First-Rate Education System
World-Class Healthcare
Sustainable Environment And Infrastructure
The global economy will witness significant economic changes in the coming years and the UAE Vision 2021 National Agenda focuses on UAE becoming:

- the economic, touristic and commercial capital
- a knowledge-based economy, promoting innovation and research & development,
- strengthening the regulatory framework for key sectors, and encouraging high value-adding sectors,
- be among the best in the world in entrepreneurship through small and medium enterprises in the private sector.

These will improve the country’s business environment, increase its attractiveness to foreign investment and allow the UAE to be among the best in the world in ease of doing business, innovation, entrepreneurship and R&D indicators.
UAE Innovation Strategy

The National Innovation Strategy will focus on fostering innovation in seven main sectors:

- Renewable energy,
- Transport,
- Education,
- Health,
- Technology,
- Water,
- Space

“Innovation is our only way to build a great history of the UAE... the future will be for those who adopt innovation”

H.H. Sheikh Mohammed Bin Rashid Al-Maktoum, Vice President and Prime Minister of the UAE.
We remain positive on the UAE’s economic outlook despite the sharp fall in global oil prices.

Effects of declining oil prices had so far limited impact on the economy.

Diversification policy helped the UAE neutralize the oil price decline.

The zero-deficit 2016 budget reflected the limited impact of the low oil prices.
The UAE Economic Indicators
GDP & Diversification

UAE GDP Growth
(Real - 2017)
- GDP: 0.8%
- Non oil GDP: 2.5%

Diversification of the economy 2017
(at Constant Prices 2010)
- Oil: 29.5%
- Non-oil: 70.5%
### Percentage Distribution of GDP Constant Price 2010

**By Economic Activities, 2017**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and quarrying (includes crude oil and natural gas)</td>
<td>29.5%</td>
</tr>
<tr>
<td>Wholesale and retail trade; repair of motor vehicles and motorcycles</td>
<td>11.7%</td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>8.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>8.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8.3%</td>
</tr>
<tr>
<td>Public administration and defence; compulsory social security</td>
<td>5.8%</td>
</tr>
<tr>
<td>Real estate activities</td>
<td>5.7%</td>
</tr>
<tr>
<td>Transportation and storage</td>
<td>5.4%</td>
</tr>
<tr>
<td>Electricity, gas, and water supply; waste management activities</td>
<td>3.2%</td>
</tr>
<tr>
<td>Information and communication</td>
<td>2.9%</td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>2.6%</td>
</tr>
<tr>
<td>Accommodation and food service activities</td>
<td>2.2%</td>
</tr>
<tr>
<td>Administrative and support service activities</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other Sectors</td>
<td>3.9%</td>
</tr>
</tbody>
</table>
Volume of Non-Oil Foreign Trade

- Total Foreign Trade
- Imports
- Non-Oil Exports
- Re-Exports

Percentage of Growth Annual Total Foreign Trade:
- 15%
- 5%
- 2%
- -3%
- 3%
- 1%
UAE Non-Oil Foreign Trade by Continent 2017
Percentage %, Including Free Zones

- Asia: 59.7%
- Europe: 17.1%
- Africa: 9.0%
- South and Central America and the Caribbean: 1.8%
- Australasian and Pacific Islands and other: 4.9%
- Northern America: 7.5%
### Volume of Non-Oil Foreign Trade Partners

in Billion USD 2017, Including Free Zones

<table>
<thead>
<tr>
<th>Country</th>
<th>Volume (Billion USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>53.3</td>
</tr>
<tr>
<td>India</td>
<td>34.8</td>
</tr>
<tr>
<td>USA</td>
<td>30.6</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>21.6</td>
</tr>
<tr>
<td>Iran</td>
<td>17.4</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>10.4</td>
</tr>
<tr>
<td>Japan</td>
<td>15.8</td>
</tr>
<tr>
<td>Germany</td>
<td>13.4</td>
</tr>
<tr>
<td>Turkey</td>
<td>13.3</td>
</tr>
<tr>
<td>Iraq</td>
<td>12.9</td>
</tr>
</tbody>
</table>

Including Free Zones
Trade Relations - UAE & Italy

Year: 2017–2015  Currency: USD Millions
Trade Relations - UAE & Italy
Trade Relations - UAE & Italy

**Investments Facts**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inward FDI Stock into the UAE (2016)</td>
<td>703.5 (USD Millions)</td>
<td></td>
</tr>
<tr>
<td>Companies registered in the UAE (2016)</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>Commercial Agencies registered in the UAE (2017)</td>
<td>510</td>
<td></td>
</tr>
<tr>
<td>Trademarks registered in the UAE (2016-2017)</td>
<td>8765</td>
<td></td>
</tr>
</tbody>
</table>

Outward FDI Stock from the UAE (December 2016) | 373.3 (USD Millions) |
Trade Relations - UAE & Italy

Italian tourism to the country grew by 10% in 2018 for the period from January to August 2018 compared to the same period of 2017.

Tourism in Figures:
- UAE holds 270,000 Italian tourists.
- UAE holds 13,000 Italian residents.

UAE has the largest Italian community in the Middle East.
UAE Agreements
**Bilateral Agreements**

- UAE has signed bilateral preferential agreements with some Arab Countries (Syria, Jordan, Lebanon, Morocco and Iraq). According to these agreements, the UAE and its partners accord each other preferential access for a specified list of goods.

- At the end of April 2017 UAE signed 65 agreements related to encouragement and protection of investment and signed 102 agreements on avoidance of double taxation with different countries.
Greater Arab Free Trade Area Agreement (GAFTA)

- The objectives of it is facilitating trade and development agreement between the Arab countries to liberalize trade.

- The UAE is a member of The Greater Arab Free Trade Area (GAFTA), which was signed on the 19th of February 1997 and entered into force on the 1st of January 1998. This agreement has eliminated all tariffs among its members on the 1st of January 2005.

- The Agreement covers trade in goods only; however, members have been engaged for the past few years in negotiations to create an agreement in trade in services.
Free Trade Agreements

- UAE is currently participating in the ongoing negotiations between the GCC and its main trade partners. These negotiations have led to signing Free Trade Agreements between the GCC members and Singapore, the EFTA States, and entered into force with Singapore in January 2015 and entered with EFTA into force on the first of July 2015.

- The FTA negotiations between the GCC and New Zealand have been concluded but the agreement has not yet been signed yet by the parties and negotiations are ongoing with China, Turkey, Japan, South Korea, India, Pakistan, Australia, EU and the Southern Common Market (MERCOSUR). The scope of these negotiations covers market access for goods and services, intellectual property, and in some cases, government procurement, investment and competition.
UAE Business Environment
Stability & Security

Political Stability
The UAE enjoys political stability and healthy international relations with the world.

Happiness

Peace and Tolerance
As an oasis of peace and tolerance, UAE promotes stability, security and sustainable development.

Quality of life
UAE is consistently ranked highly in terms of quality of life both in the region and in the world.
<table>
<thead>
<tr>
<th>Year</th>
<th>UAE FDI Inflows</th>
<th>UAE FDI Outflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$14.0 Billion US Dollar</td>
<td>$10.4 Billion US Dollar</td>
</tr>
</tbody>
</table>

Source: FCSA, UAE Foreign Investments, 2016 & UNCTAD, World Investment Report 2018
UAE FDI Stock, Inward and Outward at the end of 2017

124.4
Billion US Dollar
UAE FDI outward stock at the end of 2017

129.9
Billion US Dollar
UAE FDI inward stock at the end in 2017

Source: FCSA, UAE Foreign Investments, 2016 & UNCTAD, World Investment Report 2018
UAE Foreign Direct Investments 2016

Main Economic Activities

- Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles 24.9%
- Real Estate Activities 23.8%
- Financial and insurance 19.3%
- Manufacturing 9.2%
- Mining and quarrying (includes crude oil and natural gas) 8.8%
- Construction 3.9%
- Professional, Scientific and Technical Activities 3.2%
- Electricity, gas, steam and air conditioning supply 2.3%
- Transportation and Storage 1.7%
- Information and Communication 1.6%
- Other Sectors 1.5%

Main Countries

- United Kingdom 16.5%
- India 5.5%
- USA 4.3%
- France 4.1%
- Saudi Arabia 3.7%
- Austria 3.5%
- Kuwait 2.9%
- Switzerland 3.0%
- British Virgin Islands 3.1%
- Japan 3.3%
- Austria 3.5%
- United Kingdom 16.5%
1. A new investment law is under process and aims to enhance and develop the investment environment in UAE facilitate the attraction of FDI to economic sectors; building an economy that is based on knowledge, innovation and creativity through enabling FDI in distinguished economic sectors of a high value added.

2. The main advantage of this new draft law for foreign investors will lead to increasing the percentage of foreign ownership of projects up to 100% in the sectors or the activities prescribed by the law.

3. Those standards include; the integration with the country’s strategic plans, the size of foreign capital invested, achieving the best return of local resources, achieving high added value, high use of modern technology, high degree of global competence and experience for the foreign investor, and environment preservation.
FDI Environment

1. The UAE’s investment environment is marked by stability, modern infrastructure, effective economic policy, and modern economic legislations.

2. UAE enjoys domestic political stability and healthy international relations with the world.

3. Strategic trade hub, offering access to regional markets.

4. Free transfer of profits, revenues and assets.

5. Efficient legal and courts systems.

6. Laws to protect foreign capital (Such as IPR, competition, and investment, laws)

7. Ambitious legislative reforms to ensure efficiency, transparency, and investor confidence.

8. Low customs tariffs between 0 and 5 percent for almost all goods.

9. No income tax.

10. World class infrastructure.

11. Efficient Government services (heading to the “Smart Government” initiative)


13. Sophisticated lifestyle which made UAE the favorable destination for more than 200 nationalities.
A Global Aviation Hub

1. It is estimated that the contribution of civil aviation to the GDP of UAE is currently 12%. Projections are that this contribution will increase to 32% by 2020.

2. Aviation is critical to the economy of the United Arab Emirates (UAE), with the sector opening foreign markets to UAE exports, lowering long-distance transport costs, and increasing the flexibility of labor supply.

3. Over the next two decades, the UAE will be next to US and China for the largest aviation market growth, requiring in excess of 55,000 more pilots and 62,000 more technicians.

4. UAE will maintain its Open Skies Policy and enhance its efforts to secure more Open Skies with more countries.
Progressively restructuring the legal and regulatory environment to align it with global best practices in transparency, investment protection and competitiveness. The ultimate goal is to create a friendly environment for business. Released Recently:


2. Federal Decree No. 12 of 2014 to ratify the Free Trade Agreement between the GCC countries and the European Free Trade Association (EFTA).


5. Federal Law No. 2 of 2015 on Companies.
Currently working on upgrading a number of key legislation, especially with regard to the development of the country’s economic infrastructure and investment environment:

1. Federal law on Commercial Fraud.

2. A new law on Foreign Investment which will give further protection to foreign investors and will provide more incentives to foreign investors.

3. Federal law on Arbitration.


Free Zones

• The UAE presents an extremely favorable business environment. Excellent infrastructural facilities coupled with professional expertise and personalized services give the UAE the edge. Customer needs are met in the shortest time frame.

• Fiscal Advantages of Free Zones in UAE.
  1. 100% income and corporate tax exemptions.
  2. No Foreign exchange controls.
  3. 100% capital and profit repatriation.
  4. Strong appreciating and fully convertible currency.
  5. Low Inflation.
  6. Easy funding from International Banks.
UAE Key Areas of Development
UAE Key Areas of Development

- Petrochemicals
- Alternative, Renewable, Oil & Gas Energy
- Transportation & Infrastructure
- Manufacturing
- Healthcare & Education
- Defense & Aerospace
- Real Estate
- Tourism
- Agriculture & Water
UAE Global & Regional Business Rankings
UAE Ranking in Enabling Trade Index (WEF) 2016

1st
- in Quality of roads

2nd
- Customs services index
- Availability and quality of transport infrastructure
- Quality of air transport infrastructure
- Efficiency and accountability of public institutions
- Physical security

3rd
- Available airline seat kilometers millions
- Quality of port infrastructure
- Mobile-cellular telephone subscriptions /100 pop.

4th
- in efficiency of transport mode change

6th
- Irregular payments and bribes: imports/exports
- Time predictability of import procedures

7th
- Ease and affordability of shipment
- ICT use for biz-to-biz transactions

9th
- Operating environment

Globally
UAE Ranking in Global Competitiveness Index (WEF) 2017/2018

1st
- Efficiency of government spending
- in Quality of roads
- in effect of taxation on incentives to invest
- Inflation annual % change
- Tuberculosis incidence cases/100,000 pop.
- in Gov't procurement of advanced tech. product

2nd
- in Public trust in politicians
- Favoritism in decisions of government officials
- Burden of government regulation
- in Country capacity to attract talent
- Mobile-broadband subscriptions /100 pop.

3rd
- Diversion of public funds
- Protection of minority shareholders’ interests
- Quality of air transport infrastructure
- in Goods market efficiency
- Agricultural policy costs
- Effect of taxation on incentives to work
- State of cluster development
- in Mobile-cellular telephone subscriptions /100 pop
- Availability of scientists and engineers
UAE Ranking in Doing Business (World Bank) 2018

1st
- in Paying Taxes
- in Getting Electricity

2nd
- in Dealing with construction permits

10th
- in Registering Property
- in Protecting Minority Investors

12th
- In Enforcing contracts

Globally
UAE Rank in World Trade Report by World Trade Organization (WTO) 2018

- **15th** in commodity exports
- **18th** in commodity imports
- **17th** as service importer
- **21th** in service exports
UAE Rank in Global Entrepreneurship Index
by The Global Entrepreneurship and Development Institute (GEDI)
2018

- Has world-leading scores (full score) in Product Innovation and Networking.
- Has world-leading scores (>90) in High Growth, Internationalization and Risk Capital.
- The UAE among the top First 25 Countries in the Entrepreneurial Aspirations Sub-Index.
- The UAE among the top First 25 Countries in the quality of the institutions that support entrepreneurship.
Thank You