



EU-GCC Dialogue on Economic Diversification

A Project funded by the European Union

GCC Country Economic Profile

United Arab Emirates



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United Arab Emirates Key Facts

Government

The United Arab Emirates is a constitutional federation established in December 1971. The UAE consists of seven emirates: Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah (it acceded to the new federation in February 1972), Ajman, Umm Al Quwain, Fujairah. The UAE's elections of the Federal National Council in 2006 and the creation of the electoral college were landmark steps designed to enhance public participation in the UAE political system. His Highness Sheikh Khalifa bin Zayed Al Nahyan is the current President of the UAE. He is also the Ruler of Abu Dhabi. In the UAE, the post of the President is a constitutional one. The Federal Supreme Council elects from among its members a President for a five-year term according to the Gregorian calendar and may be re-elected for the same office. His Highness Sheikh Mohammed bin Rashid Al Maktoum is the current Vice-President and Prime Minister of the UAE. He is also the Ruler of Dubai.

Membership in international organisations

ABEDA, AfDB (nonregional member), AFESD, AMF, BIS, CAEU, CICA, FAO, G-77, GCC, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IDB, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IPU, ISO, ITSO, ITU, LAS, MIGA, NAM, OAPEC, OIC, OIF (observer), OPCW, OPEC, PCA, UN, UNCTAD, UNESCO, UNIDO, UNRWA, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO

Languages

Arabic (official), English, Hindi, Malayam, Urdu, Pashto, Tagalog, Persian

Economic agreements

Regional Trade Agreements in force: GCC, GCC – Singapore, Morocco – United Arab Emirates, Pan-Arab Free Trade Area (PAFTA)
Announced: EFTA – GCC, Australia – GCC, Japan - GCC

United Arab Emirates - Key figures (2019)	
Population (millions)	11
GDP (Billions of Euros)	362
GDP per capita (Euros)	33,720
Real GDP growth	1.6
Inflation rate	-1.5

Merchandise Trade (2019, Billions of Euros)	
Imports	202.7
Exports	225.0

Trade in Services (2018, Billions of Euros)	
Imports	61.2
Exports	60.8

Source DG Trade, WEF

United Arab Emirates economic policies and EU – United Arab Emirates economic relations

Economic development objectives

- The UAE set out to become 'one of the best countries in the world' and outlined its vision to make the United Arab Emirates one of the best countries in the world by the Golden Jubilee of the Union, in 2021.
- Competitive Knowledge Economy -innovation, research, science and technology will form the pillars of a knowledge-based, highly productive and competitive economy.
- Sustainable Environment and Infrastructure - ensure sustainable development while preserving the environment.
- Beside the UAE Vision 2021, a number of programs and initiatives focus on economic growth and diversification: UAE Policy for Advanced Industries, Emirates Blockchain Strategy 2021, Science, Technology and Innovation Policy, National Strategy for Advanced Innovation, National Food Security Strategy 2051, National Advanced Sciences Agenda 2031, UAE Energy Strategy 2050, National Climate Change of the UAE 2017-2050, UAE Water Security Strategy 2036, UAE Strategy for the Fourth Industrial Revolution, UAE Strategy for Artificial Intelligence, and the UAE Centennial 2071.

Current economic status

- COVID-19 and oil price related policies: fiscal measures to support the private sector by reducing various government fees and accelerating existing infrastructure projects, to reduce government fees, provide additional water and electricity subsidies, and simplify business procedures. The Central Bank of the UAE (CBUAE) has reduced its policy interest rate twice by a combined 125 basis points so far this year. CBUAE announced a package of measures to support SMEs and home-buyers.
- Oil prices: are forecasted to remain low for the next several years. It is critical for UAE to diversify the economy from hydrocarbon to be less affected by energy price shocks.
- Ease of Doing Business: 16th of 190. Several business regulatory changes have been implemented, leading to higher rankings in starting a business, dealing with construction permits, protecting minority investors, paying taxes, and trading across borders.
- In 2019, the United Arab Emirates ranked 25th in global competitiveness out of 141 countries, and held first place in macroeconomic stability, along with several other countries. The infrastructure in the UAE ranked 12th, in Information and Communication Technology adoption 2nd.

EU – United Arab Emirates Economic relations

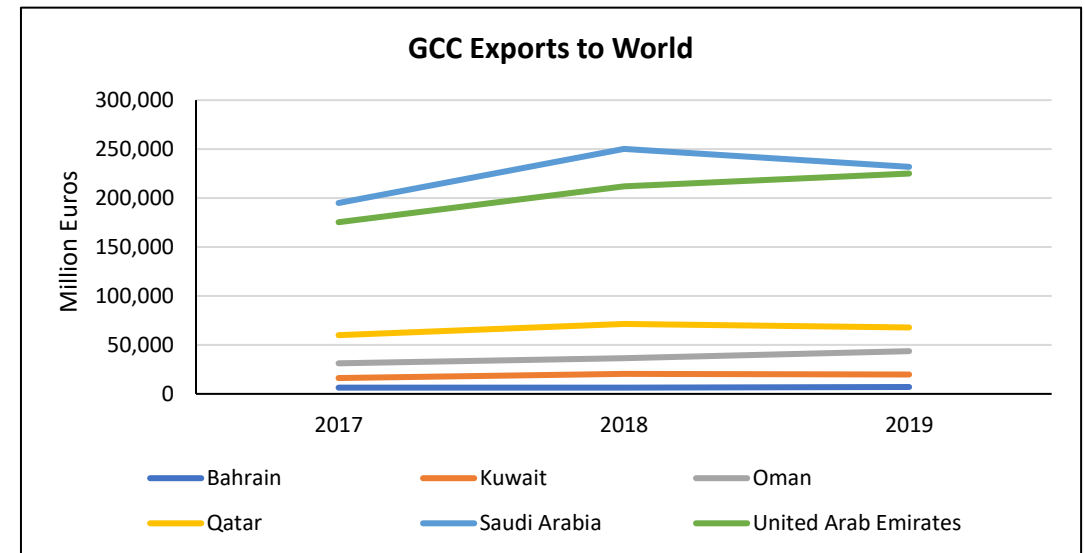
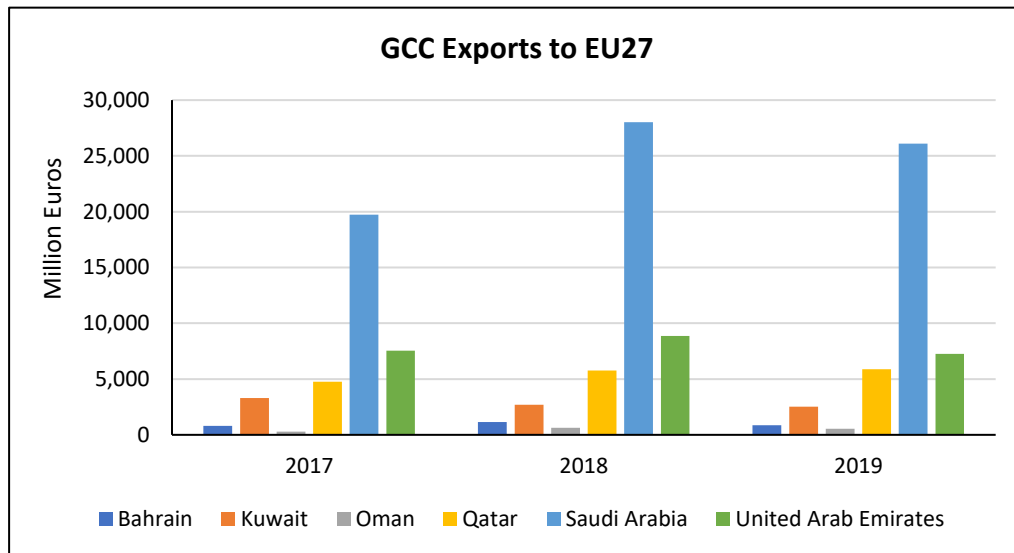
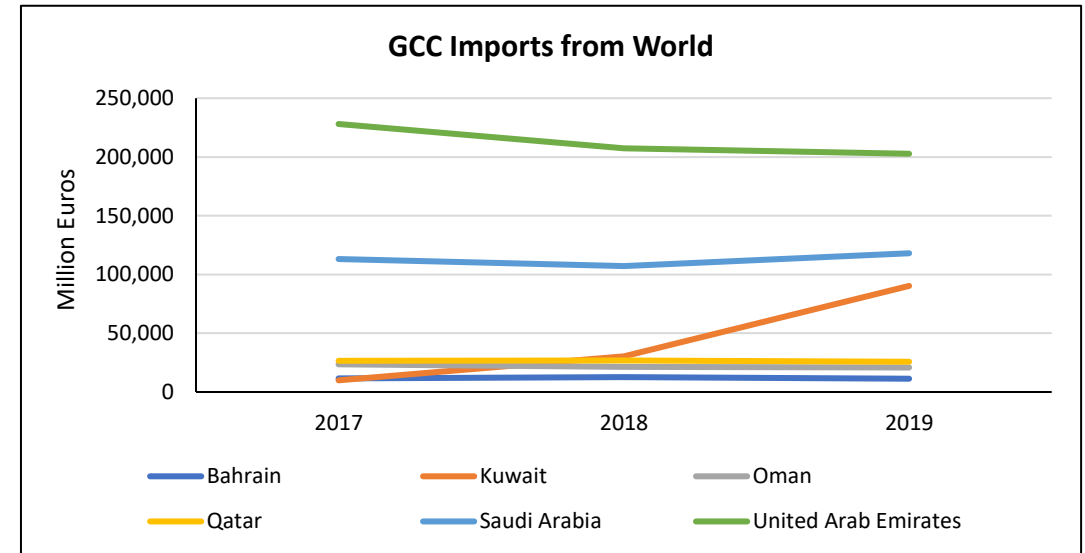
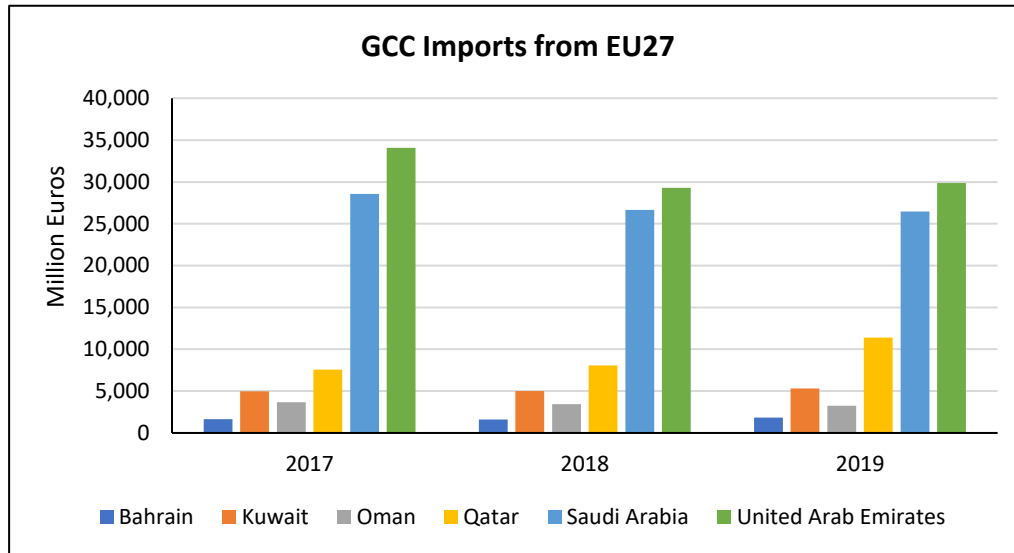
Economic and political cooperation between the EU and the GCC countries: the framework is provided by the 1988 EU-GCC cooperation agreement that seeks to improve trade relations and stability in a strategic part of Europe's neighbourhood. The agreement created a Joint Council and a Joint Co-operation Committee which meet annually. The two sides meet on an annual basis to discuss trade, amongst other topics, within the EU-GCC Joint Co-operation Committee held in Riyadh or Brussels.

EU and United Arab Emirates: In 2018, the European External Action Service (EEAS) and the Ministry of Foreign Affairs and International Cooperation of the United Arab Emirates signed a cooperation arrangement to enhance their dialogue in order to achieve common goals and objectives in areas of mutual interest.

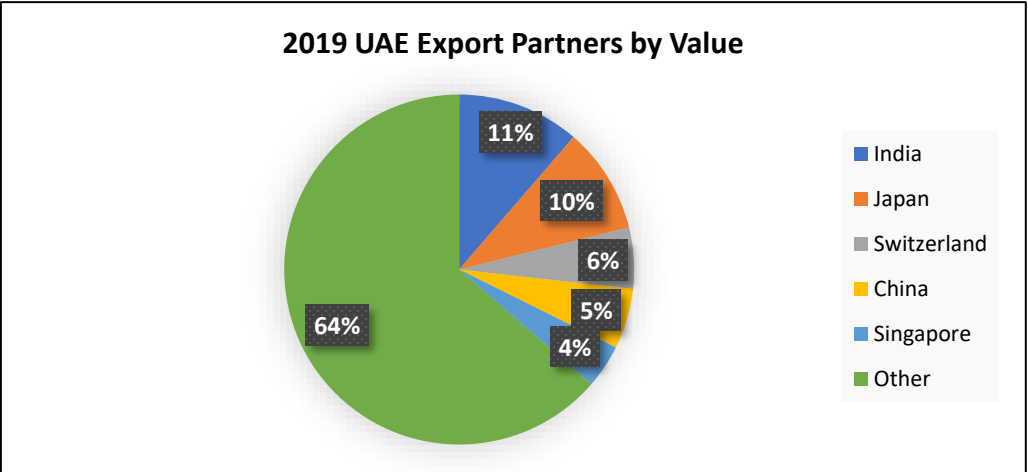
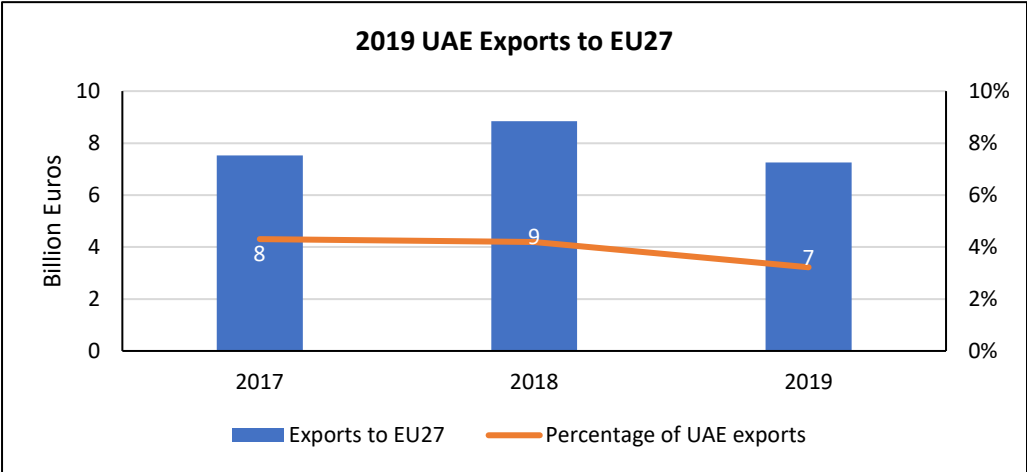
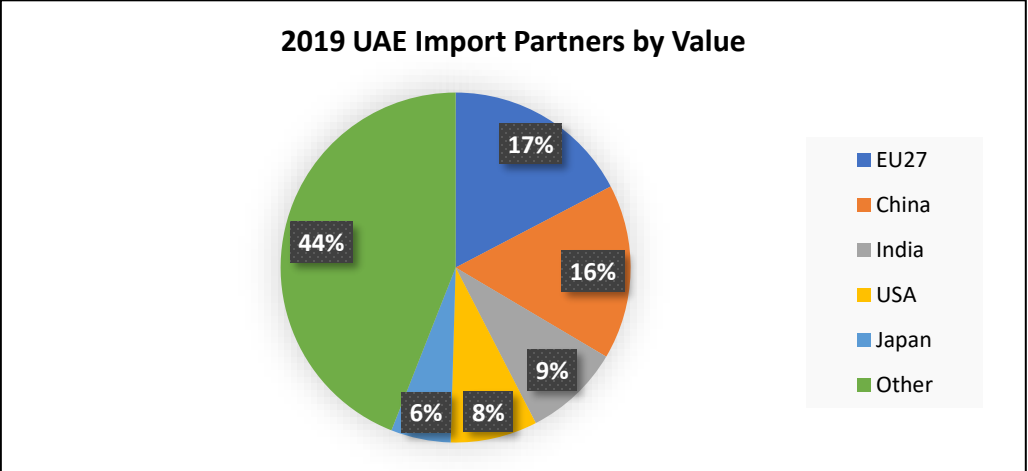
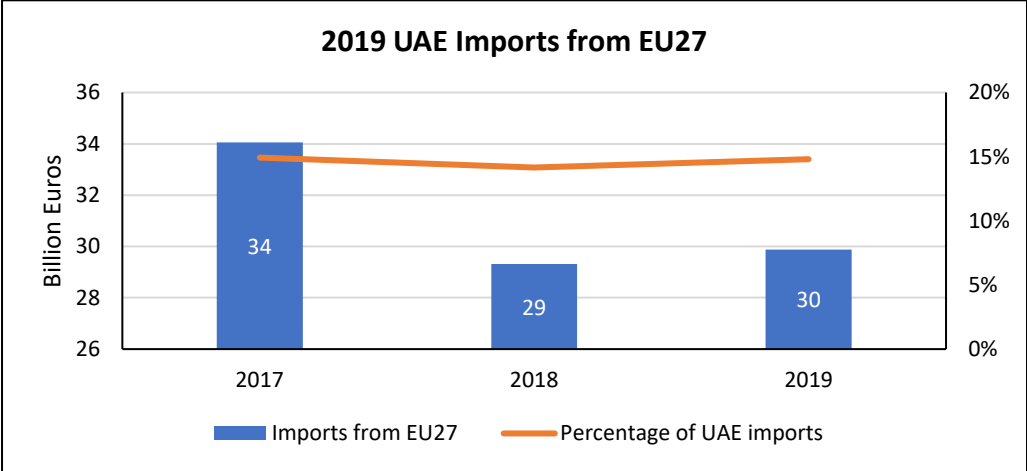
Trade negotiations: The EU and Gulf Cooperation Council launched negotiations for a Free Trade Agreement (FTA) in 1990. The FTA is foreseen to provide for a progressive and reciprocal liberalisation of trade in goods and services. The negotiations have faced several challenges and were effectively halted in 2008, when the GCC countries suspended all ongoing negotiations in which they were involved. While periodic informal contacts have taken place since then to test whether a basis might be found to resume and conclude negotiations, these have not been successful. In parallel with the negotiations, the prospective EU-GCC FTA was subject to a sustainability impact assessment.

Source: <https://ec.europa.eu/trade/policy/countries-and-regions/regions/gulf-region/>

GCC Merchandise Trade with EU27 and the World



UAE Merchandise Trade with EU27 and the World



Source Eurostat Comext

EU – United Arab Emirates Major Trade flows by HS section

EU Imports from United Arab Emirates					
2018			2019		
Goods	Value (millions of Euros)	% EU Imports from UAE	Goods	Value (millions of Euros)	% EU Imports from UAE
V Mineral products	3311	37%	V Mineral products	2823	39%
XIV Pearls, precious metals and articles thereof	2073	23%	XV Base metals and articles thereof	1465	20%
XV Base metals and articles thereof	1625	18%	XIV Pearls, precious metals and articles thereof	1213	17%
XVI Machinery and appliances	541	6%	XVI Machinery and appliances	558	8%
XVII Transport equipment	415	5%	XVII Transport equipment	284	4%

EU Exports to United Arab Emirates					
2018			2019		
Goods	Value (millions of Euros)	% EU Exports to UAE	Goods	Value (millions of Euros)	% EU Exports to UAE
XVI Machinery and appliances	7502	26%	XVI Machinery and appliances	8111	27%
XVII Transport equipment	4656	16%	XVII Transport equipment	5011	17%
XIV Pearls, precious metals and articles thereof	3211	11%	VI Products of the chemical or allied industries	3480	12%
VI Products of the chemical or allied industries	3084	11%	XIV Pearls, precious metals and articles thereof	2642	9%
V Mineral products	1445	5%	IV Foodstuffs, beverages, tobacco	1408	5%

EU – United Arab Emirates major trade flows by HS heading

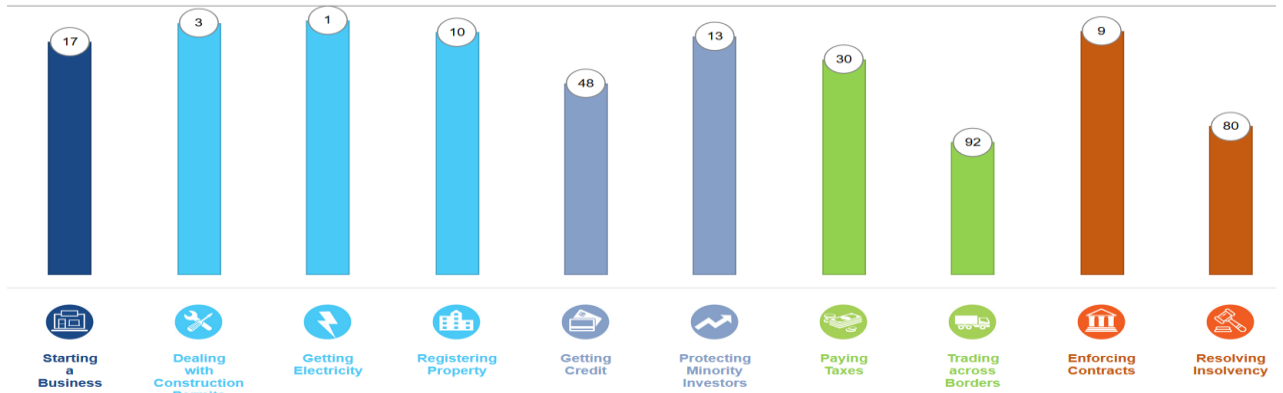
2019 EU Imports from UAE		2019 EU Exports to UAE	
V Mineral products (HS 25-27)	<p>2710 - Petroleum oils and oils obtained from bituminous minerals (excl. crude);</p> <p>2620 - Slag, ash and residues containing metals, arsenic or their compounds (excl. those from the manufacture of iron or steel)</p> <p>2713 - Petroleum coke, petroleum bitumen and other residues of petroleum oil or of oil obtained from bituminous minerals</p>	XVI Machinery and appliances (HS 84-85)	<p>8517 - Telephone sets, incl. telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data</p> <p>8411 - Turbojets, turbopropellers and other gas turbines</p> <p>8471 - Automatic data-processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data</p>
XV Base metals and articles thereof (HS 72-83)	<p>7601 - Unwrought aluminium</p> <p>7602 - Waste and scrap, of aluminium (excl. slags, scale and the like from iron and steel production, containing recoverable aluminium in the form of silicates, ingots or other similar unwrought shapes</p> <p>7404 - Waste and scrap, of copper (excl. ingots or other similar unwrought shapes, of remelted copper waste and scrap, ashes and residues containing copper, and waste and scrap of primary cells, primary batteries and electric accumulators)</p>	XVII Transport equipment (HS 86-89)	<p>8802 - Powered aircraft "e.g. helicopters and aeroplanes"; spacecraft, incl. satellites, and suborbital and spacecraft launch vehicles</p> <p>8703 - Motor cars and other motor vehicles principally designed for the transport of <10 persons, incl. station wagons and racing cars</p> <p>8708 - Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles</p>
XIV Pearls, precious metals and articles thereof (HS 71)	<p>7102 - Diamonds, whether or not worked, but not mounted or set</p> <p>7112 - Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious-metal compounds, of a kind used principally for the recovery of precious metal</p> <p>7113 - Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal</p>	VI Products of the chemical or allied industries (HS 28-38)	<p>3004 - Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses</p> <p>3303 - Perfumes and toilet waters</p> <p>3304 - Beauty or make-up preparations and preparations for the care of the skin, incl. sunscreen or suntan preparations</p>

Note: Products ordered by value

Economic competitiveness indicators

Indicator	Ranking	Out of # Countries
World Bank Ease of Doing Business	16	190
WEF Global Competitiveness Index 4.0	25	141
Fraser Institute – Economic Freedom	61	162
Global Foreign Direct Investment Attractiveness Index	24	109
United Nations e-Government Survey	21	193
Global Innovation Index	36	129

Rankings on Doing Business topics (1-190) - United Arab Emirates



Source World Bank, Doing Business 2020

Infrastructure – key figures

Airports: 43 (2013)

Annual passenger traffic on registered air carriers: 84,738,479 (2015)

Annual freight traffic on registered air carriers: 16.647 billion mt-km (2015)

Major seaports: Al Fujayrah, Mina' Jabal 'Ali (Dubai), Khor Fakkan (Khawr Fakkan) (Sharjah), Mubarras Island (Abu Dhabi), Mina' Rashid (Dubai), Mina' Saqr (Ra's al Khaymah); container port(s) (TEUs): Dubai Port (15,368,000), Khor Fakkan (Khawr Fakkan) (Sharjah) (2,321,000) (2017)

LNG terminal(s) (export): Das Island

ICT

Broadband - fixed subscriptions: 3,024,565

subscriptions per 100 inhabitants: 31 (2018 est.)

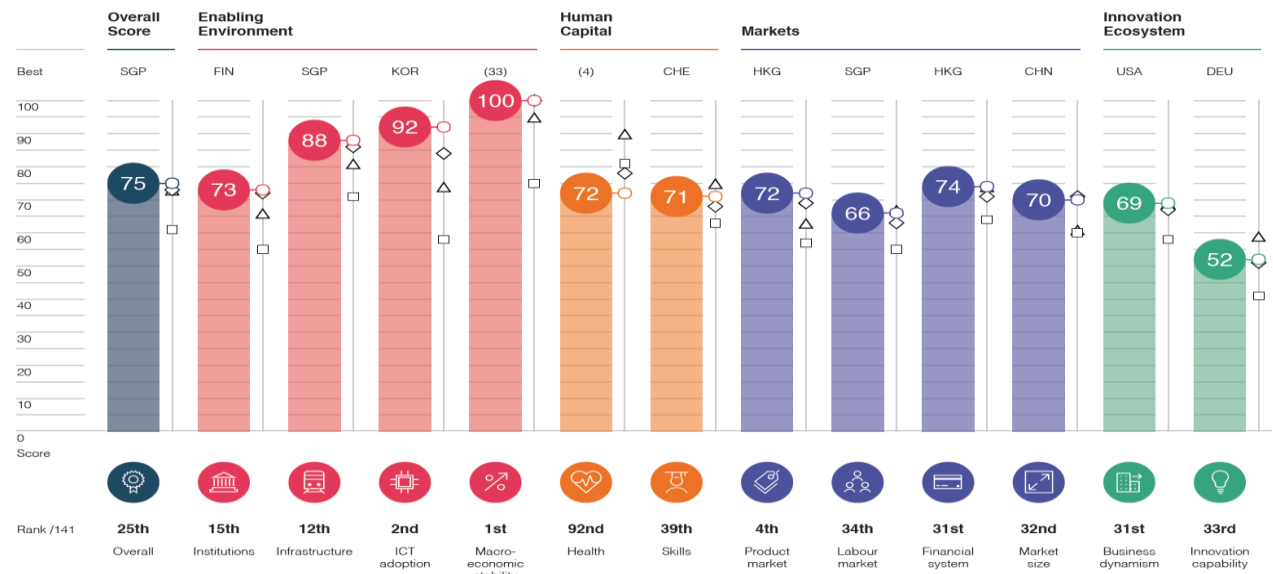
Telephones - fixed lines: 2,341,392

subscriptions per 100 inhabitants: 24 (2018 est.)

Telephones - mobile cellular: 20,081,015

subscriptions per 100 inhabitants: 207 (2018 est.)

Performance Overview Key ◇ Previous edition △ High-income group average □ Middle East and North Africa average 2019



Source WEF, The Global Competitiveness Report 2019

Population Structure and Availability of Human Capital

Population (2020 est.)	
Population (million)	11
Population growth rate	1.49%
Birth rate	9.5 births/1,000 population
Death rate	2 deaths/1,000 population

Age structure (2020 est.)	
0-14 years	14.45% (male 745,492/female 698,330)
15-24 years	7.94% (male 431,751/female 361,804)
25-54 years	68.03% (male 5,204,618/female 1,592,987)
55-64 years	7.68% (male 658,892/female 108,850)
65 years and over	1.9% (male 146,221/female 43,138)

Human Capital Availability
<ul style="list-style-type: none"> ➤ Literacy (age 15 and over can read and write) 2015: <ul style="list-style-type: none"> ▪ total population: 93.8% ▪ male: 93.1% ▪ female: 95.8% ➤ School life duration (primary to tertiary education) 2016: <ul style="list-style-type: none"> ▪ total: 14 years ▪ male: 13 years ▪ female: 14 years ➤ Labor force participation rate, total (% of total population ages 15-64): 83 ➤ Unemployment, total (% of total labor force): 2.35

Investment opportunities

Abu Dhabi



- Manufacturing
- Tourism
- Media
- Financial Services & Insurance
- Logistics
- Education
- Health
- Energy
- Communication
- Real Estate
- Other Sectors – AI, FinTech, Digital Economy

Dubai



- Manufacturing
- Logistics
- Information Technology
- Green Technology
- Retail
- Travel and Tourism
- Healthcare
- Education
- Medical tourism
- Autonomous cars
- Artificial intelligence, Blockchain

Sharjah



- Travel & Leisure
- Transport & Logistics
- Healthcare
- Environment
- Education
- Light Manufacturing

Ras Al Khaimah

Ras Al Khaimah offers its partners an array of opportunities for developing enterprises of all sizes. The Ras Al Khaimah Investment Authority (RAKIA) now includes more than 3500 companies in its portfolio. RAKIA offers a tailored approach to assisting businesses from site surveying to optimizing daily operations.



Important Contacts

Agency	Support Provided	Website	Contact Information
Dubai FDI	Dubai FDI provides essential information and invaluable support to foreign businesses looking to invest in Dubai's thriving economy and take advantage of its global strategic importance	http://www.dubaifdi.gov.ae	Business Village, Block A, 9th Floor Near Clock Tower Tel: +971 4 4455555 info.fdi@fdidubai.gov.ae
Abu Dhabi Investment Office (ADIO)	DIO provides a comprehensive range of services to potential investors along every step of their investment journey	https://www.investinabudhabi.ae/	9th Floor, Khaleej Al Arabi Street, Capital Gate, Abu Dhabi, UAE Tel: +971 2 403 1003
Dubai Department of Economic Development	Commercial Licensing	https://eservices.dubaided.gov.ae	Tel: + 971 4 4455555 info@dubaided.gov.ae
Abu Dhabi Department of Economic Development	Commercial Licensing	https://added.gov.ae/	Al Falah Street - Fatima bint Mubarak St 6 Tel: +971 2 815 8888 contact@abudhabi.ae
Mission of the United Arab Emirates to the EU	UAE Embassy to the EU	https://sp.mofaic.gov.ae/EN/DiplomaticMissions/Embassies/Brussels/Pages/home.aspx	Avenue Franklin Roosevelt, 86 1050 Brussels,Belgium Tel: (+32) 2 640 60 00 BrusselsEMB@mofaic.gov.ae

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