



EU-GCC Dialogue on Economic Diversification

A Project funded by the European Union

GCC Country Economic Profile - United Arab Emirates (UAE)



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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, IFRCS, 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 (2020)		Merchandise Trade (2020, Billions of Euros)	
Population (millions)	11	Imports	235.6
GDP (Billions of Euros)	310	Exports	188.2
GDP per capita (Euros)	28001	Trade in Services (2019, Billions of Euros)	
Real GDP growth (%)	-5.9	Imports	66.2
Inflation rate (%)	-2.1	Exports	65.6

United Arab Emirates Economic Policies & 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.
- Besides 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

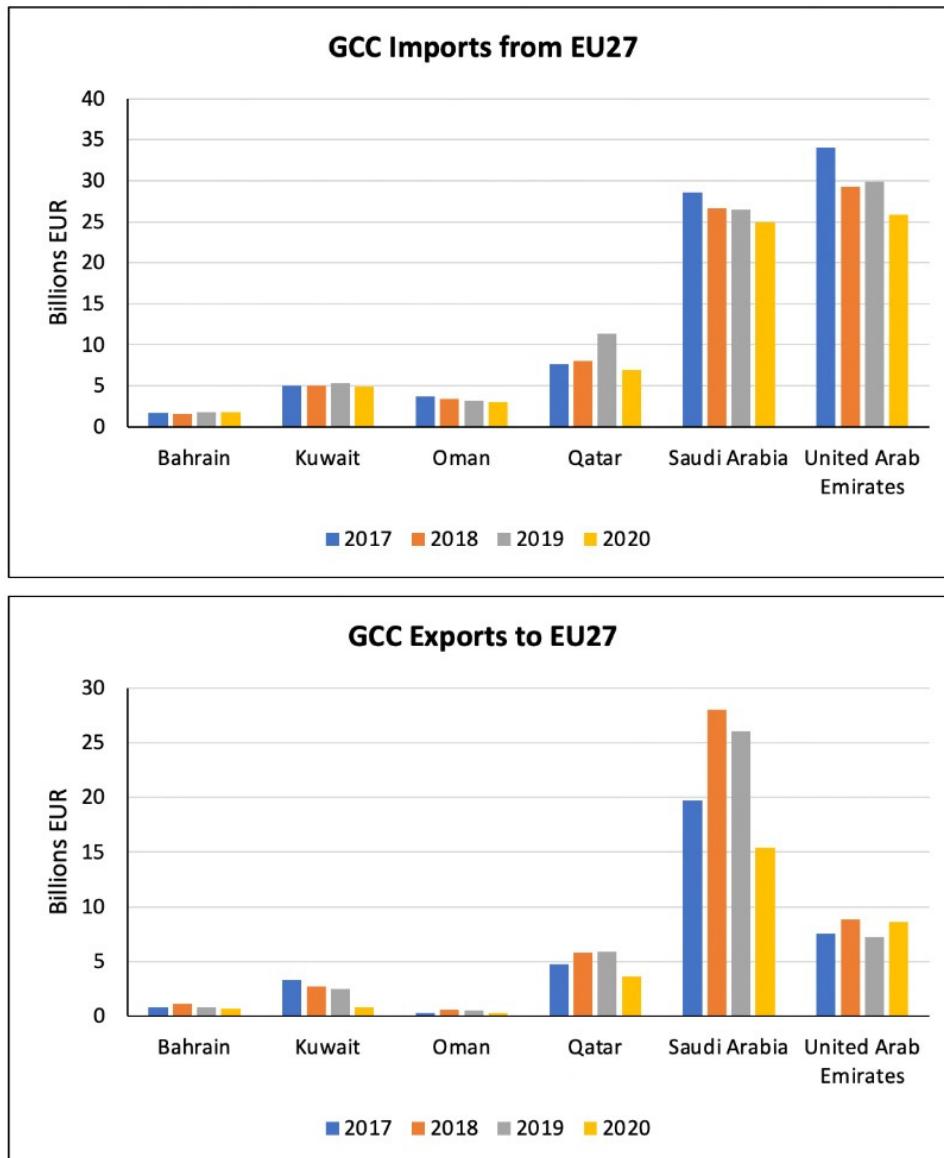
- COVID-19 and oil price related policies: fiscal measures to support the private sector by reducing various government fees and accelerating existing infrastructure projects, to reduce government fees, provide additional water and electricity subsidies, and simplify business procedures. The Central Bank of the UAE (CBUAE) has reduced its policy interest rate twice by a combined 125 basis points in 2020. in March 2020, the CBUAE has announced an AED 256 billion (\$70 billion or 20% of GDP) package of measures, called Targeted Economic Support Scheme (TESS). On August 8, 2020, the CBUAE announced further measures to facilitate banks' lending to the economy. The TESS was extended twice in November, 2020 (until the end of June 2021) and in April, 2021 (until the end of June 2022). The CBUAE's financing for loan deferrals under the TESS is extended until the end of 2021.
- 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.

United Arab Emirates Economic Policies & EU – United Arab Emirates Economic Relations

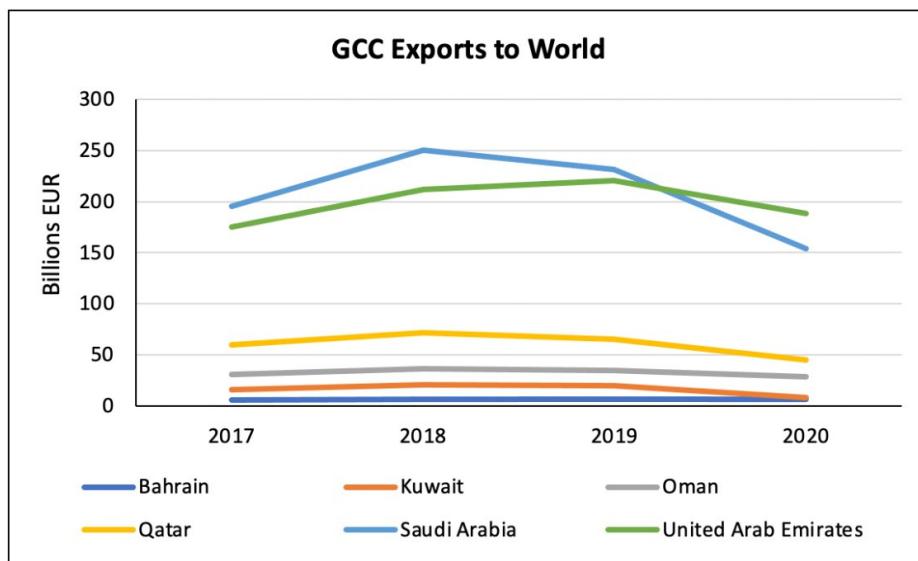
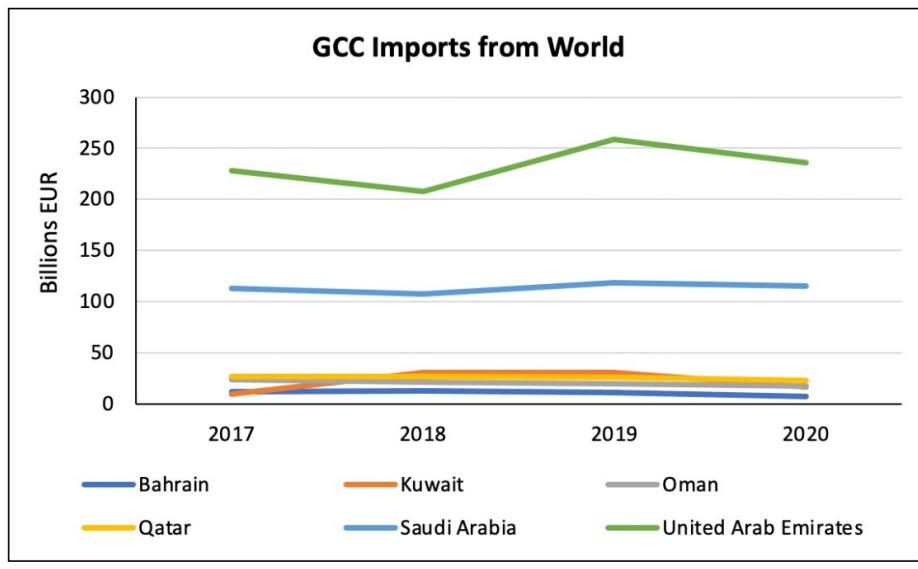
EU - United Arab Emirates Economic Relations

- **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.

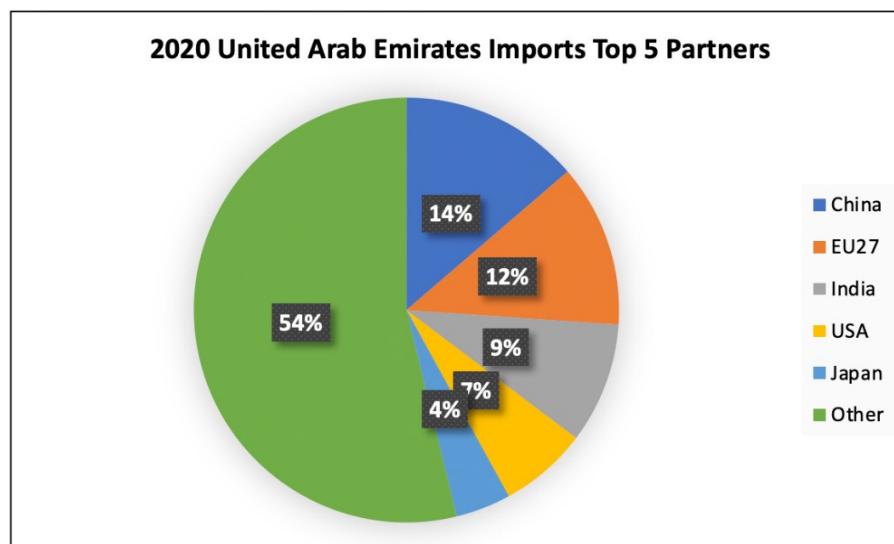
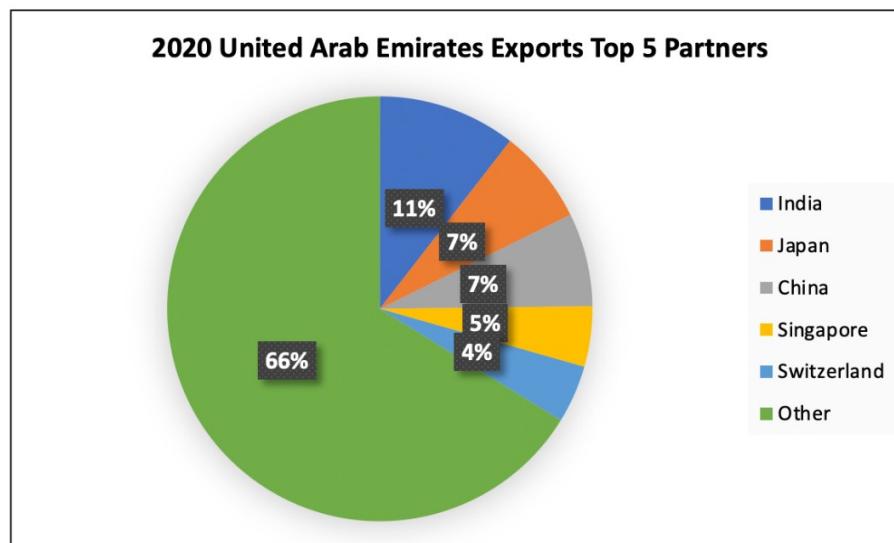
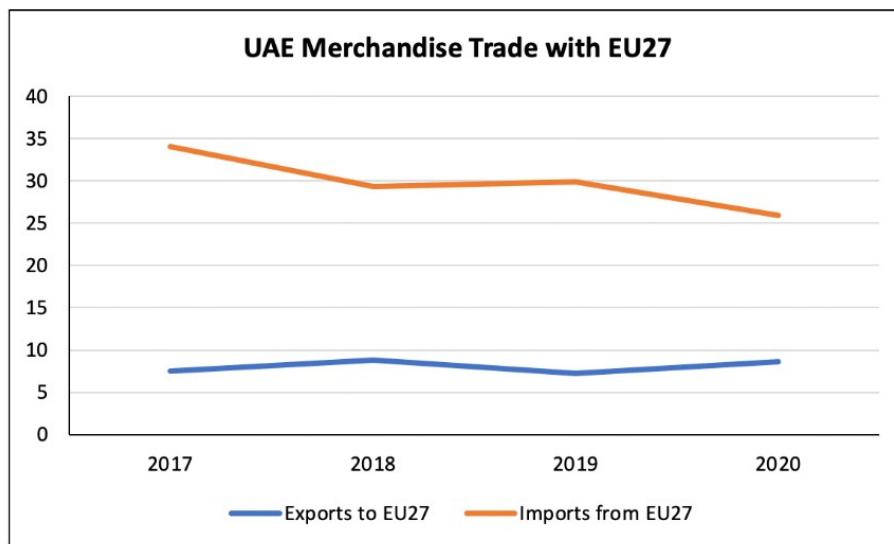
GCC Merchandise Trade with EU27 & the World



GCC Merchandise Trade with EU27 & the World



UAE Merchandise Trade with EU27 & the World



EU – United Arab Emirates Major Trade flows by HS section

EU Imports from United Arab Emirates					
2019			2020		
Goods	Value (millions of Euros)	% EU Imports from UAE	Goods	Value (millions of Euros)	% EU Imports from UAE
V Mineral products	2823	39	XIV Pearls, precious metals and articles thereof	4956	57.5
XV Base metals and articles thereof	1465	20	V Mineral products	1183	13.7
XIV Pearls, precious metals and articles thereof	1213	17	XV Base metals and articles thereof	992	11.5
XVI Machinery and appliances	558	8	XVI Machinery and appliances	519	6.0
XVII Transport equipment	284	4	XVII Transport equipment	177	2.1

EU Exports to United Arab Emirates					
2019			2020		
Goods	Value (millions of Euros)	% EU Exports to UAE	Goods	Value (millions of Euros)	% EU Exports to UAE
XVI Machinery and appliances	8111	27	XVI Machinery and appliances	7859	30.3
XVII Transport equipment	5011	17	XVII Transport equipment	3829	14.8
VI Products of the chemical or allied industries	3480	12	VI Products of the chemical or allied industries	3187	12.3
XIV Pearls, precious metals and articles thereof	2642	9	XIV Pearls, precious metals and articles thereof	2095	8.1
IV Foodstuffs, beverages, tobacco	1408	5	IV Foodstuffs, beverages, tobacco	1203	4.6

Source: Eurostat Comext

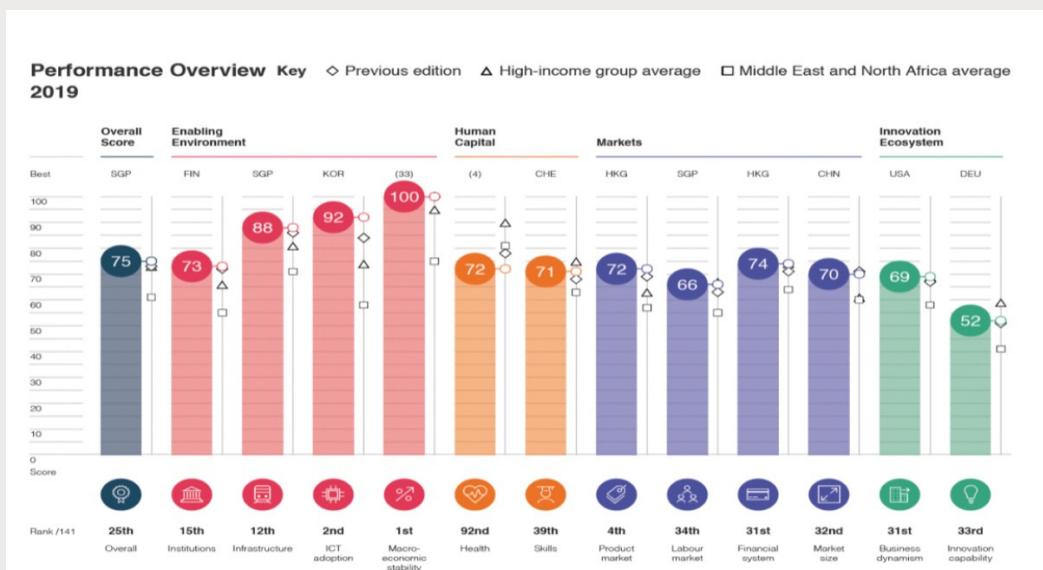
EU – United Arab Emirates Major Trade flows by HS section

2020 EU Imports from UAE		2020 EU Exports to UAE	
XIV Pearls, precious metals and articles thereof (HS 71)	7108 Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured or in powder form 7110 Platinum, incl. palladium, rhodium, iridium, osmium & ruthenium, unwrought or in semi-manufactured forms, or in powder form 7105 Dust and powder of natural or synthetic precious or semi- precious stones	XVI Machinery and appliances (HS 84-85)	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, n.e.s. 8479 Machines and mechanical appliances having individual functions, not specified or included elsewhere in this chapter; parts thereof 8413 Pumps for liquids, whether or not fitted with a measuring device (excl. ceramic pumps and secretion aspirating pumps for medical use and medical pumps carried on or implanted in the body); liquid elevators (excl. pumps); parts thereof
V Mineral products (HS 25-27)	2710 Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing $\geq 70\%$ by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, n.e.s.; waste oils containing mainly petroleum or bituminous minerals 2711 Petroleum gas and other gaseous hydrocarbons 2709 Petroleum oils and oils obtained from bituminous minerals, crude	XVII Transport equipment (HS 86-89)	8705 Special purpose motor vehicles (other than those principally designed for the transport of persons or goods), e.g. breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops and mobile radiological units 8704 Motor vehicles for the transport of goods, incl. chassis with engine and cab 8701 Tractors
XV Base metals and articles thereof (HS 72-83)	7604 Bars, rods and profiles, of aluminium, n.e.s. 7210 Flat-rolled products of iron or non-alloy steel, of a width ≥ 600 mm, hot-rolled or cold-rolled "cold-reduced", clad, plated or coated 8001 Unwrought tin	VI Products of the chemical or allied industries (HS 28- 38)	3004 Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses "incl. those for transdermal administration" or in forms or packings for retail sale (excl. goods of heading 3002, 3005 or 3006) 3002 Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and immunological products, whether or not modified or obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excl. yeasts) and similar products 3302 Mixtures of odoriferous substances and mixtures, incl. alcoholic solutions, based on one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages

Economic Competitiveness Indicators

Indicator	Ranking	Out of # Countries
WEF Global Competitiveness Index, 2019	25	141
Fraser Institute - Economic Freedom, 2021 Report	68	165
Global Foreign Direct Investment Attractiveness Index, 2020	24	109
United Nations e-Government Survey, 2020	21	193
Global Innovation Index, 2021	33	132

Infrastructure - Key Figures	
Airports: 43 (2013)	
Annual passenger traffic on registered air carriers: 95,533,069 (2018)	
Annual freight traffic on registered air carriers: 15,962,900,000 mt-km (2018)	
Major seaports: Al Fujayrah, Mina' Jabal 'Ali (Dubai), Khor Fakkan (Khawr Fakkan) (Sharjah), Mubarraz Island (Abu Dhabi), Mina' Rashid (Dubai), Mina' Saqr (Ra's al Khaymah); container port(s) (TEUs): Dubai Port (14,111,000) (2019); LNG terminal(s) (export): Das Island	
ICT	
Broadband - fixed subscriptions: 3,045,957	
Subscriptions per 100 inhabitants: 31.34 (2019 est.)	
Telephones - fixed lines: 2,362,602	
Subscriptions per 100 inhabitants: 24.31 (2019 est.)	
Telephones - mobile cellular: 19,602,815	
Subscriptions per 100 inhabitants: 201.67 (2019 est.)	



Source WEF, The Global Competitiveness Report 2019

Population Structure & Availability of Human Capital

Population (2021 est.)	
Population (million)	11
Population growth rate	0.62%
Birth rate	10.87 births/1,000 population
Death rate	1.51 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
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) 2017: <ul style="list-style-type: none"> total: 14 years male: 14 years female: 15 years
Labor force: 5.344 million (2017 est.) (expatriates account for about 85% of the workforce)
Unemployment, total (% of the total labor force): 1.6 (2016 est.)

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 & 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)	ADIO 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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- Fraser Institute 'Economic Freedom of the World Annual Report 2021'
- IMF Policy Responses to COVID-19
- United Nations 'E-Government Survey 2020 Digital Government in the Decade of Action for Sustainable Development'
- World Economic Forum 'The Global Competitiveness Report 2019'
- WIPO (2021), 'Global Innovation Index 2021 – Tracking Innovation through the COVID-19 Crisis'

About the EU-GCC Dialogue on Economic Diversification Project

The EU-GCC Dialogue on Economic Diversification is a project funded by the European Commission Service for Foreign Policy Instruments under the Partnership Instrument.

The project contributes to stronger EU-GCC relations by supporting the GCC countries in the ongoing process of economic diversification away from hydrocarbon-dependent sectors, including by funding regular EU-GCC Business Fora.

The purpose of this project is to promote climate-friendly trade, investment, and economic affairs-related policy analysis, dialogue, and cooperation between stakeholders from the EU and GCC at both regional and country levels in the context of the GCC economic diversification process.

For more information on the EU-GCC Dialogue Project, and to download research reports and other publications, please visit:

https://eeas.europa.eu/headquarters/headquarters-homepage/87855/eu-gcc-dialogue-economic-diversification-project_en

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