



UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY



# UAE: CHAMPIONING THE GLOBAL RECOVERY

## IN PARTNERSHIP WITH



## SUPPORTING BUSINESS COUNCILS



# GLOBAL MEGA TRENDS SHAPING OUR FUTURE



## Global Power Shift

- Rebalancing of economic and political power
- Emergence of a multi-polar world
- A fracturing multilateral system and geopolitical conflict



## Macroeconomic Instability

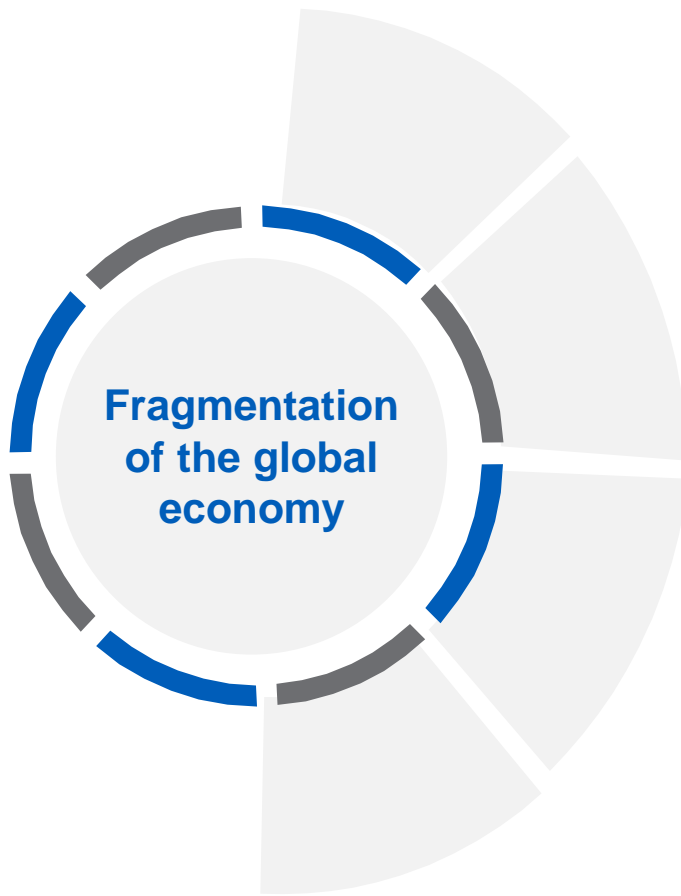
- Chronic slow global growth
- High per-capita debt burdens
- Pressure for reshoring



## Climate Change

- Intensification of catastrophic risks and environmental decline
- Rise of lethal pandemics

# IS GLOBALIZATION IN DANGER?



**The Discontents of Globalization:** Inequality, climate change, global indebtedness

**Decrease in Multilateralism:** We have seen an increase in economic “de-coupling”, especially with Russia.

**Increase in Nationalism:** Rise of “autarky”, self-interest, populism and protectionism

**New Development Models:** Reduced importance of global and regional “hubs”

# GLOBAL ECONOMIC POWER TO SHIFT FROM G7 TO E7

The G7 is made up of seven of the world's most advanced economies



USA



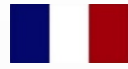
UK



Canada



Japan



France



Italy



Germany

- A “**community of values**” that has been meeting since 1975 to exchange **possible solutions** to economic crises
- The G7 countries collectively make up **58% of global wealth** and over 46% of global GDP

By 2050, six of the seven largest economies could be E7 countries



China



India



Brazil



Mexico



Russia



Indonesia



Turkey

- **E7 economies will grow** at an average growth rate of **3.5%** over the next 34 years, compared to 1.6% for G7
- These countries are expected to be around **50% larger than the current G7** by 2050

# FUTURE GLOBAL SCENARIOS

## Three global-level scenarios for the coming decade

### Islands

- **USA and China** pursue **competitive security** and **trade policies**
- **Fragmentation** of the EU, ASEAN, African Union, and Middle East

### Archipelagos

- **EU** recovers a sense of **collective identity**
- EU mediates between **Beijing, Washington** and **Moscow**

### Constructive equilibrium

- **US and China** realise that 2018-21 is not in their interest
- They develop **regulation of data, software, and AI**

## Impact on the Middle East

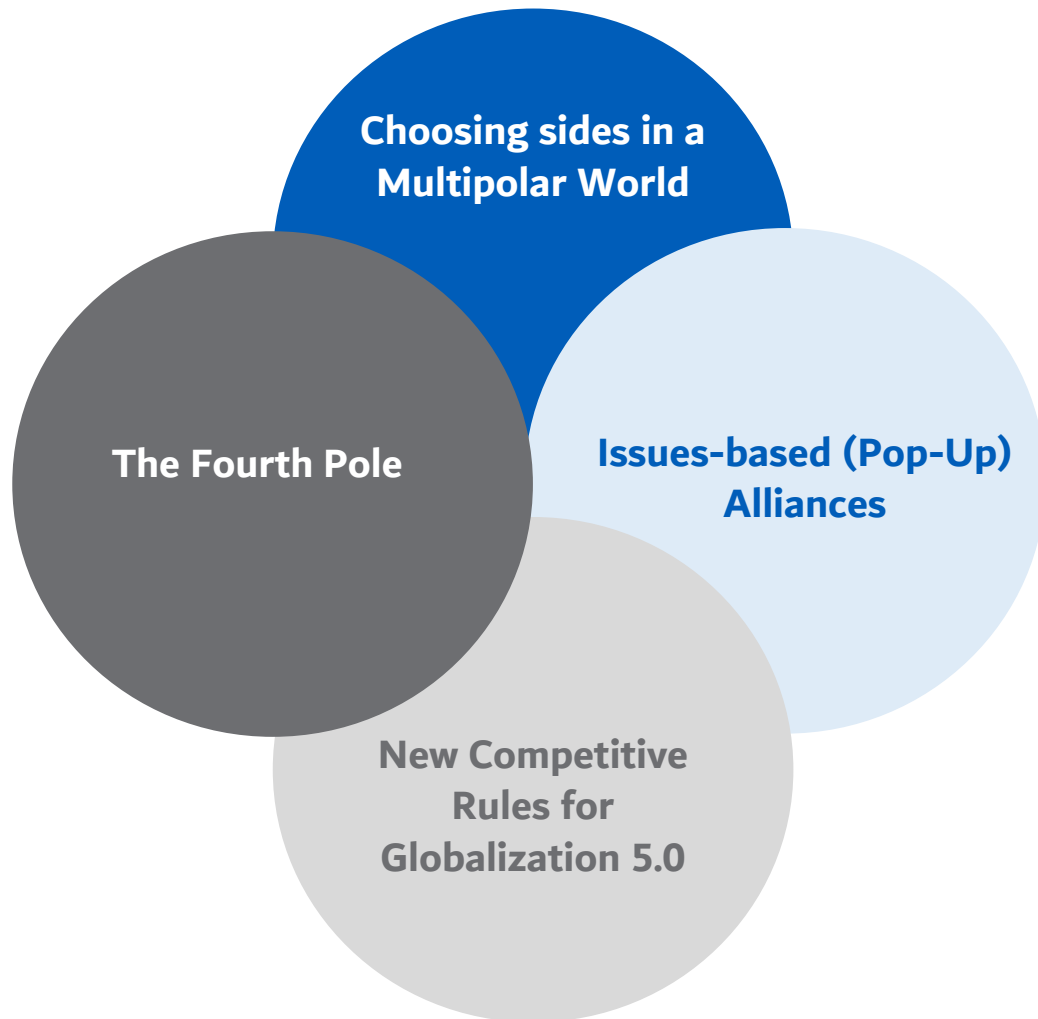
### Destructive decline

- **Geopolitical competition** helps **ISIS regenerate in Syria/Iraq**
- Logistical systems are disrupted, requiring investments in **cybersecurity** and **counterthreat capability**
- Energy transformation is **hampered**

### Regional transformation

- An environment transformed by a **regional collective security agreement**, specifically **non-aggression and non-interference**
- **Iran** has no choice but to **negotiate**
- This enables the **reconstruction** of **Iraq** and **Syria**.

# OPPORTUNITIES & CHALLENGES FOR THE UAE



## Opportunities & Challenges for the UAE

New sources of competitive advantage



New partnerships & alliances



Revised value proposition



Multi-level partnerships



# IMPLICATIONS FOR THE UAE



## THE UAE IS RE-POSITIONING ITS FUTURE DEVELOPMENT MODEL

The UAE is building its future growth strategy by capitalizing on new movements of capital:

- Financial
- Human
- Technological

The UAE will be a global magnet for:

- Trade
- Talent
- FDI

# UAE'S CENTRALITY TO GLOBAL TRADE



**\$517 Billion in annual non-oil foreign trade (2021)**



**12<sup>th</sup> busiest container port in the world**



**6<sup>th</sup> largest oil exporter in the world**



**6<sup>th</sup> largest gold exporter in the world**



**#22 trade destination in the world**



**60% of all China exports**



**World's busiest international airport**



**3<sup>rd</sup> largest re-export market**



# UAE'S BOLD TRADE AGENDA

## UAE is strengthening relationships with strategic global allies

- Foreign trade is key to doubling the size of the UAE economy by 2030 – from US\$381 billion to more than **US\$762 billion**.
- The UAE's non-oil economy represents more than 72% of its GDP
- Our logistics network extends to **400 global cities**.
- Our near-term aim is to boost exports by at least **50 percent** in the next few years.
- **The CEPA model** is central to our efforts to stimulate long-term, sustainable economic growth and cement the UAE's position as a global economic hub.



Israel



India



Indonesia



Ethiopia



Turkey



South Korea



Kenya



UK

# UAE @ THE FOURTH POLE



## Partnership with India and Development of a “Fourth Pole”

- India as the base
- UAE as the major hub and platform for India and Africa

## UAE-India CEPA offers significant economic benefits

- Lowering or eliminating tariffs on more than 90% of products
- Removing technical barriers to trade
- Enhancing market access for services
- Opening government procurement to each others’ companies
- Facilitating investment and joint-ventures in priority sectors
- Providing a platform for SMEs to expand through access to new customers, networks, and avenues of collaboration.

**\$100 Billion**

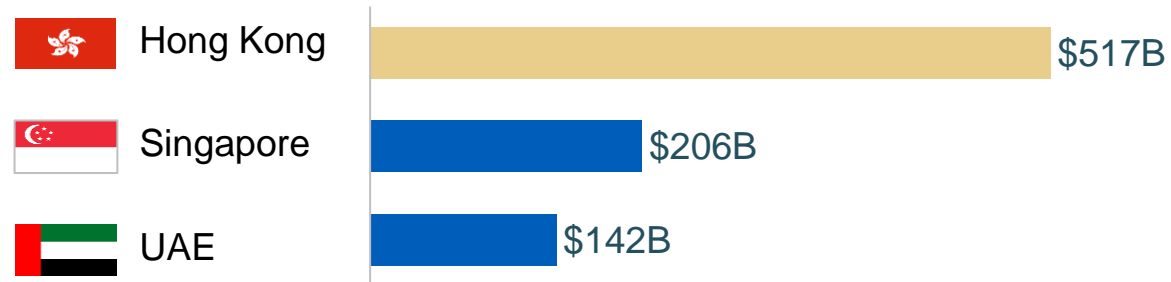
Value of bilateral trade the  
CEPA will unlock by 2028

**\$8.9 Billion**

Potential increase to the  
UAE GDP

# UAE AS A GLOBAL RE-EXPORT HUB

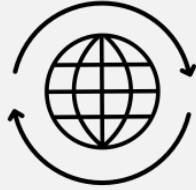
## Top re-exporting countries



- UAE's total re-exports amounted to **US\$142 billion** in 2021, **up from US\$ 140 billion in 2020**.
- Re-exports account for **more than half of UAE's non-oil exports**
- **Saudi Arabia** is UAE's top re-export partner with the country's re-exports during 2021 totaling US\$16.3 billion

- UAE aims to **double** its re-exports and ensure that re-exports **add greater value** to the economy.
- The UAE is including of re-exports in **CEPA agreements**.
- The UAE is developing:
  - an e-commerce fulfilment hub.
  - a single trade window for trader facilitation
  - specialized finance for re-exporters
  - a logistics center for excellence to build the talent base to service this sector

# SERVICES IS ONE OF THE FASTEST GROWING EXPORT SECTORS IN THE WORLD



Global service exports were valued at **US\$6.1 trillion** in 2019, representing **1/4 of the value of total global exports** and **7% of the world's GDP**



Over **2/3 of foreign direct investment** is directed towards **services**



**Trade in services** has grown **60% faster** than goods trade in the past decade



The service sector provides **the most jobs globally** with **50% of employment** being in services in 2019



The **United States** and the **European Union** account for the **majority of global trade in services**



4 major factors that will affect global services trade in the future are: **digital technologies, demographic changes, rising incomes, and climate change**

Source: UNCTAD, CBI, World Bank



# INDUSTRIAL MANUFACTURING STRATEGY

## UAE'S INDUSTRIAL STRATEGY

- To develop the UAE's industrial sector and enhance its role in stimulating the national economy.
- It aims to raise the industrial sector's contribution to the GDP from AED133 billion to **AED300 billion** (US\$81 billion) by 2031.
- The strategy focuses on:
  - the establishment of an **integrated R&D ecosystem**
  - the adoption of **4IR technologies** to boost productivity
  - **streamlining regulations** and incentives to the manufacturing sector in the UAE



# INCENTIVES TO BOOST INDUSTRIAL MANUFACTURING



## National In-Country Value

- A UAE government program that supports **local companies** in the industrial sector by redirecting public-sector and select private-sector procurement back into the national economy.
- So far, the National ICV program has returned **AED41.4 billion** dirhams back into the domestic market.



## Emirates Development Bank

- EDB is the **financial engine of industrial transformation** and economic diversification in the UAE.
- They offer **direct and indirect financing** for expansion, cap-ex investments, advanced technology adoption and clean energy transition.



## UAE Industry 4.0

- **This is an integrated** program of support, advice and training to accelerate the adoption of 4IR technologies.
- Offers **digital maturity assessments** from Siemens.
- **AED5 billion in finance** available in partnership with EDB.



## Make it in the Emirates Lab

- The 'Make it in the Emirates Lab' is a new public-private initiative that delivers corporate training to SMEs in the industrial sector.
- The Lab will also **offer consultancy services** provided directly by MoIAT and via partner companies.

# A TARGETED STRATEGY TO ATTRACT FOREIGN INVESTMENT



## Targeted Investment Attraction

- New **sector-specific investment** promotion for target FDI growth sectors.
- Development of next-gen FDI in industries of the future.
- Already targeting cryptocurrency and blockchain companies.



e-Commerce



Agritech



Healthcare



Manufacturing



Fintech



Logistics &  
Supply Chain



Gaming



Education



Space



Medical &  
Wellness Tourism



4IR Technologies



Renewable  
energy



Smart Cities &  
Smart Mobility



Tourism



Entertainment

# FDI AND TALENT ATTRACTION ENABLERS

## Enhanced Visa Categories

- **Categories of visas** introduced: Green Visa, Golden Visa & Freelancers Visa
- Newly launched visa system attracting qualified workforce in health, scientific, research, technological and cultural sectors

## Full foreign ownership of commercial companies

- New laws allowing foreigners to establish companies with **100 per cent full ownership**
- Firms wishing to become joint stock companies can, after the approval of relevant authorities, sell through IPOs, 70% of the company, up from 30%.

## Educational Excellence

- The UAE currently hosts the largest concentration of International Branch Campuses in the world.
- British University in Dubai launched the nation's first **Bachelor Degree in Artificial Intelligence**.
- Mohamed Bin Zayed University of Artificial Intelligence to champion AI in the industrial sector.

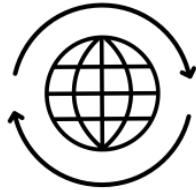
## Skills Development

- The Ministry of Education' launched **Advanced Skills Strategy** is developing capabilities in key sectors
- One Million Arab Coders aims to encourage young people to adopt skills required for the digital age.
- The 2021 Federal Budget allocated **AED9 billion** to education to empower a knowledge-based economy.





# THE UAE'S PLACE IN AN EVER-CHANGING WORLD



## A Connector

The UAE will strengthen its role as a **global trade hub**, a vital bridge between Asia, Africa and Europe supported by world-class logistics infrastructure and next-generation trade deals with emerging economies.



## An Incubator

The UAE will continue to attract, develop and invest in **the industries of the future**, accelerating economic diversification and leading global conversations on world-changing solutions to energy and food security.



## A Partner

The UAE will remain committed to **multilateralism**, building long-term partnerships based on mutual interest – strengthening supply chains, boosting development and fostering research and innovation.



UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY

## LET US UNLOCK THESE OPPORTUNITIES TOGETHER

The UAE Ministry of Economy is ready and willing to help you maximize the benefits of these new incentives and advantages.

*<https://www.moec.gov.ae>*