

UAE Foreign Direct Investment

REPORT 2024



وزارة الاستثمار

MINISTRY OF INVESTMENT

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The Ministry of Investment plays a vital role in strengthening the UAE's economic landscape, driving progress and fostering sustainable growth. Our commitment to creating a dynamic investment ecosystem is the cornerstone of our strategy.

By nurturing collaboration between the private sector and government entities, we are bolstering the foundations that support a range of competitive business activities, significantly enhancing the UAE's investment proposition.

The UAE's visionary leadership has been instrumental in creating an environment that promotes innovation across multiple sectors of the economy. As you explore this Report, you will note how the UAE has been an early adopter of advanced technologies that drive the competitiveness of the economy and bring value for businesses, citizens and residents alike.

Our ability to adapt and innovate is driven by the UAE's enabling environment that allows new business models to thrive and mature industries to expand. This is exemplified through the development of new sectors and growing investor interest in a range of greenfield projects that the UAE is best placed to nurture.

The UAE's strategic location, robust infrastructure, and investor-friendly environment have positioned us as one of the most compelling global investment destinations. As a result, foreign direct

investment (FDI) has seen a significant increase over the past five years. The sustained growth of FDI inflows reflects the resilience of our economy and is proof of the confidence that international investors have in the UAE's economic policies and the strategic initiatives and partnerships we have forged.

Our commitment to economic diversification, innovation, and sustainable development is at the core of our national agenda. The Centennial 2071 set ambitious goals for the future, and FDI plays a crucial role in achieving these objectives. By attracting high-quality, high-value industries, we are not only boosting our economic growth

but also creating exciting job opportunities, fostering technological advancements, and enhancing the overall quality of life for our citizens and residents.

Our comprehensive approach includes strategy and policy development, a robust regulatory framework, strategic partnerships, and data-driven insights. By leveraging AI and advanced data analytics, we ensure that the UAE remains a compelling and stable destination for FDI, aligning with our long-term vision for growth and prosperity.

I invite you to explore the insights presented in this report, which showcase the UAE's journey in becoming a global investment hub. In conclusion, I leave you with a snapshot of three exciting businesses that are adopting future-focused technologies that will power growth and innovation. This is but a microcosm of the dynamism and entrepreneurship that define the UAE, and we are committed to continually fostering an environment that allows capital, business, and people to thrive.

HE Mohamed Hassan Alsuwaidi
MINISTER OF INVESTMENT



FDI: A Pillar Of Prosperity

The UAE’s impressive FDI milestones reflect its dynamic growth and strategic vision. Through innovative policies, strategic partnerships, and a commitment to creating a thriving business ecosystem, the UAE has become a magnet for global investors, showcasing its prowess in fostering economic prosperity.

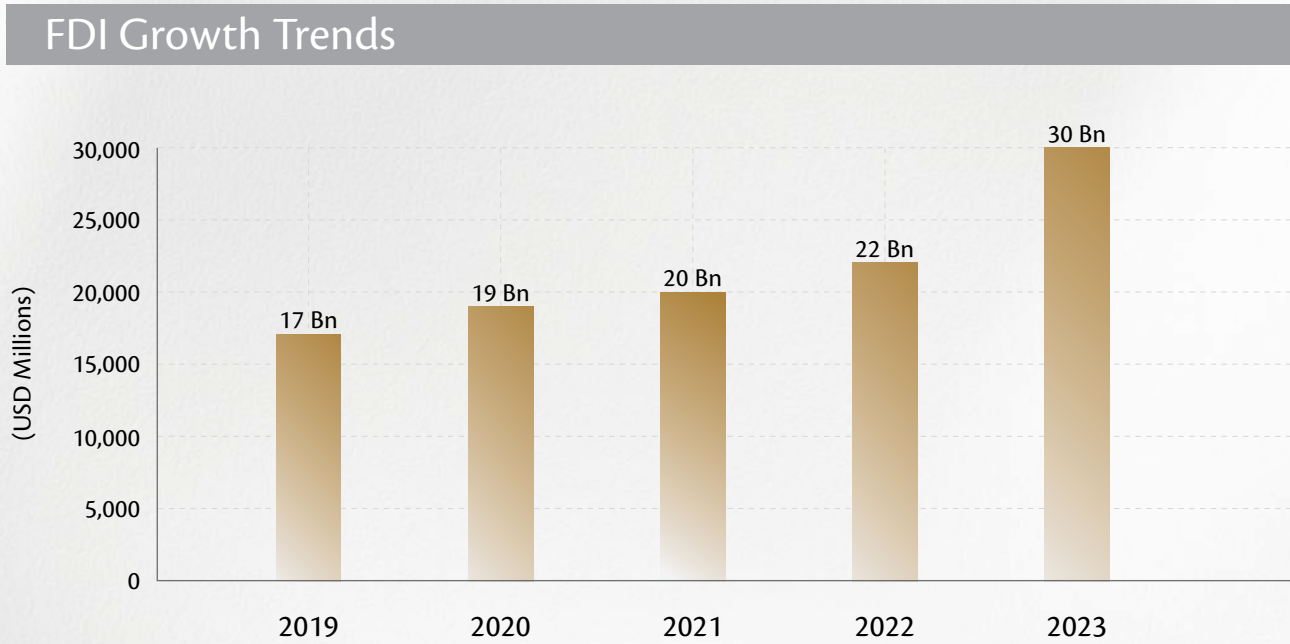
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UAE’s FDI inflow ranking in 2023

USD
30 billion
total inward FDI inflow in 2023

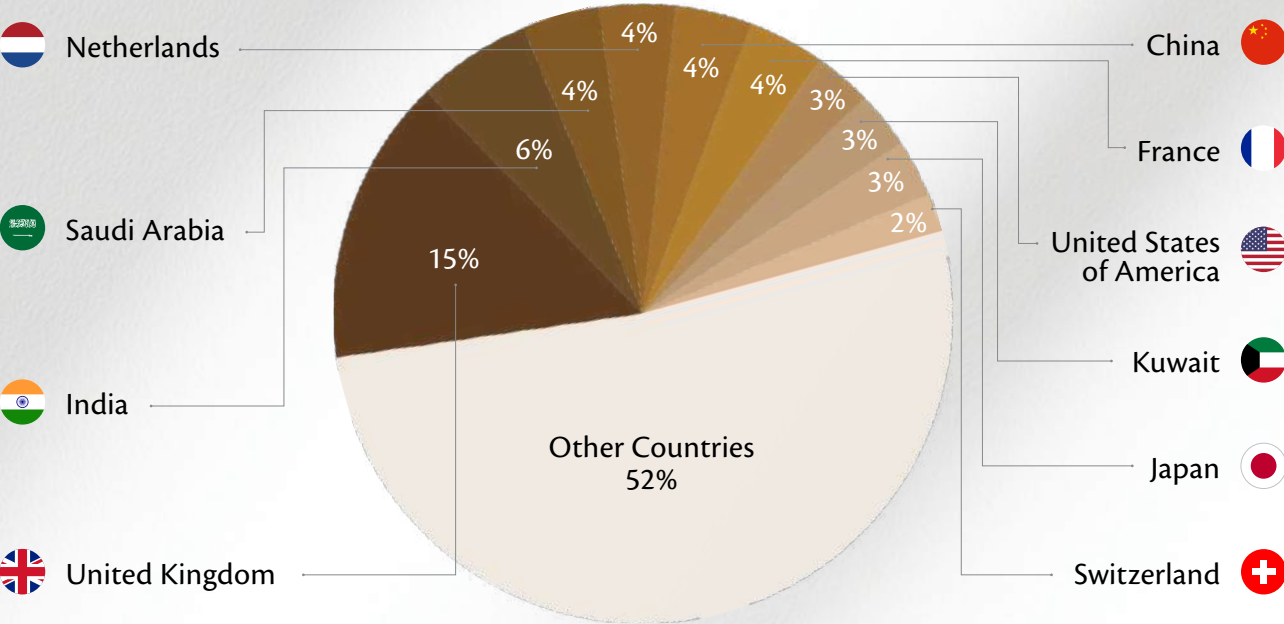
USD
225 billion
total FDI stock as of 2023

Source: UNCTAD, World Investment Report 2024



Source: UNCTAD, World Investment Report 2024

Top 10 contributors of FDI stock in the UAE



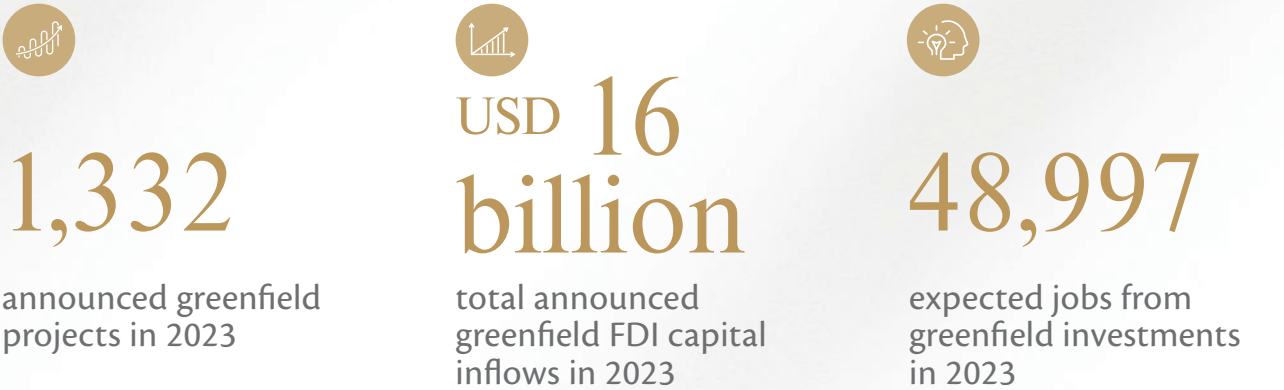
Source: Federal Competitiveness and Statistics Centre; authors’ calculations

Key Sectors Driving FDI



Source: Federal Competitiveness and Statistics Centre; authors’ calculations

Greenfield Investment Trends



Source: fDi Markets, Financial Times; authors’ calculations

Business-Friendly Environment

AA-
credit rating
(Fitch)

190+
nationalities in an open,
multi-cultural society

#2
globally in economic performance
(IMD 2024 World Competitiveness Report)

#3
in international trade
(IMD 2024 World Competitiveness Report)

Seamless Connectivity

12
commercial trading ports
connected seamlessly to 150 global ports

10
airports
connecting 281 destinations globally

1,200 km
railway network
aimed at connecting five Gulf countries by 2026

2,500+
total weekly flights
of UAE flag carriers

Where Prosperity Meets Opportunity

A thriving, business-friendly environment, strategic location, and exceptional connectivity, bolstered by world-class ports, airports, and an expanding railway network, continue to drive a surge in trade and attract global investments, solidifying the UAE's status as a global economic powerhouse.

Comprehensive Economic Partnership Agreements (CEPAs)

(6 CEPAs ratified and in effect, featuring three of the largest economies)

 India (Ratified: May 2022)

 Turkey (Ratified: September 2023)

 Indonesia (Ratified: September 2023)

Other Investment Enabling Agreements

115
bilateral investment treaties signed,
with 75 ratified

146
double taxation agreements signed,
with 116 ratified

Robust Trade Performance

USD 953 billion
total non-oil foreign trade 2023

60%
growth in non-oil trade in 2023

The World's Nexus For Global Investment

The UAE stands as a beacon of economic opportunity, attracting diverse investments from around the world. FDI inflows into the UAE reached an all-time high in 2023, reflecting investor confidence and validating the importance of the UAE's strategic initiatives, robust infrastructure, and investor-friendly policies in creating a thriving investment environment.

Key Factors Driving FDI Growth

Regulatory Reforms

The introduction of 100% foreign ownership across sectors, streamlined business registration processes, and enhanced legal protection for investors, ensuring improved investment security and ease of doing business.

Economic Diversification

Focus on sectors such as tourism, technology, renewable energy, and financial services to build a vibrant non-oil economy, contributing 70% of the UAE's GDP and fostering sustainable growth.

Strategic Location

Serving as a gateway between East and West, providing access to fast-growing markets in Asia, Africa, and Europe, complemented by initiatives like the India-Middle East-Europe Economic Corridor (IMEC).

Unparalleled Connectivity

State-of-the-art airports, ports, and logistics facilities support efficient business operations and global connectivity, enabling seamless market entry and streamlined distribution, with 66% of the world reachable within 8 hours.

Investment Incentives

Tax exemptions, subsidies, and grants to attract and support foreign investors, with more than 40 freezones providing substantial financial benefits, offering great flexibility in business establishment.

Global Partnerships

Strategic trusted partnerships that enhance economic cooperation, trade, and investment flows, including 26 Comprehensive Economic Partnership Agreements (CEPAs), ratified and in negotiations, covering an effective market of over 3 billion people.

100%

foreign ownership in all sectors

70%

GDP from non-oil sectors

Strategic Gateway

to Asia, Africa, and Europe

66%

of the world reachable within 8 hours

40+

freezones with sector-specific regulations

26+

CEPAs (ratified and in negotiations) covering a market of 3 billion people

Forging Global Partnerships

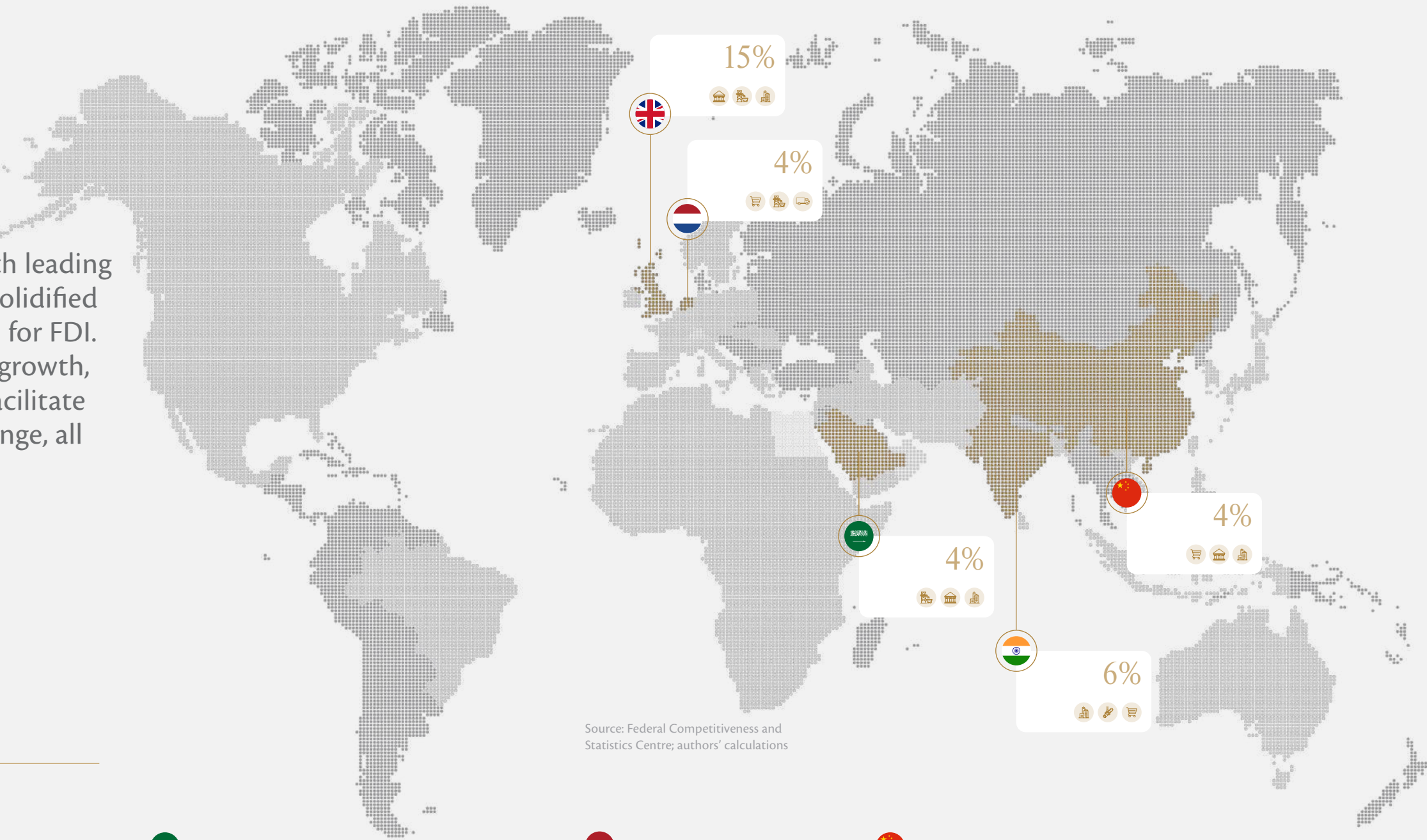
The UAE’s strategic partnerships with leading economies around the world have solidified its position as a premier destination for FDI. These partnerships drive economic growth, boost trade and investments, and facilitate technological and knowledge exchange, all contributing to mutual prosperity.

Top Five Global Investors

Contributing

33%

of total FDI stock in the UAE as of 2022



Source: Federal Competitiveness and Statistics Centre; authors’ calculations



United Kingdom

The UK, driven by historical ties and strategic partnerships, is the largest contributor to FDI stock into the UAE, with non-oil trade of USD 12 billion in 2023, an increase of 18% from 2022.

Key Sectors

- Finance and Insurance
- Mining and Quarrying
- Real Estate



India

India follows as the second-largest contributor to FDI in the UAE, bolstered by the Comprehensive Economic Partnership Agreement that came into force in May 2022, aiming to elevate bilateral trade to USD 100 billion by 2030.

Key Sectors

- Real Estate
- Wholesale and Retail Trade
- Manufacturing



Saudi Arabia

Saudi Arabia’s contributions to the UAE are driven by regional economic integration and strong bilateral relations, making the UAE Saudi Arabia’s top trading partner in the GCC, with non-oil trade valued at USD 37 billion, accounting for 67.3% of Saudi Arabia’s total non-oil exports to GCC countries.

Key Sectors

- Mining and Quarrying
- Finance and Insurance
- Real Estate



Netherlands

The Netherlands is a key partner in the UAE’s journey towards sustainability and innovation. In 2023, non-oil trade reached USD 5.7 billion, an increase of 22% from 2022.

Key Sectors

- Wholesale and Retail Trade
- Mining and Quarrying
- Transportation and Storage



China

China’s investments under the Belt and Road Initiative have solidified its position as the UAE’s top trading and investment partner, with bilateral non-oil trade reaching USD 81 billion by 2023, up 4% on 2022.

Key Sectors

- Wholesale and Retail Trade
- Finance and Insurance
- Real Estate

- Finance and Insurance
- Real Estate
- Manufacturing
- Wholesale and Retail Trade
- Transportation and Storage
- Mining and Quarrying



Paving The Way For A Resilient Future

At the core of the UAE’s growth strategy is the drive for economic diversification. By fostering development in high-growth sectors like tourism, technology, and renewable energy, the UAE is paving the way for a sustainable and resilient future.

USD

457 billion

GDP at constant prices in 2023

USD

340 billion

non-oil GDP at constant prices in 2023

3.6%

real GDP growth in 2023

6.2%

real non-oil GDP growth in 2023

1st

in Arab world in Global Knowledge Index 2023 (26th globally)

The UAE’s strategic focus on diversification is yielding significant results, shown by the impressive figures in non-oil foreign trade and robust non-oil GDP growth. By continuously investing in diverse sectors, the UAE remains committed to reducing its reliance on oil revenues, creating a diverse economy, and fostering an era of sustainable economic growth.

Diverse Sectors, Unified Growth

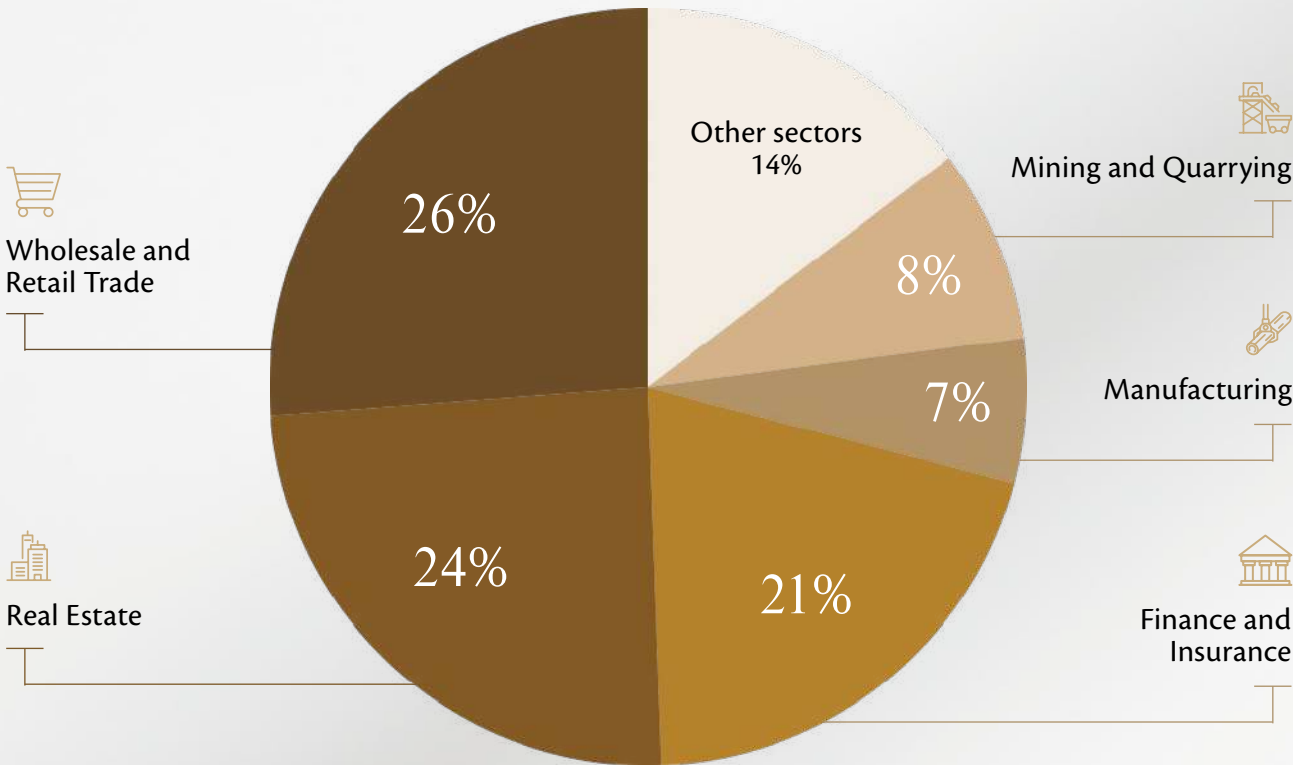
The UAE’s diverse economic landscape attracts significant FDI across multiple sectors. These key sectors drive the UAE’s economic growth and diversification strategy, enhancing resilience and economic sustainability.

Top Five Sectors

contributing over

86%

of total FDI stock in the UAE as of 2022



Source: Federal Competitiveness and Statistics Centre; authors’ calculations



Wholesale and Retail Trade

This sector benefits from the UAE’s strategic location, advanced logistics infrastructure, and strong consumer demand, with consumer spending rising 13% YoY in 2023, propelled by a 14% increase in retail spending, and a 12% increase in non-retail spending.



Real Estate

Real estate investments are driven by ongoing urban development and the strategic location of the UAE, which allows 33% of the world’s population to reach the country within 4 hours and 66% within 8 hours. These major projects, coupled with a dynamic market, attract significant foreign investments.



Finance and Insurance

This sector continues to see substantial inflows due to the UAE’s robust banking and financial sector, which offers a stable and attractive environment for foreign investors. This stability is underscored by the UAE’s ability to attract international private wealth, with 120 of the world’s wealthiest families and individuals based in DIFC, collectively holding a total net value of USD 1.2 trillion.



Manufacturing

The manufacturing sector, currently the 3rd largest in terms of share of nominal GDP, is driven by favourable policies and incentives. The announcement of Operation 300bn, the UAE’s industrial strategy, in March 2021 has further enhanced investments in this sector, which is vital for the economic diversification and industrial development of the UAE.



Mining and Quarrying

The UAE’s rich natural resources and positioning at the crossroads of regional and global supply chains make this sector attractive to foreign investors. The Mineral Resources Strategy aims to increase the sector’s share in non-oil GDP to 5% by 2030 and boost the number of mining companies, further enhancing the sector’s appeal for foreign investments.

Building Scale And Depth

The UAE has emerged as a major financial hub due to its accessibility to global markets, favourable regulatory environment, and robust financial infrastructure. The resilience and underlying stability of its financial institutions have fostered growth and attracted a diverse range of investors to the UAE, strengthening its position as a destination of choice for regional and global investors.



USD
994 billion
(Q4 2023)

total market capitalisation
across UAE stock markets

125%
YoY growth

in the number of hedge fund
managers in 2023

470+
asset managers

operating in
the UAE

40%

projected growth in HNWIs
in the UAE by 2031

61

licensed banks in the UAE
(22 national and 39 foreign banks)

Key Verticals Driving Growth

The UAE’s financial services sector encompasses diverse institutions, each contributing uniquely to the nation’s economic prosperity and serving as significant pillars of financial stability and advancement.



Banking Sector

USD
1.1 trillion

total assets of the UAE banking sector as of Q4 2023

The UAE’s banking sector stands as a pillar of its financial services landscape. With over 61 local and foreign banks, the sector has seen a robust expansion in assets and credit capacity.

Stock Exchanges

USD
5.8 billion

increase in UAE stock market capitalisation in 2024

The UAE’s stock market capitalisation surged by USD 5.8 billion in 2024, driven by strong IPO activity which has boosted liquidity and reinforced the maturation of UAE’s capital markets.

Money Transfers and Remittances

USD
7.5 billion

projected transaction value in the digital remittances market in 2024

The UAE is a leading source of remittances, particularly to South Asia, North Africa and Southeast Asia. The UAE’s strategic location, supportive regulatory environment, and diverse talent pool make it a thriving centre for safe and secure remittances to individuals and families around the world.

Asset Management and Hedge Funds

USD
996 billion

estimated private wealth in the UAE

The UAE has become a magnet for hedge funds and other asset managers due to its stable environment, strong regulatory frameworks, and robust wealth management solutions. With the value of private wealth in the UAE estimated to be close to USD 1 trillion, there has been a corresponding increase in asset managers who are seeking to provide customised solutions and services to family offices and high-net-worth individuals.

High Net-Worth Individuals

109,900
HNWIs

total number of high-net-worth individuals in the UAE

The UAE is home to 298 centi-millionaires and 20 billionaires, placing it among the top 20 wealth hubs according to the World’s Wealthiest Cities Report (2023).

New Licences

30%

YoY increase in new financial services licences (2023)

This growth in new licences underscores the UAE’s dynamic and expanding business environment, attracting a diverse range of enterprises to its market.

Investing In The Future

The UAE’s dynamic greenfield investment landscape continues to drive economic growth, create jobs, and attract significant capital inflows, reinforcing its status as a global investment hub.



Source: fDi Markets, Financial Times; authors’ calculations



Key Sectors

Driving greenfield investment growth in the UAE in 2023

Business Services		
USD 1.8 billion	385	8,369
announced capital investment	number of transactions	expected number of jobs
Software and IT Services		
USD 1.3 billion	270	6,927
announced capital investment	number of transactions	expected number of jobs
Financial Services		
USD 719 million	130	2,901
announced capital investment	number of transactions	expected number of jobs
Industrial Equipment		
USD 394 million	82	3,121
announced capital investment	number of transactions	expected number of jobs
Transportation and Warehousing		
USD 710 million	55	2,992
announced capital investment	number of transactions	expected number of jobs

Source: fDi Markets, Financial Times; authors’ calculations

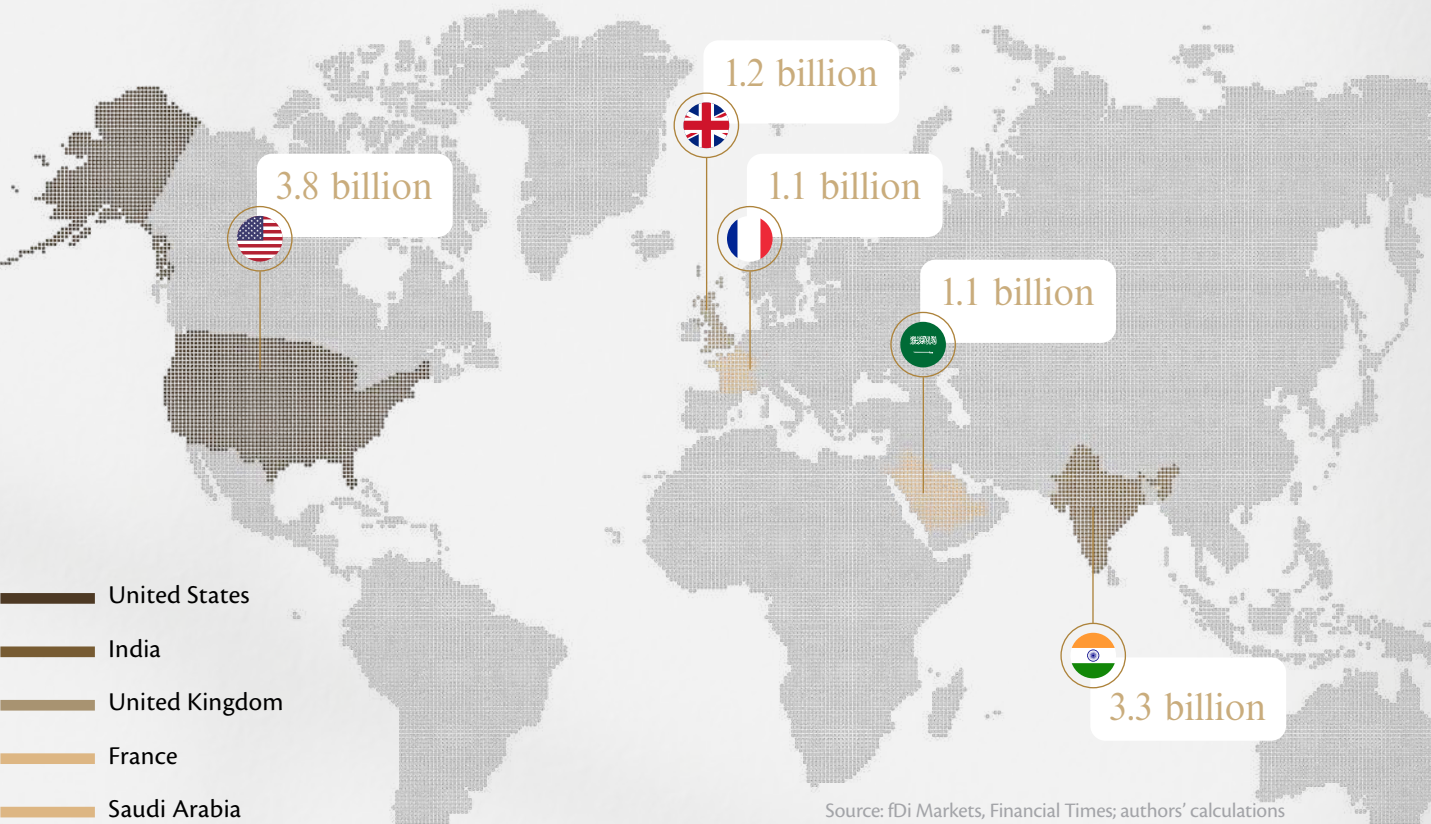
Unlocking New Opportunities

The UAE continues to attract substantial greenfield investments from various countries, reflecting its dynamic business environment and strategic economic initiatives, which create jobs, drive innovation, and support sustainable growth.

Leading Countries

contributing to greenfield investment growth in the UAE

Announced Capital Investment for 2023 (USD)



Trends And Insights

Business Services and Healthcare are Key Sectors

These sectors continue to be pivotal, demonstrating high job creation and substantial capital investments. The sustained growth in business services indicates ongoing robust performance and potential for future expansion.

Increased Investment from Key Countries

The significant increase in announced investments from the United States and India highlights the strong economic ties and the attractiveness of the UAE as a strategic investment destination.

Renewable Energy, Electric Vehicles and Cloud Computing Among the Largest Scale Investments

These sectors are emerging as significant contributors to the UAE's economic growth, indicating a diversification of the economy and sizeable investment opportunities.

Building A Future-Ready Economy

The UAE is leading the charge in innovation and sustainability, setting benchmarks in technological advancements and environmental initiatives, embracing cutting-edge technologies, and prioritising renewable energy, to not only enhance its global competitiveness but also ensure a sustainable future.



Innovation

#1 (Region) #32 (Worldwide)

in the Global Innovation Index 2023

#1

in the fastest mobile internet network ranking

Source: World Bank Digital Progress and Trends Report 2023

#3 (Worldwide) #4 (Worldwide)

in incoming migration of AI talent

Source: Stanford AI Index Report 2024

in number of AI foundation models

#4

in the world to launch commercial 5G services

Sustainability

#1 (MENA) #11 (Worldwide)

in UNIDO's Quality Infrastructure for Sustainable Development Index 2022

#6 (Globally)

per capita consumption of solar energy

68%

of the Middle East's renewable energy production capacity

The UAE is the first country in the region to commit to achieving Net Zero by 2050. Over the past five years, the nation has added the highest amount of clean electricity generation globally, with 557 kWh per capita annually — 12 times faster than the world average of 44 kWh per capita.

UAE: A Nation On The Move

The UAE’s advanced infrastructure, favourable tax environment and high standard of living make it an ideal place to live and work. As the country continues to enhance the quality of life for both residents and visitors, it remains a top choice for businesses and families seeking a secure, vibrant and prosperous environment.

28

0%

income tax for individuals

Among the
Lowest

corporate tax rates in the world (9%)

Epitomising exceptional living standards, with superior healthcare, education, stability and infrastructure, the UAE has long placed a premium on creating a liveable environment for its citizens and residents. This people-centric mindset has translated into policy frameworks that welcome global talent, enable investment, and facilitate opportunities for residents and investors to establish roots in the country.

190+

nationalities call the UAE home

29

#1 & #2

UAE cities rank among the most liveable in MENA

#19

2022 World Index of Healthcare Innovation

1,000+

educational institutions, including 76 universities

100+

notable family-friendly attractions across the seven emirates, including the largest indoor theme park in the region, the fastest roller coaster in the world and the first ever indoor ski resort in the Middle East.

A Benchmark For Modern Living And Business

The UAE’s strategic initiatives and forward-thinking policies have created an environment where businesses, entrepreneurs and residents from all over the world can thrive.

Stability And Strategic Growth

Economic and political stability are critical factors that make the UAE an attractive destination for both individuals and businesses. The UAE’s transition from an oil-dependent economy to a diversified economic model has been pivotal. Investments in sectors such as finance, technology, AI and green energy are laying the foundation for future growth and resilience.

#1

globally in Strong and Stable Economy (Brand Finance Soft Power Index 2024)

#1

in the MENA region (IMD World Competitiveness Report 2024)

Building The Future

The UAE’s commitment to innovation and infrastructure is evident in its ambitious projects and strategic investments. The expansion of Al Maktoum International Airport, the Etihad Railway project and related investments in emerging technologies are all focused on enhancing connectivity and bolstering the UAE’s position as a global gateway.

260 million

projected passenger capacity for Al Maktoum International Airport

120,000

AI workforce in the UAE (2023), a fourfold increase from 2021

Attracting Global Talent

In recent years, the UAE has introduced several policies aimed at improving liveability and attracting long-term residents. The 10-year golden visa scheme, introduced in 2019, allows highly skilled foreign workers to live, study and work in the UAE. Additionally, the policy allowing 100% foreign ownership of companies in various sectors has created a range of opportunities for entrepreneurs and investors.

10-year

golden visa scheme

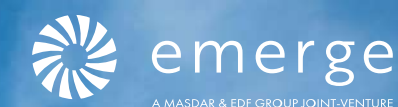
#1

regionally, and 22nd globally in INSEAD Global Talent Competitiveness Index 2023

Emerge

Overview

Emerge, a joint venture between Masdar and the EDF Group, was established in 2021 to develop solar generation, energy storage and hybrid solutions in the Middle East with zero upfront cost for its industrial and commercial clients. The company takes full contractual and financial responsibility for its projects, encompassing engineering, financing, construction, and ongoing operations and maintenance. This approach empowers its customers to concentrate on their core operations while meeting their decarbonisation goals and reducing their operational expenditures.



Strategic Goals

Emerge's vision and mission are fully aligned with the UAE Net Zero 2050 Strategy, and Emerge is supporting the continued growth in small to large-scale distributed solar solutions for its business partners. The advancements in energy storage technologies and grid integration create new opportunities for Emerge to offer innovative and top-notch clean energy solutions at no up-front cost for its clients.



Sustainable Economic Impact

Emerge has a proven track record with over 100 MW in operations and delivery stage, as well as 200 additional MW of secured projects. Backed by its strong shareholders, Masdar and the EDF Group, Emerge actively supports the fight against climate change, accompanying its clients in reaching their sustainability objectives. The company's commitment to delivering high-quality, sustainable solutions, combined with the expertise of its shareholders, positions Emerge as a trusted partner in the energy transition, helping clients to navigate the challenges of adopting renewable energy with ease and confidence.

Glass Technology

Overview

Glass Technology, at the forefront of the glass manufacturing industry, has established a 113,000 m² facility in Ras Al Khaimah. With an investment of AED 350 million, this state-of-the-art facility produces high-quality, specialised solar glass for 5.5 million solar modules annually. Leveraging advanced technologies, Glass Technology ensures production efficiency and sustainability, aligning with the UAE's environmental goals while also enhancing Ras Al Khaimah's industrial capabilities and economic growth.



Strategic Goals

Glass Technology's vision is fully aligned with the UAE Net Zero 2050 Strategy. The company is committed to supporting the growth of renewable energy solutions through its high-quality solar glass products. With ambitious expansion plans, Glass Technology is considering the addition of a second furnace to significantly increase production capacity. This expansion strategy aims to scale operations, explore new markets, and ensure long-term growth and sustainability.



Sustainable Economic Impact

The supportive business environment provided by the Ras Al Khaimah Economic Zone and its commitment to fostering eco-friendly technologies have been instrumental in Glass Technology's successful establishment and operations. This success has translated into the creation of approximately 200 new jobs and bolstered the emirate's position as a hub for industrial innovation, while advancing renewable energy adoption through the production of specialised solar glass for millions of solar modules.

Gecko Robotics

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Overview

Gecko Robotics, a leader in robotic-enabled AI, is making significant strides in the Middle East through the UAE's NextGen FDI program. The company has invested in the UAE, establishing a prominent office and advanced manufacturing facilities, which are set to become a hub for cutting-edge robotic technologies and AI solutions. Gecko is also committed to developing local talent by training the UAE workforce in AI and robotics, fostering innovation and creating new opportunities in the tech sector.



Strategic Goals

By leveraging advanced robotics and AI, Gecko Robotics aims to transform asset management practices, enhancing efficiency, and increasing production in partnership with its clients. Capitalising on the UAE's CEPAs, Gecko plans to use the country's unique location as a strategic global hub for operations, facilitating international business at scale. The company is committed to creating high-paying, knowledge-intensive jobs, contributing to the growth of the local technology sector and fostering a skilled workforce in robotics and AI.

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Sustainable Economic Impact

Gecko Robotics' entry into the UAE is set to have significant economic and environmental impact. The company has created numerous high-paying, specialised jobs in advanced robotics and AI, boosting local employment and developing a highly skilled workforce. This influx of expertise stimulates economic growth and innovation in the UAE's technology sector. By integrating advanced robotics and AI into asset management, Gecko helps clients optimise operations, reduce downtime, and lower carbon emissions for a more sustainable industrial footprint.

Guiding Your Investment Journey

The Ministry of Investment is dedicated to facilitating and enhancing the experience of foreign investors in the UAE. With a comprehensive mandate that includes strategy formulation, investment promotion, policy advocacy, partnerships, and enablement, the Ministry ensures a seamless and supportive environment for investors, offering a tailored experience for large-scale investments.

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وزارة الاستثمار

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