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MINISTRY OF INVESTMENT



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INVEST UAE

UAE MATURES INTO A **GLOBAL FDI MAGNET**

A diversified, resilient, innovation-driven economy attracts high levels of international capital, talent, and technology



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The shaping of a powerful force in global investment

The global foreign direct investment (FDI) landscape has undergone significant shifts, influenced by changing economic conditions, geopolitical tensions, and evolving investment strategies. Among the few countries that saw an increase in inbound FDI in 2023, the United Arab Emirates (UAE) stands out, with a 35% growth in total investment,¹ reaching US\$ 30.7 billion.² According to the World Investment Report 2024, the UAE ranks 2nd globally by the number of greenfield projects and 11th in FDI inflows by value.³ This reinforces its status as a leading destination for new ventures. These gains reflect the country's strategic location, business-friendly environment, and forward-looking investment policies.

The key takeaway is that the UAE has swiftly emerged as a formidable force in global markets, driven by a clear and cohesive strategy set by its visionary leadership. Its investment landscape has evolved with a strong commitment to sustainable growth, fostering a resilient, innovation-driven economy that continually attracts international capital and talent. The UAE's world-class regulatory framework supports

a business-friendly environment, characterized by transparent policies, streamlined processes, and advanced infrastructure that benefits companies of all sizes. Economic resilience is further bolstered by the country's diversification strategy, with growth sectors like renewable energy and technology leading the way toward sustainable development.

Beyond being a business hub, the UAE offers a high quality of life that draws people from around the world. With top-tier healthcare, education, and infrastructure, the country provides an exceptional lifestyle that attracts the best global talent. Its clean, safe, stable environment and progressive society makes it a preferred destination for those seeking both professional success and personal well-being.

Looking ahead, the UAE is focused on future-proofing its economy through strategic investments in technology and sustainability, ensuring its ongoing relevance and leadership in the global economy. By prioritizing these areas, the UAE not only maintains a competitive edge but also sets a benchmark for innovation and resilience in the 21st century.



The UAE has evolved into a significant force in global markets, driven by a cohesive strategy implemented by its visionary leadership. The country has built a resilient, innovation-driven economy that consistently attracts high levels of international capital and talent.

**HIS EXCELLENCY
MOHAMED HASSAN ALSUWAIDI**

UAE Minister of Investment



THE EVOLUTION OF GLOBAL INVESTMENTS





Globalization and FDI's broader impact

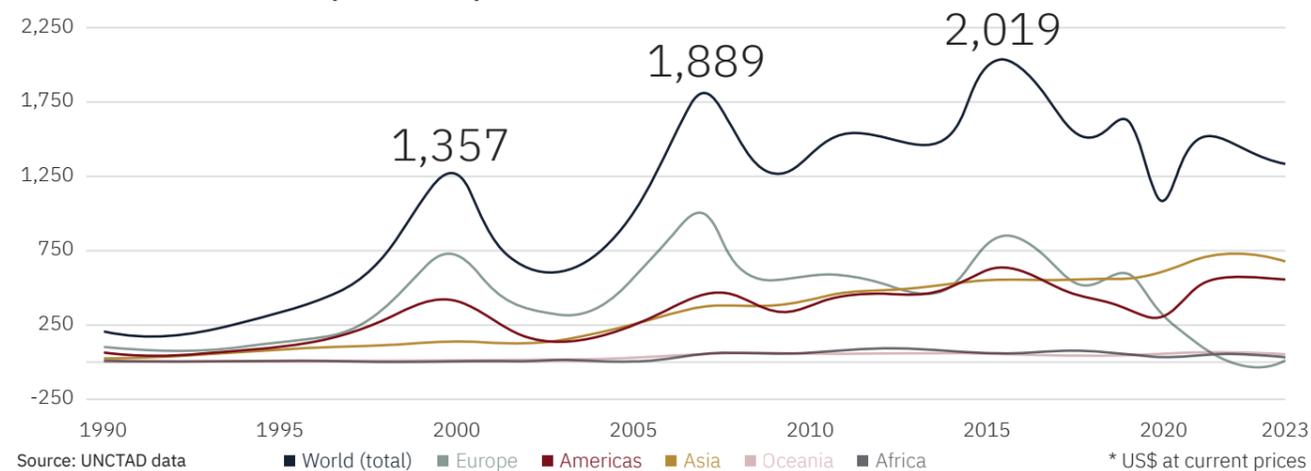
Foreign direct investment (FDI) has been a cornerstone of global economic growth since the 1980s, transforming economies by connecting markets, transferring technologies, and fostering industrial development. During this period, global FDI flows began to witness significant growth, driving economic expansion.

FDI has been a catalyst for globalization, driving technology transfer, GDP growth, and sustainable development worldwide. According to the United Nations Conference on Trade and Development (UNCTAD), international investment flows support the energy transition and contribute to achieving

the 2030 Sustainable Development Agenda.³ In developing countries, energy investment is needed for the transition and to ensure wider access to sustainable and affordable energy.

Multinational corporations (MNCs) bring innovative processes and best practices to local industries and SMEs and enables them to become better integrated into regional and global value chains. This transfer boosts productivity, enhances global competitiveness, and enables countries to climb the value chain. For example, the automotive sector in countries like Mexico has advanced significantly due to partnerships with foreign manufacturers.⁴

Global inward FDI flows (US\$ billion)*



1980s–1990s: Foundations of FDI

During the 1980s and 1990s, FDI laid the groundwork for global economic integration. In 1984, outward FDI flows reached US\$ 49.5 billion from industrial economies such as the United States, the United Kingdom, and other European nations.⁵

Investments in telecommunications and transportation networks improved global connectivity and facilitated international trade. For example, US-based AT&T and European telecom giants like Vodafone invested heavily in infrastructure across Southeast Asia and Latin America.⁶

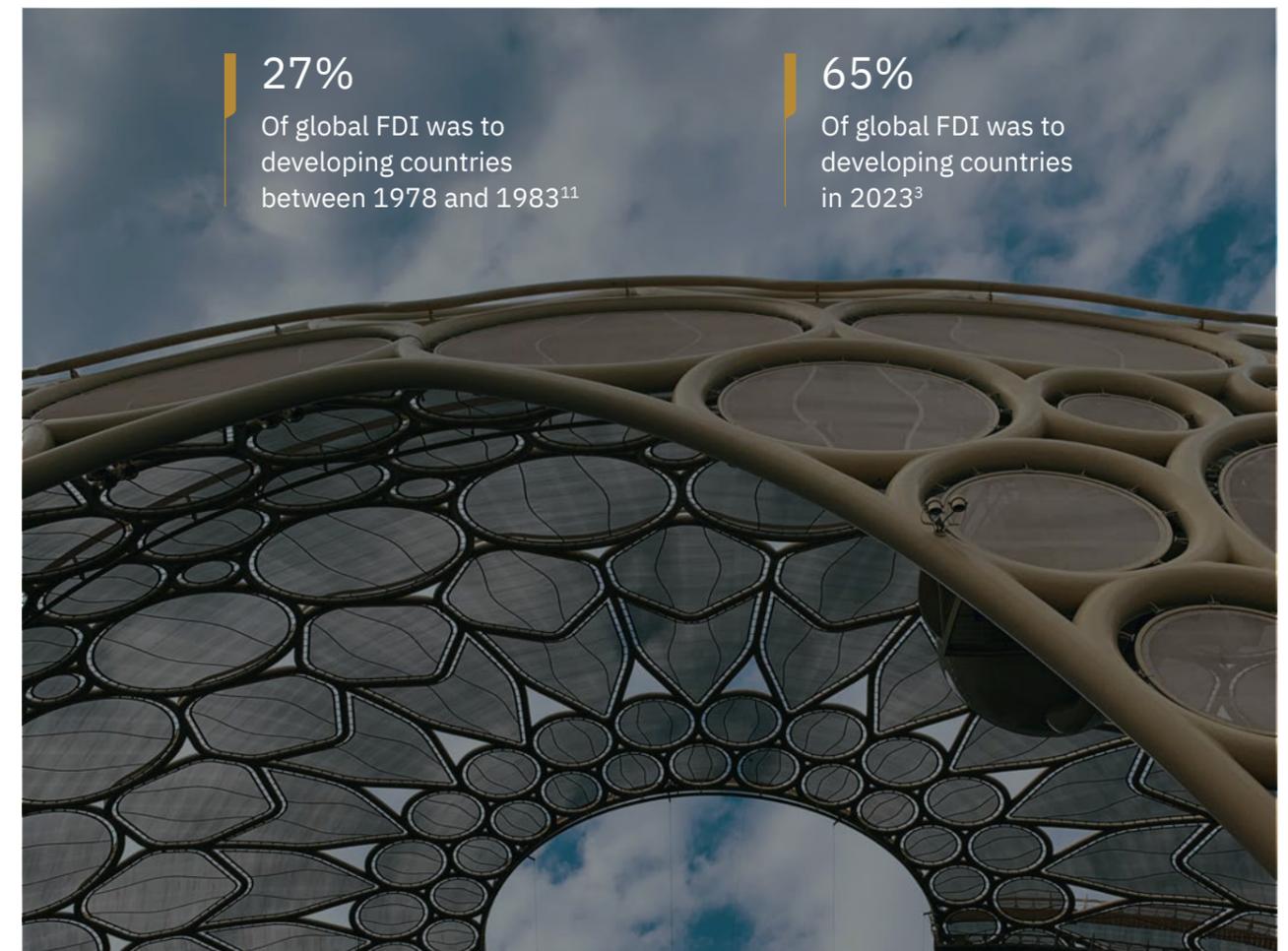
Favorable economic policies and low labor costs positioned Southeast Asia and Latin America as primary FDI destinations.⁷ Countries like Malaysia and Mexico became manufacturing hubs, with multinational corporations such as General Electric and Sony expanding labor-intensive industries like electronics and consumer goods.⁸

2000s: The rise of new players

The 2000s witnessed a shift in global FDI flows as new players, particularly China and India, transformed the global economic landscape. Western economies utilized FDI to access growth markets, optimize supply chains, and remain competitive in a globalized world.

China's late-1970s economic reforms, which included the creation of special economic zones, laid the foundation for its rise as a leading FDI destination. In 2002, China attracted US\$ 53 billion in foreign investment. This was a record inflow for the country and positioned it as the largest FDI recipient in 2002.⁹

Projects like the Pearl River Delta manufacturing hub exemplified how FDI fueled rapid industrialization and infrastructure development. Companies like Foxconn and Volkswagen became key players in driving China's transformation into the 'factory of the world.'¹⁰



At the same time, India was carving out its own niche as a hub for technology-driven FDI. Investments poured into the IT services and telecommunications sectors, with major global players like IBM and Microsoft setting up large-scale operations. These companies capitalized on India's skilled workforce and cost advantages to serve global markets.¹²

In Southeast Asia, firms ramped up investments to reduce operational costs and expand production capabilities, particularly in labor-intensive sectors. For instance, companies like Intel and Samsung established substantial manufacturing bases in Vietnam, transforming the country into a key manufacturing hub. By 2022, Vietnam hosted major investors such as Samsung, LG, Intel, Toyota, and Sumitomo Electric, contributing to its status as a manufacturing powerhouse.¹³

In Latin America and Africa, Western-driven FDI focused on critical infrastructure projects that enhanced trade connectivity and fostered industrial diversification. In Brazil, for example, foreign investments have been directed towards modernizing transportation infrastructure.¹⁴

\$26.8B

In AI-related projects announced globally from 2016-2023¹⁵

Regional distribution of FDI inflows by value
(2023 – % of total)



Source: UNCTAD's World Investment Report 2024 data

Present: Emerging trends

Recent years have brought new dimensions to FDI, driven by global priorities and geopolitical shifts. Some trends that are accelerating include:



Sustainable projects

Investments in renewable energy and green technologies have surged, with projects like offshore wind farms and solar parks becoming popular. Africa, for example, secured US\$ 10.8 billion in project finance in 2023 for wind and solar power production.³



Artificial intelligence (AI)

Large investments in AI infrastructure, such as data centers and semiconductor manufacturing, are reshaping industries. For instance, Taiwan and South Korea have seen substantial investment in chip fabrication plants to meet the surging demand for AI capabilities. From 2016-2023, 778 AI-related projects worth US\$ 26.8 billion have been announced globally, according to fDi Markets.¹⁵



Friend-shoring & near-shoring

Rising geopolitical tensions and supply chain vulnerabilities have spurred the trend of 'friend-shoring' and 'near-shoring.' Companies now prefer investing in politically stable and geographically closer nations.¹⁶



Government screening

National security concerns have prompted countries to scrutinize FDI more closely, particularly in sensitive sectors like technology and defense. The US, EU, and Australia have implemented stricter FDI screening frameworks to protect critical industries from potential risks.^{17,18}

THE SHIFT TO EMERGING MARKETS



Emerging markets play a dual role

The historical dynamics of foreign investment flows have shifted significantly over recent years. Emerging markets now play a dual role as both recipients and sources of FDI. Economies in the G20 (G20-EMs) — Argentina, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, and Turkey — contribute 30.3% to global GDP, according to 2023 IMF figures, doubling in value since 2000. They also account for 9.5% of outbound global greenfield FDI projects, which highlights their role as global investors and innovators.¹⁹

Technological advancements

Emerging markets are not simply catching up to developed economies. In many cases, they are leading the way in technological innovation. These advancements have enabled countries to move past traditional economic barriers, redefining their role in the global economy. In the first half of 2023, 72% of gains in the MSCI Emerging Markets Index were driven by technology-related sectors.²⁰ Six of the top ten largest contributors to this index are tech companies from emerging markets.

Markets such as Taiwan and South Korea have become synonymous with advanced manufacturing, largely due to their dominance in

the semiconductor industry. India has emerged as a global leader in fintech, propelled by innovations like the Unified Payments Interface (UPI) and Aadhaar-linked systems. UPI, a real-time payment system, enables seamless digital transactions across banks and platforms, democratizing access to financial services.

By 2024, UPI had processed over 16 billion transactions per month. Aadhaar, India's unique biometric identification system, complements this by enabling secure and efficient verification for digital payments and financial inclusion programs.^{21,22}

Foreign investment trends

The global FDI landscape has experienced significant shifts, influenced by economic conditions, geopolitical tensions, and evolving investment strategies. In 2023, developed economies saw a 9% increase in FDI inflows, reaching US\$ 464 billion.³

This growth was significantly influenced by financial transactions among MNCs as a result of changing tax structures. Europe experienced a dramatic shift from a negative US\$ 106 billion in 2022 to a positive US\$ 16 billion in 2023, largely because of volatility in conduit economies.³

According to the 2024 World Investment Report (WIR) by UNCTAD, certain regions in the world demonstrated resilience even as FDI flows to developing countries declined by 7%. South-East Asia maintained steady inflows, with greenfield project announcements increasing by 15%.³

Investment patterns across sectors have evolved, reflecting global priorities and market dynamics. WIR 2024 highlights notable shifts:

Sustainable Development Goals (SDGs) sectors

Investment in sectors related to the United Nations SDGs has shown mixed trends, but overall, there has been a 10% decrease in 2023. Water, sanitation, and hygiene (WASH) projects, in particular, experienced a sharp 17% drop and a gap of US\$ 500 billion in annual investment for this sector. Sustainable finance also faces significant hurdles, with inflows into sustainable investment funds dropping by 60% in 2023, despite marginal growth in sustainable bonds.

Infrastructure & digital economy

Global investment in infrastructure and the digital economy sectors experienced significant declines in 2023. International project finance, the primary funding source for infrastructure

industries, saw a 26% drop in deal value and a 50% reduction in deal volumes. In the digital economy, investment fell sharply by 46%.

Global value chain-intensive manufacturing

Developing countries are becoming increasingly attractive for manufacturing investments, with a 15% rise in greenfield projects in 2023. Despite a long-term shift towards services, the past year saw a break in this trend, highlighting a renewed focus on industrial investment. Sectors such as automotive, electronics, and machinery have experienced significant growth.

Critical minerals

International project finance in the extraction sector is generally deployed for larger projects. The average estimated value of these projects in 2023 was close to US\$ 1 billion, compared to an average value of about US\$ 500 million for greenfield projects. The highest total values of international project finance deals were announced in Chile, Indonesia, Zambia, Botswana, and Argentina, in that order. A third of greenfield projects in critical minerals were by Chinese firms focusing on the extraction, processing, and production of materials essential for the battery supply chain.



72%

Of gains in the MSCI Emerging Markets Index in the first half of 2023 were driven by technology-related sectors²⁰



UAE: THE RISE OF A GLOBAL INVESTMENT DESTINATION





Strategic location and a focus on innovation

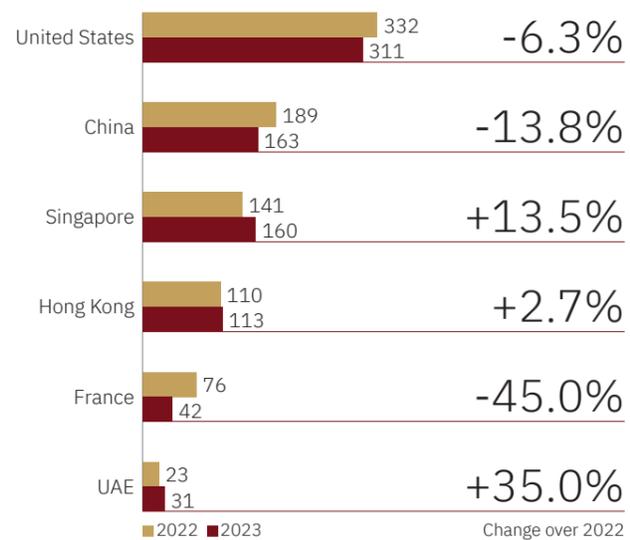
The UAE stands out as a country with a large economic influence relative to its population and geographic size. Its strength lies in its stable, business-friendly environment, forward-thinking governance, and focus on innovation. It has established itself as a global investment hub across diverse sectors like finance, technology, renewable energy, logistics, and transport.

The UAE's FDI journey began in the late 20th century, initially fueled by the hydrocarbons sector. The country's strategic location and resources proved to be a draw for foreign investors, but the country soon recognized the need to diversify beyond oil. The government introduced initiatives to promote the country as a global trade and business hub.

Key contributors to this effort included Emirati family offices and sovereign wealth funds, which built international networks to attract investment. Free zones like Jebel Ali Free Zone (JAFZA) offered tax incentives, full foreign ownership, and simplified regulations, making the UAE an attractive destination for international businesses. Trade, especially in logistics and re-exports, further supported diversification, positioning the UAE as a strategic link between East and West.²³

The UAE continues to solidify its position as a leading destination for FDI. According to WIR 2024, the nation ranks 2nd globally in greenfield FDI (by number of projects, and 11th in total FDI inflows (by value) in 2023.³

UAE is one of the countries that saw FDI inflows increase in 2023 (in US\$ billion)



Source: UNCTAD's World Investment Report 2024 data

1. Digital economy

The UAE is at the forefront of digital transformation in the region, fostering an ecosystem ripe for technology innovation and data-driven solutions.

2. Energy transition

As the previous host of the Conference of Parties (COP28), the UAE is investing heavily in renewable energy. Initiatives in hydrogen fuel and solar and wind power demonstrate its dedication to reducing carbon emissions and advancing clean energy technologies.²⁴

20%

Growth in the digital sector by 2030 is a target of the UAE Digital Economy Strategy²⁸

39%

Predicted increase in number of high-net-worth individuals in the UAE by 2026²⁹

G42 ties up with Microsoft

Microsoft invested US\$ 1.5 billion in Abu Dhabi's artificial intelligence (AI) company G42 to further AI development and global expansion.²⁵ The UAE is building robust capabilities in AI, cloud computing, and cybersecurity.

Masdar

The Abu Dhabi Future Energy Company (Masdar), established in 2006, leads the country's clean energy initiatives by developing renewable energy projects. Its efforts are central to achieving the UAE Energy Strategy, which targets net-zero by 2050. Masdar supports 40-plus countries in their energy transition.^{26,27}

2050

Is the target year set by the UAE to achieve net-zero emissions²⁶

\$784M

Invested in healthcare development from 2016 to 2021³⁰

300B

AED is the target of industry's contribution to GDP by 2031³¹



3. Finance and wealth management

The UAE continues to strengthen its position as a financial powerhouse, with Abu Dhabi and Dubai emerging as prime destinations for international banking, fintech and asset management.²⁹ The UAE's favorable tax environment has made it an attractive option for family offices as well.

4. Logistics and trade

Coupled with its world-class infrastructure, the UAE's strategic location has transformed it into a leading global logistics and trade hub.

5. Manufacturing and industry

Under the 'Make it in the Emirates' initiative, the UAE aims to boost local manufacturing and foster industrial self-reliance. This strategy includes aspects such as: supporting local suppliers and investing in R&D and advanced technologies in industries which reinforce resilience and reduce external dependence.³²

6. Tourism

Tourism remains one of the driving forces of the UAE's economy with the country constantly diversifying its offering to provide a better tourism experience. The UAE is committed to ongoing development through its National Tourism Strategy 2031, which includes sustainable tourism policies and strong infrastructure.³³

Genome initiative

The UAE's Department of Health launched one of the world's largest genome initiatives in 2023 to use genomic data to improve citizens' overall health and well-being. One of the world's top supercomputers, Group 42's Artemis, located in Abu Dhabi, will be deployed to analyze the massive amounts of data and generate new insights.³⁴

7. Healthcare and wellness

The UAE's healthcare sector has been witnessing significant increase in FDI inflows.³⁰ The rapidly growing demand for high-quality medical services, alongside government incentives continues to drive FDI into healthcare infrastructure and technology.³⁵

The transformation of the UAE into a global investment hub



National Investment Strategy 2031

The UAE's National Investment Strategy 2031 sets ambitious goals to cement the country's position as a global FDI leader. Key targets include:

2x
Annual FDI
inflow by 2031

AED1.3T
Cumulative FDI
over 2025-2031

8%
Share of FDI
in GDP from 6%

AED2.2T
In FDI stock
by 2031

This strategy underscores the UAE's commitment to fostering a business-friendly environment, driving innovation, and expanding its role as a global investment destination.³⁶

In a competitive global landscape, a country's ability to attract investment is increasingly shaped by its policy and regulatory frameworks. The UAE serves as a leading example of how an investor-centric approach can foster both business sustainability and economic growth.

By nurturing a business-friendly environment, strengthening infrastructure, and embracing innovation, the UAE has positioned itself as a global leader and a preferred destination for FDI. Ranked 8th globally on the 2024 Kearney FDI Confidence Index³⁷ and securing the top spot in the Arab world on the 2024 World Competitiveness Ranking,³⁸ the UAE's proactive governance and robust economic policies have clearly demonstrated their effectiveness.

The country aims to build a diversified innovation-driven economy, positioning itself as a global leader in strategic sectors under the banner of 'We the UAE 2031.' FDI is an essential cornerstone of this vision, acting

as a catalyst for GDP growth, fostering an entrepreneurial environment, and attracting global talent³⁹. To maintain its edge, the UAE has introduced a series of initiatives that prioritize resilience, innovation, and global connectivity.

Business-friendly policies

- **Tax advantages:** The UAE offers a highly competitive corporate income tax rate of 9% (compared to the global average of 23.5%), a nominal 5% Value Added Tax (VAT),⁴⁰ and no personal income tax, making it an attractive destination for global businesses.
- **Intellectual Property (IP) protection:** Strong IP laws safeguard patents, trademarks, and copyrights, aligning with international standards and fostering innovation-driven investments.
- **Dispute resolution:** Effective arbitration services place the UAE at the top globally for the speed and reliability of dispute resolution. Dubai is one of the world's top seven arbitration hubs, alongside London, Singapore, Paris, Geneva, Stockholm, and New York.⁴¹



Global access

The UAE's strategic location places it within an eight-hour flight to two-thirds of the world's population. Its Comprehensive Economic Partnership Agreements (CEPAs) with key global markets have further strengthened its position as a global trade hub, providing access to a market of over 2 billion people.⁴⁴

Connectivity

The UAE boasts 12 commercial ports² and ranks among the top five globally in logistics performance,⁴⁵ ensuring seamless cargo movement. Its aviation sector connects over 150 international destinations, enhancing trade and mobility.⁴⁶

Infrastructure

With integrated ports, airports, logistics networks, and advanced soft infrastructure, the UAE has created an environment conducive to business growth and innovation.

Digital transformation

Technology is reshaping FDI as companies increasingly invest in digital infrastructure, automation, and AI to boost productivity and align with the digital economy. Governments are supporting this transformation by offering incentives to attract tech-driven

FDI. The global digital transformation market is valued at US\$ 880.9 billion in 2023, with a projected CAGR of 27.6% from 2024 to 2030.⁴⁷ The UAE is a pioneer in digital transformation, leveraging new technologies to drive innovation in sectors like e-commerce, fintech, and AI. Strategic initiatives include:

- **The UAE Fourth Industrial Revolution (4IR) Strategy** focuses on areas such as AI, nanotechnology, robotics, personalized healthcare, and blockchain to position the country as a global innovation hub. Complementing this, the UAE Industry 4.0 Program aims to boost productivity by integrating advanced technologies in the industrial sector.⁴⁸
- **Ecosystem support:** Free zones like Dubai Internet City and the Sharjah Research, Technology, and Innovation Park (SRTIP) attract tech-driven FDI, enabling businesses to thrive in a digitally connected environment.
- **Connected & ready:** Ranked first in the Arab world for digital readiness, the UAE also tops globally in the Telecommunication Infrastructure Index,⁴⁹ ensuring a strong foundation for digital transformation. The UAE's 6G Roadmap, to be launched in 2030, emphasizes R&D in ensuring smarter, more secure connectivity.⁵⁰

Adaptive approach

The UAE's integration of hard and soft infrastructure creates a seamless environment for businesses to expand and innovate.

Globalization with self-reliance

The trend toward economic nationalism has gained momentum in recent years. According to the IMF, there were over 2,500 industrial policy interventions globally in 2023, most of which were 'trade-distorting'.⁵¹

The UAE has, in contrast, embraced globalization while strengthening domestic industries. The country is investing in self-reliance through initiatives such as Operation 300 Billion, which focuses on industrial growth. It aims to boost the sector's contribution to GDP from AED 133 billion to AED 300 billion by providing greater support for businesses in manufacturing.⁵²

Geopolitical stability

Investors increasingly prioritize stable environments. Nearly 74% of global investors cited geopolitical risk as a primary concern in 2023.⁵³ The UAE has adopted a proactive approach to foreign relations, fostering

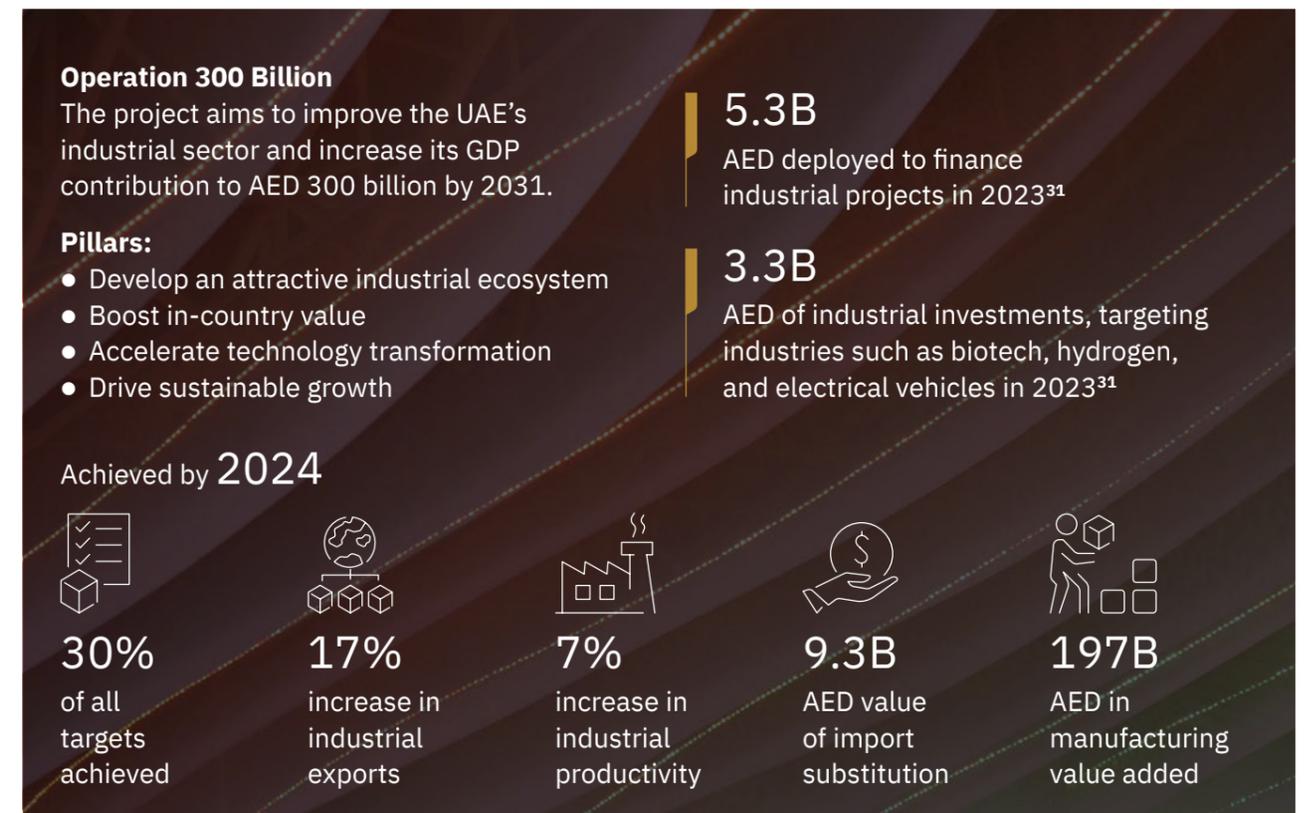
dialogue to enhance mutual prosperity, and ensuring national security. The UAE's stability, coupled with its progressive policies, has solidified its reputation as a secure and thriving investment destination.

Talent-driven economy

The UAE attracts a multicultural workforce of highly skilled professionals drawn by its quality of life, safety, and progressive policies. Its rise to the 17th rank on the IMD World Talent Report 2024 highlights its success in talent development and retention.⁵⁴

Focus on sustainability

Investors are increasingly prioritizing ESG criteria as ethical considerations play a greater role in decision-making. Global ESG-focused assets are projected to exceed US\$ 53 trillion by 2025, representing nearly a third of total assets under management.⁵⁵ As host of the Conference of Parties (COP28), the UAE has positioned itself as a leader in sustainability efforts. Key investments include initiatives like Masdar and the Al Dhafra Solar Plant, which reflect the UAE's dedication to achieving Net Zero by 2050.





Greenfield FDI drives growth and innovation

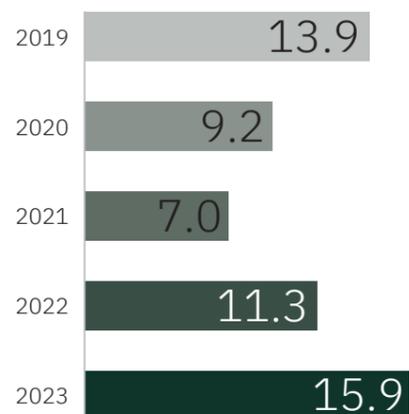
Greenfield investments have shown significant momentum in recent years, reflecting strategic shifts in capital allocation and project development worldwide. Greenfield FDI is important because it can create direct and indirect jobs, increase GDP, improve productivity, and spark innovation.

For countries like the UAE, greenfield FDI has become a cornerstone of economic diversification and long-term growth.

By leveraging geopolitical stability, proactive policy measures, and an investor-friendly environment, the UAE has positioned itself as a global leader in attracting greenfield projects.

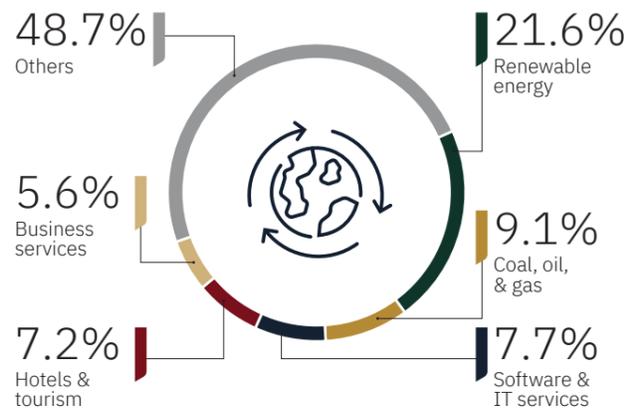
Driven by strategic focus, the renewable energy sector has been a significant driver of greenfield FDI into the UAE, accounting for an average of 21.7% share over the past five years since 2019. The US has emerged as the top source country for greenfield FDI into the UAE, with an average share of 17.8% in the same period.²

Greenfield FDI inflows to UAE (US\$ billion)



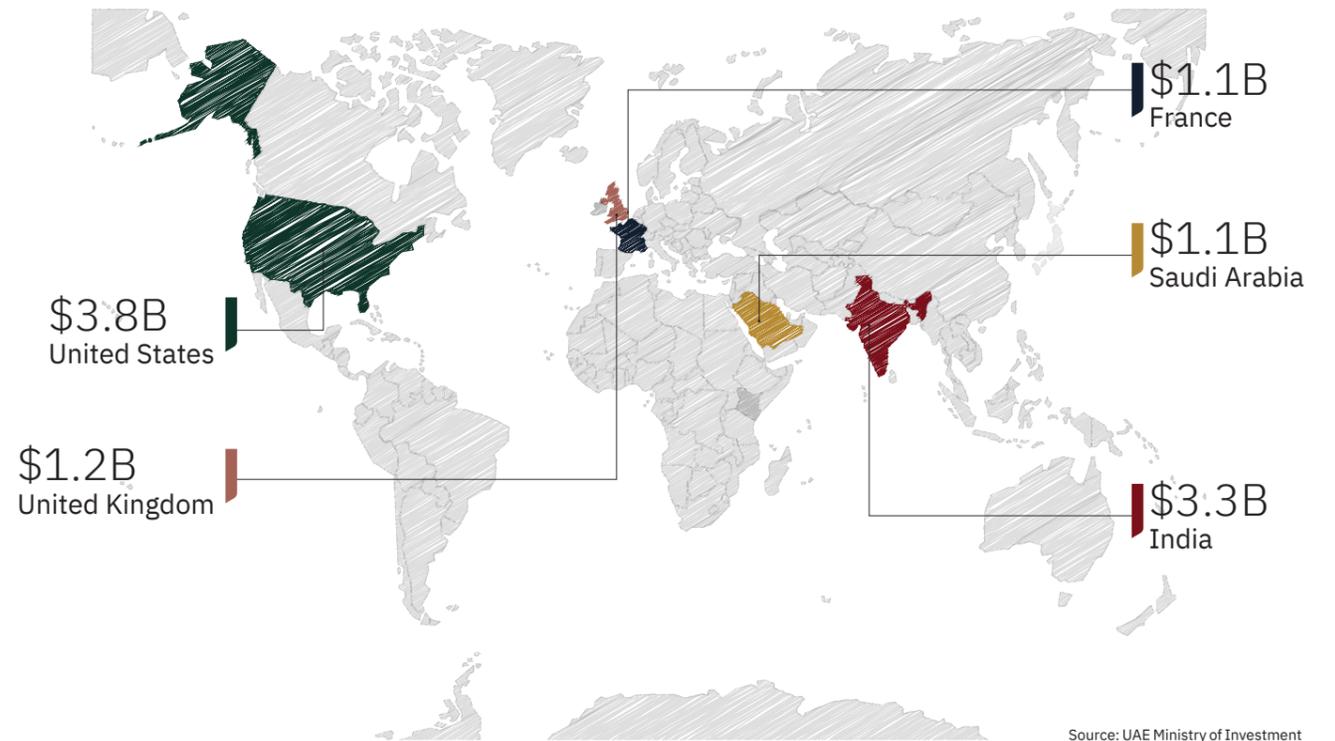
Source: UAE Ministry of Investment

Average share of greenfield FDI (in value) by destination sector (2019-2023)



Source: UAE Ministry of Investment

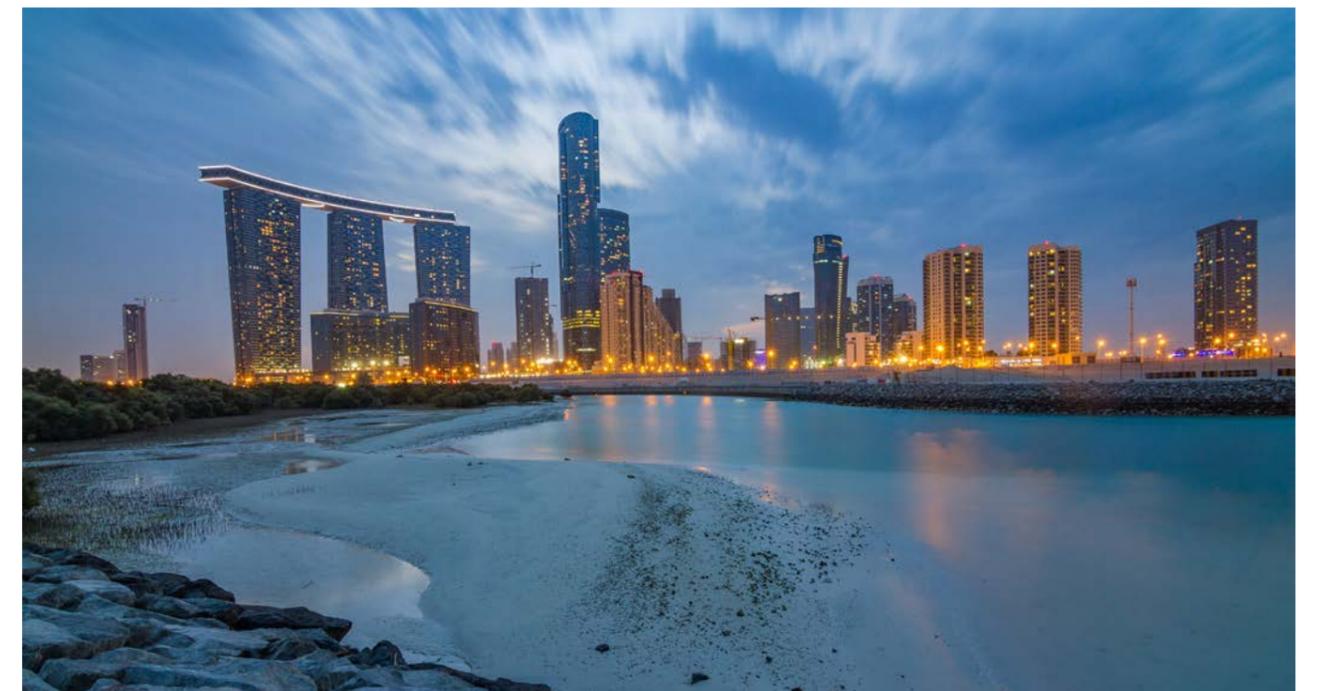
Top 5 sources of capital investment into the UAE (2023)



Source: UAE Ministry of Investment

Milestones in new investments

The UAE ranked 2nd globally, after the United States, in attracting greenfield FDI (by number of projects) in 2023. As a city, Dubai ranked first in the world for the third successive year.²





FUTURE VISION





UAE leads with a talent-first strategy

As the world grapples with economic and social challenges, the UAE has identified a distinct path forward: prioritizing human capital. In an era when economic nationalism and protectionist policies often limit opportunities, the UAE fosters openness and innovation, resulting in an environment that attracts top talent and supports sustainable growth.

The country has positioned itself as a global leader in 'livability,' focusing on happiness and quality of life as key pillars to attract talent. With cities like Dubai and Abu Dhabi ranking among the most livable in the region,⁵⁶ the country's appeal lies in its security, world-class healthcare, cultural vibrancy, and robust infrastructure.

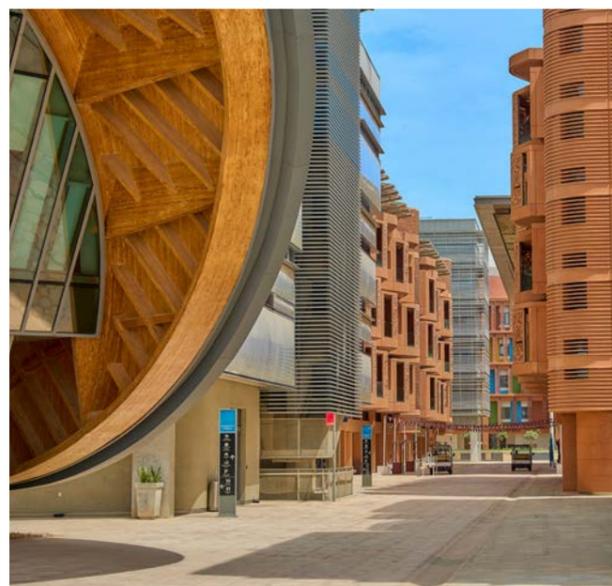
Bridging talent and FDI

The UAE Strategy for Talent Attraction and Retention aims to position the nation as one of the top three countries globally for attracting highly skilled professionals.⁵⁷

Happiness is a national priority, linking it with policy areas like the economy, education, and

healthcare. As a result, it also strengthens the country's appeal as a destination for FDI.

The UAE's strategic partnerships across sectors such as technology, education, and industry highlight its commitment to fostering growth through talent and innovation.



Safety & security

The UAE is globally recognized for its high safety, upheld through effective law enforcement. Abu Dhabi is the world's safest city and the UAE is 'very low risk' on the Global Terrorism Index.⁵⁸

90%

Of residents say they feel safe walking alone at night⁵⁹



Education

The UAE has established partnerships with leading global institutions, emphasizing innovation and quality. The country UAE ranks highest in the Arab world on the 2023 Global Knowledge Index.⁶⁰

70+

Higher education institutions across the country²



Healthcare

Significant investments have led to the development of modern hospitals and clinics, providing residents and tourists with high-quality healthcare options. In 2022, 674,000 health tourists visited Dubai alone.³⁰

\$10.5B

Estimated size of the UAE health and insurance market in 2024⁶¹

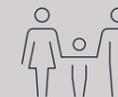


Infrastructure

World-class transportation networks, including modern road, sea, air, and rail systems, facilitate ease of movement. The UAE is connected to 150 global ports and ranked 4th globally in infrastructure quality.⁶²

260

International destinations connected via the UAE⁶³



Residency options

The UAE has introduced flexible residency options to attract and retain global talent. The Golden Visa program, for instance, offers 10 years residency to investors, entrepreneurs, and specialized talent.

158K

Golden Visas issued in Dubai in 2023 (over 50% y-o-y increase)⁶⁴

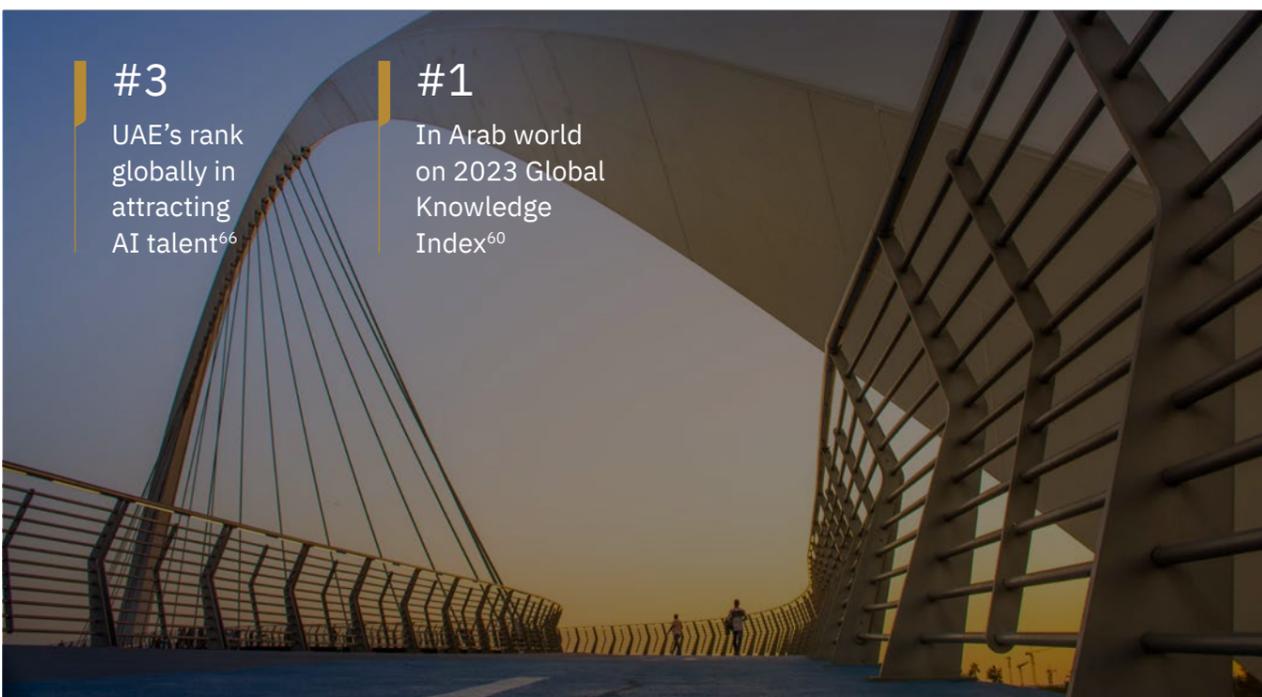


Employment laws

The UAE has implemented reforms to protect workers' rights, promote gender equality, and ensure fair employment practices. The country also rolled out an unemployment insurance scheme in 2023.⁶⁵

#17

Rank globally in developing, retaining and attracting talent³⁸



#3

UAE's rank globally in attracting AI talent⁶⁶

#1

In Arab world on 2023 Global Knowledge Index⁶⁰



MEASURING SUCCESS

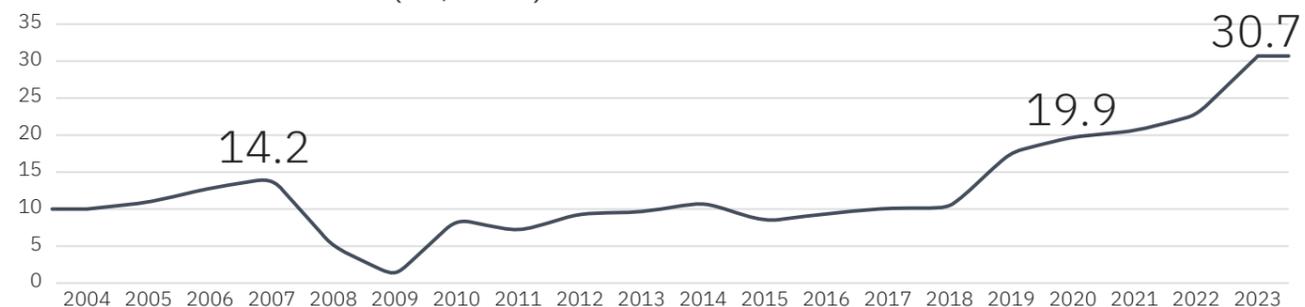




Indicators of excellence

The UAE's FDI strategy is centered on fostering economic diversification, boosting high-growth sectors, and positioning the nation as a global investment hub. On the path to its goal of attracting US\$ 354 billion in cumulative FDI by 2031, the UAE witnessed a 35% increase in FDI inflows in 2023, driven by strategic initiatives across key sectors like retail, real estate, and finance.⁶⁷ These achievements underscore the UAE's commitment to creating a dynamic, investor-friendly environment.

Total inbound FDI to the UAE (US\$ billion)



Source: UAE Ministry of Investment

Global rankings of excellence

<p>#26 Knowledge & development 2023 Global Knowledge Index⁶⁰</p>	<p>#17 Human development 2023/2024 Human Development Report⁶⁸</p>	<p>#32 Innovation & growth 2024 Global Innovation Index⁶⁹</p>	<p>#12 Infrastructure & logistics World Bank Logistics Performance Index 2023⁷⁰</p>
<p>By 2031 the UAE aims for³⁹</p>	<p>\$354B in cumulative FDI inflow</p>	<p>\$218B in non-oil exports</p>	<p>top 10 rank on the Human Development Index</p>

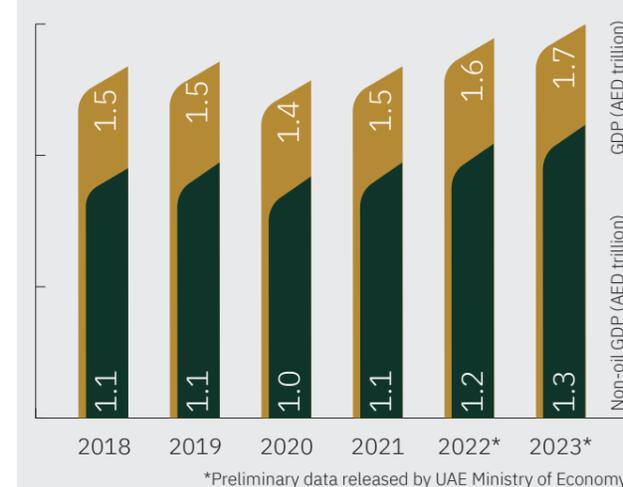


Key sectors driving the UAE's FDI growth

Five sectors contributed 86% of total FDI stock in the country in 2022.⁷¹ These sectors are pivotal in attracting foreign investment and bolstering the nation's economic growth.

 26% Wholesale & retail trade The UAE's positioning as a global trade and logistics hub benefits this sector, with a 13% surge in consumer spending.	 24% Real estate Ambitious and sustainable urbanization have positioned the UAE as a top destination for international investors.	 21% Finance & insurance The UAE is a major hub for global private wealth, attracting a significant number of high-net-worth individuals.	 8% Mining & quarrying The sector leverages the country's natural resources and advantageous location within global supply chains.	 7% Manufacturing A crucial pillar of economic diversification, manufacturing became the third-largest sector by nominal GDP in the UAE.
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UAE's GDP performance: Non-oil sectors contribute 74.3% in 2023



Source: Federal Competitiveness and Statistics Center (via UAE Ministry of Economy) and WAM

A thriving startup ecosystem
With emirates across the country encouraging entrepreneurial ventures, the UAE has emerged as the fastest-growing startup ecosystem in the region.

<p>5.6K UAE startup registrations by Q2-2024⁷²</p>	<p>30K New businesses set up in Dubai in first half of 2023⁷³</p>
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Leading startup ecosystems: 2023 valuations⁷⁴

<p>\$23B Dubai</p>	<p>\$4.2B Abu Dhabi</p>	<p>\$424M Sharjah</p>
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The UAE creates enduring value for investors

Foreign direct investment has been instrumental in economic transformation by connecting markets, transferring technologies, and fostering industrial development since the 1980s. It has a universally acknowledged role in implementing long-term development worldwide.

Since the late 20th century, the UAE has evolved into a leading global hub for FDI, leveraging investments strategically to fuel long-term growth through progressive governance and forward-thinking economic planning. The nation aims to double its current annual inflows to US\$ 354 billion in cumulative FDI by 2031. Achieving this goal relies on a comprehensive strategy to channel international capital into key industries such as technology, renewables, and advanced manufacturing.

The UAE's early focus on creating a responsive regulatory environment built on transparency, efficiency, and ease of doing business has been critical. This framework is complemented by streamlined processes for investors and entrepreneurs seeking stability and growth opportunities. For instance, Operation 300 Billion has been launched to grow the economic contribution of the UAE's industrial sector from AED 133 billion to AED 300 billion by 2031 by scaling advanced manufacturing, food security, pharmaceuticals, and other vital industries.

Further, attracting and retaining top talent has been and continues to be a cornerstone of the UAE's strategy. Through top-tier healthcare,

education, and infrastructure, the UAE offers an environment where both families and businesses can thrive. Policies such as extended residency visas, supportive business laws, and a commitment to workforce upskilling have made it easier for companies and professionals to view the UAE as a destination for global professionals. In parallel, growing attention to research, development, and innovation – particularly in fields like artificial intelligence, renewable energy, and advanced manufacturing – has deepened the country's appeal as a forward-focused ecosystem.

The UAE's geopolitical stability, structured outreach to global markets, and strategic location have positioned it as a vital crossroads connecting people and markets across the globe. This is strengthened by bilateral and multilateral agreements as well as state-of-the-art air and seaport facilities offering unparalleled connectivity for both goods and people. In addition, policy initiatives such as Net Zero by 2050, aimed at sustainability and green energy production via hydrogen projects and large-scale solar farms, consolidate the UAE's position as a regional leader in the global transition to green energy.

By incentivizing innovation, maintaining robust legal protections, and investing in human capital, the UAE has emerged as an investment magnet, creating lasting value for investors and contributing to the broader global economy.



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