



وزارة الاستثمار
MINISTRY OF INVESTMENT



استثمر
في الإمارات
INVEST UAE

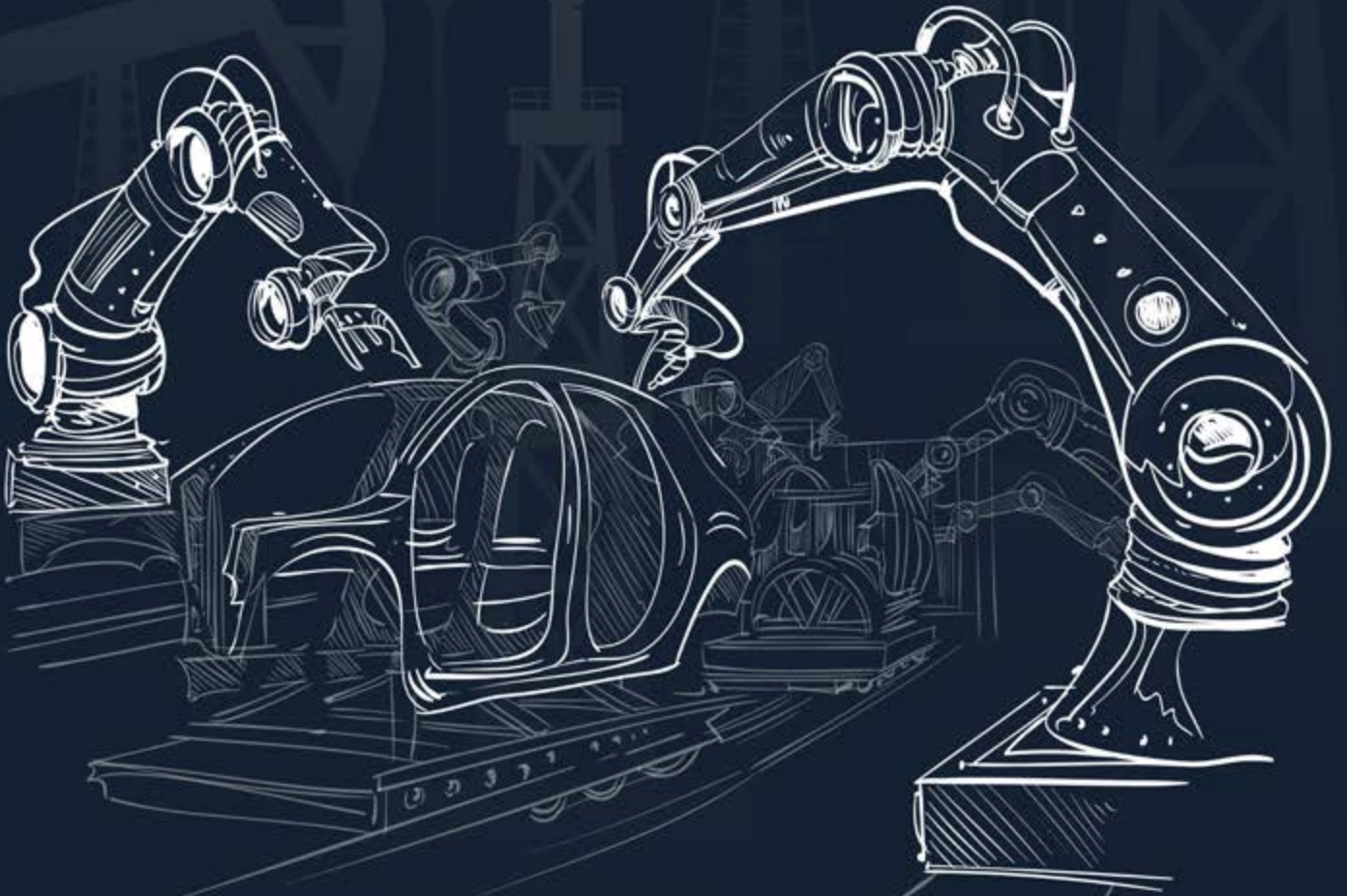


وزارة الصناعة
والتكنولوجيا المتقدمة
MINISTRY OF INDUSTRY
& ADVANCED TECHNOLOGY

UAE: A snapshot of manufacturing excellence

ADVANCING INTO FUTURE INDUSTRIES

JANUARY 2026



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Investment in research, innovation, and market development drive growth

Over the past decade, the UAE's manufacturing sector has undergone a remarkable transformation, evolving into an industry defined by advanced production capabilities, innovation, and scale. This shift reflects a deliberate move up the value chain, positioning manufacturing as a core pillar of the country's long-term economic growth and diversification agenda.

Between 2015 and 2024, the country attracted 251 manufacturing-related foreign direct investment (FDI) projects, with total capital investment commitments reaching US\$ 32.7 billion. In 2024 alone, capital inflows and job creation in industry hit record levels, underscoring the impact of targeted reforms and sustained strategic initiatives.

What began with a small number of foundational players has since evolved into a dynamic and diversified manufacturing ecosystem. Today, high-value industrial facilities operate alongside research-driven firms, while technology companies collaborate with academic institutions on robotics, automation, and artificial intelligence. Even the food and beverage sector is being transformed, with value-added output expected to increase by more than 200% between 2018 and 2031 – a testament to how well-crafted incentives and infrastructure can reshape entire value chains.

This transformation has been driven by a clear and ambitious strategy. Under the Operation

300 Billion roadmap, the UAE aims to increase the manufacturing sector's GDP contribution to AED 300 billion by 2031, a target that is already 63% achieved. Delivering on this vision involves embedding Industry 4.0 technologies across industrial zones nationwide. It also requires sustained investment in the foundations that enable innovation to scale. As such, significant investment has been directed toward research and development, intellectual property protections have been strengthened, and licensing processes streamlined to accelerate the journey from conceptual ideation to commercial production.

This report charts that evolution. It offers an overview of how investment and talent have come together to advance manufacturing in the UAE, highlighting how key sectors and landmark projects are accelerating the shift away from oil, and how forward-looking policymaking is shaping the sector's next chapter.

As manufacturing continues to evolve, the UAE's focus is firmly on building resilience, competitiveness, and long-term value. The partnerships being forged, locally and globally, alongside continued investment in skills and innovation, will be central to ensuring the sector remains fit for the decades ahead.

We invite global investors, innovators, and policymakers to engage with the UAE's evolving manufacturing landscape and explore the opportunities it presents.



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**HIS EXCELLENCY
MOHAMED HASSAN ALSUWAIDI**
UAE Minister of Investment

UAE reinforces its position as a global hub for advanced manufacturing

Today, the UAE stands at a moment of strategic transformation, reaffirming its position as a global hub for advanced industry and technology, anchored in strategic geography, agile regulation, and an enabling business environment. Guided by a clear vision to strengthen strategic autonomy and build a competitive economy founded on knowledge and innovation, the UAE has entered a new phase of sustainable industrial transformation. From a country long recognized as a major energy exporter to a fast-growing exporter of high-value manufacturing goods and advanced technologies.

This transformation is underpinned by the National Strategy for Industry and Advanced Technology (2021-2031) and national initiatives including Make it in the Emirates, the National In-Country Value Program, and the Industrial Technology Transformation Program – forming a coherent policy framework to localize high-value manufacturing, accelerate technology adoption, and strengthen industrial competitiveness. Under Operation 300 Bn, implemented through close coordination across federal and local government entities, the private sector, and national champions, the UAE has mobilized industrial investment, expanded opportunities across sectors, and accelerated the development of national capabilities.

Our ambitions extend beyond growth or investment attraction alone. We are developing artificial intelligence and advanced technologies

to build a high-quality production ecosystem that strengthens strategic autonomy and deepens integration into global value chains. Competitiveness today is defined not only by production capacity, but by productivity improvement, innovation intensity, and the speed of scaling from policy design to operational output. Industrial exports in 2025 reflect this progress – rising 25% to AED 262 billion, including AED 92 billion in medium- and high-technology exports, surpassing our 2031 target six years ahead of schedule.

These results are the product of a whole-of-government effort. The Ministry of Investment and the Ministry of Industry and Advanced Technology operate in close coordination – jointly shaping an ecosystem in which attracting global capital and enabling industrial deployment are two sides of the same coin. While the Ministry of Investment drives the attraction of international investors and contributes to designing a fit-for-purpose investment environment, the Ministry of Industry and Advanced Technology enables industrial deployment through quality infrastructure, national programs, and technology transformation initiatives that convert investment into productive capacity.

Together, we are building a durable competitive advantage for the UAE as a destination for advanced manufacturing – one that creates sustainable opportunities in local and global markets, and develops the national capabilities that will enable future generations to lead the industries of tomorrow.



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**HIS EXCELLENCY
DR. SULTAN AHMED AL JABER**

UAE Minister of Industry and Advanced Technology

A GLOBAL SHIFT FROM VOLUME TO VALUE





Liberalization and the emergence of trading blocs

Over the past 50 years, the geography and nature of industrial production has undergone a dramatic transformation. In the 1970s, manufacturing was concentrated in North America, Western Europe, and Japan, which cumulatively accounted for 84% of global output and 26% of the workforce employed in manufacturing. Manufacturing FDI flowed mainly into these regions, primarily in industries like automobiles, machinery, and chemicals.^{1,2}

Today, manufacturing FDI flows into countries that add value rather than volume. In 2023, US\$ 245 billion of manufacturing-related greenfield projects were pledged by companies in 40 nearshoring destinations, up 45% from 2022.³ Figures for 2024 indicate that foreign companies announced cross-border greenfield investments worth at least US\$ 1.3 trillion, the third-highest ever.⁴

Acceleration begins in the 1990s

During the 1990s and early 2000s, global manufacturing FDI grew rapidly, fueled by trade liberalization, the creation of regional agreements such as the North American Free Trade Agreement (NAFTA) and the Association of Southeast Asian

Nations (ASEAN), and China's entry into the World Trade Organization (WTO) in 2001. Multinational companies expanded their operations across Eastern Europe, Southeast Asia, and Latin America, marking a shift away from manufacturing being concentrated in a few dominant industrial countries.

By 2022, more than half of international inflows were directed to developing Asia, with China, Vietnam, and India becoming deeply embedded in global value chains. China's growth has been significant. From a US\$ 49.9 billion net export of manufactured goods in 2000 to US\$ 1.9 trillion in 2023 – a 38x growth – China's production had eclipsed the combined output of the top nine countries.⁵ India and South Korea, once marginal players, have risen to become the world's fifth- and sixth-largest industrial producers, respectively.⁶

These shifts happened as a result of strategic business decisions, but also reflected deeper, long-term changes in how and where companies chose to build. In the beginning, rising wages in the US and Europe forced companies to seek lower-cost labor across borders. But cost advantages were only part of the equation. The following drivers played a significant role.

Incentives and infrastructure

Many emerging-market countries actively encouraged manufacturers to set up production using policy incentives. They created special industrial zones, offered tax incentives, upgraded transportation links, and relaxed FDI rules. China created Free Trade Zones – from the first FTZ in Shanghai in 2013, it now has 21 such zones. Mexico set up maquiladora factories ('twinning' to facilities across the border in the US), and Vietnam developed industrial export parks as strategies to attract investments.

The operating models of global companies also evolved. Instead of simply exporting finished goods to emerging markets, multinational firms began establishing integrated production networks within these regions – ranging from local assembly lines to strategic sourcing partnerships. This shift was driven mainly by advances in logistics and the adoption of just-in-time delivery systems.

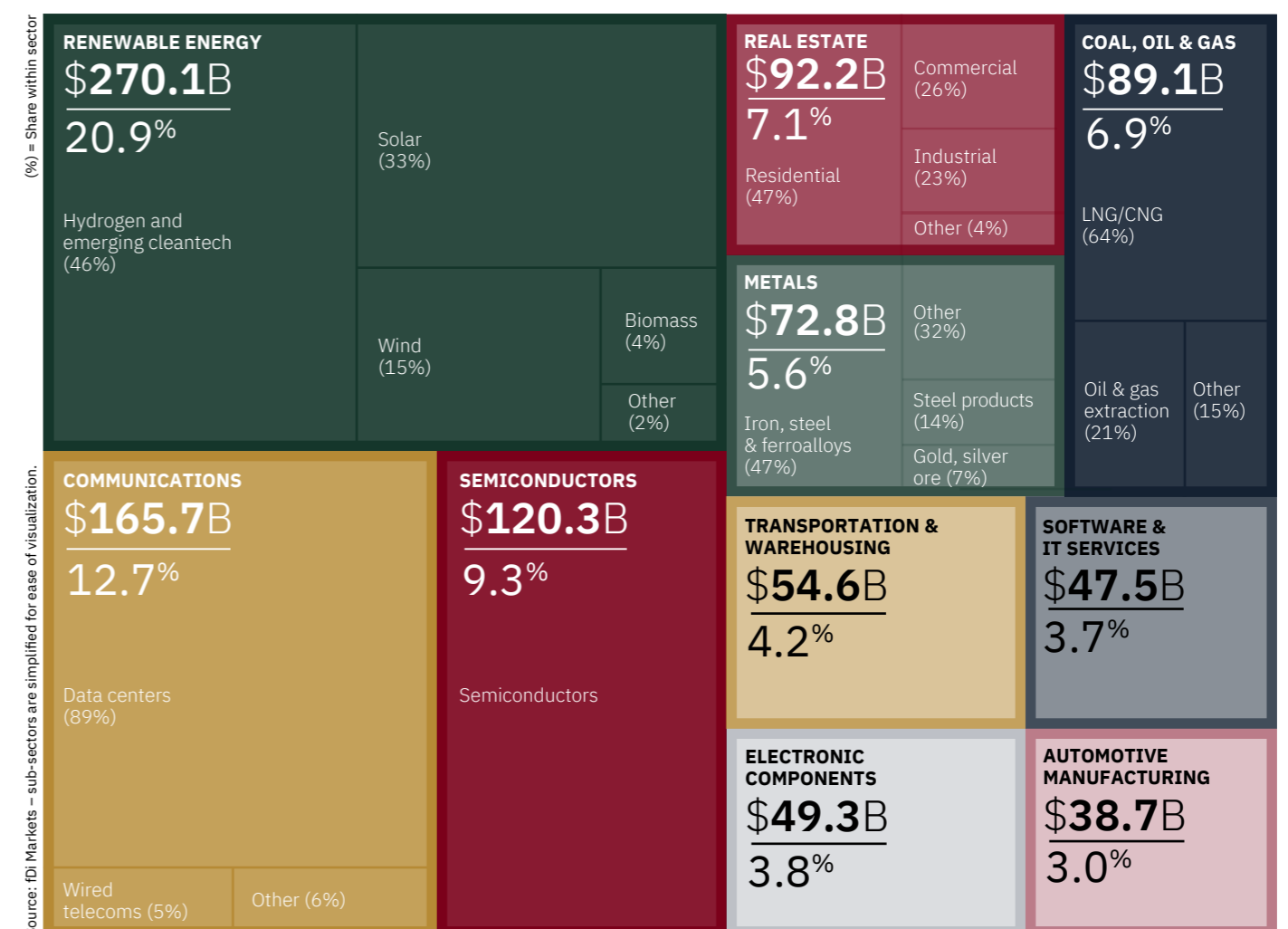
Disruptions and the changing landscape

This model of integrated production networks has begun to evolve due to global disruptions, ranging from pandemic-era supply chain shocks to trade fragmentation and geopolitical tensions. Manufacturers are reassessing their footprint and strategies in favor of more resilient, regionally distributed supply chains.

Today, companies are not just looking for the most efficient place to operate; they are also weighing how resilient, flexible, and sustainable those locations are.

Sustainability has become a major force in reshaping industrial investment. As firms commit to net-zero targets and ESG disclosures, manufacturing FDI is shifting toward low-carbon and renewables-powered facilities. Locations that can offer clean power, green logistics, and enforceable environmental standards are preferred hosts for future-ready industries.

Top 10 sectors account for 77% of global greenfield FDI of US\$1.3T in 2024



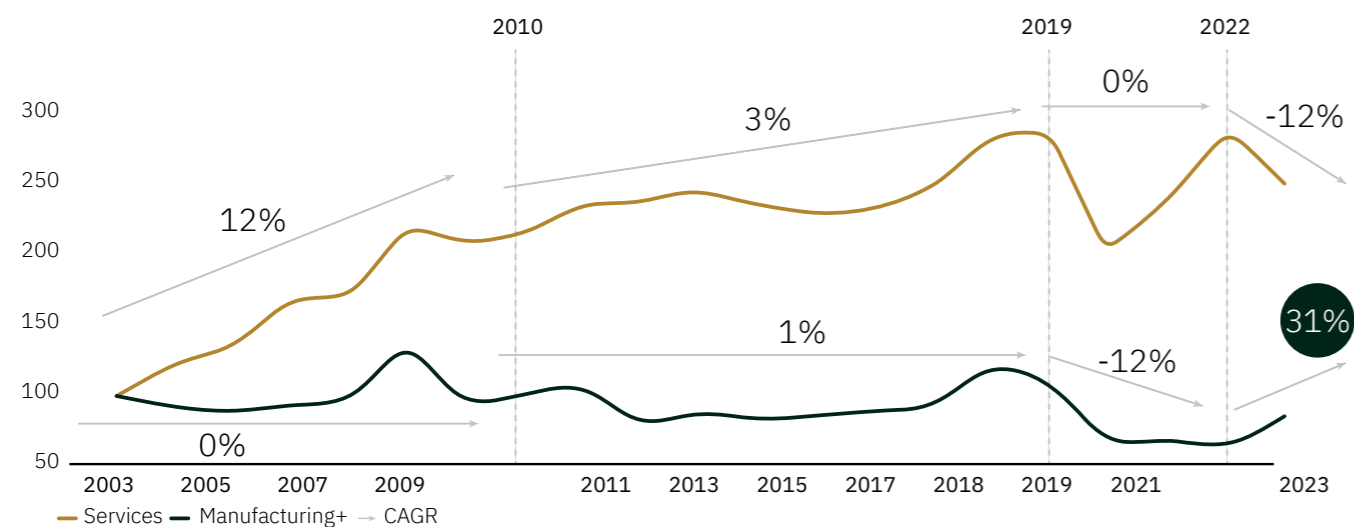
4IR and digital integration

Technology is also transforming where and how manufacturing takes place. The rise of the Fourth Industrial Revolution – or Industry 4.0 – has introduced a suite of technologies that reduce the importance of labor costs and increase the value of digital integration. Technologies like AI, IoT, robotics, 3D printing, and additive manufacturing are reshaping the industrial value chain. Between 2016 and 2023, robot density in manufacturing more than doubled – from 74 to 162 robots per 10,000 workers.⁷ As the future unfolds and automation becomes more affordable, manufacturers are planning factories closer to end markets, reducing dependence on distant, low-cost labor hubs.

This is tied to the trend of reshoring and nearshoring. In the US, construction of factories and manufacturing plants hit US\$ 200 billion in 2023, compared to US\$ 1.2 billion in the previous year, on a surge in new factories.⁸ Policy is reinforcing this trend: recent US legislation (e.g. CHIPS Act, Inflation Reduction Act) includes incentives for local production of semiconductors, batteries, and other strategic products. Similar efforts are underway in the EU to reconfigure investment strategies. Foreign companies committed over US\$ 82 billion to manufacturing projects in 15 nearshoring hubs across Central and Eastern Europe (CEE) and North Africa between 2022 and 2023.⁹

Global greenfield manufacturing FDI projects show uptrend in 2023

Number of cross-border greenfield projects, indexed 2003=100



Source: UNTAD, based on information from FDI Markets

New hubs of value-based manufacturing

The global landscape of FDI has grown increasingly complex. Capital no longer moves in predictable patterns from West to East or North to South. Instead, investors are prioritizing destinations that offer policy stability, robust digital infrastructure, a skilled labor force, and a credible commitment to sustainability.

While developed markets focus on high-tech, capital-intensive industries, many emerging economies continue to lead in volume-driven manufacturing. Countries like India, Indonesia, and Vietnam are viewed as attractive alternatives to China, as companies embrace the “China+1” strategy, diversifying production beyond China to reduce dependency on one country and better manage supply chain risk. These markets offer competitive cost structures and improving capabilities in logistics, infrastructure, and technology readiness. Some countries across Africa and Central Asia are also gaining attention by leveraging natural resources and strengthening ties with regional trade networks.

FDI is also targeting integrated industrial ecosystems that blend smart production with R&D, software development, and after-sales services. Penang, Malaysia exemplifies this shift, attracting US\$ 12.8 billion in FDI in 2023, more than its total from 2013 to 2020 combined. Investments by firms like Intel and Infineon contribute to the country’s status in semiconductor manufacturing.

The UAE’s unique path

Emerging economies are increasingly expanding beyond traditional low-cost assembly toward higher-value production. Vietnam has pivoted from textiles and footwear to electronics. Mexico has leveraged nearshoring to positioning itself as a regional center for automobile assembly and electronics.

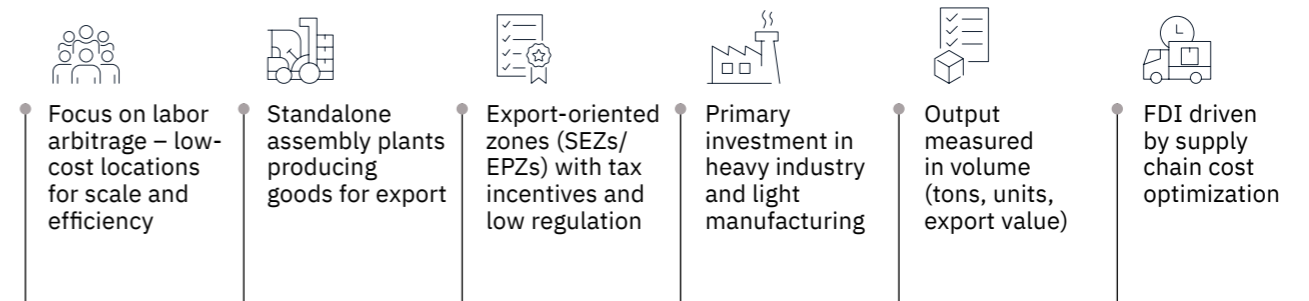
Unlike many emerging economies that began their growth journey by leveraging low-cost labor, the UAE has taken a proactive, strategic approach – anchoring its development in technology adoption, digitization, innovation ecosystems, and forward-looking government initiatives. Its deliberate shift away from oil dependency toward sectors such as advanced manufacturing, renewable energy, aerospace, life sciences, desalination technology, and high-end electronics reflects a clear ambition to bypass conventional industrial pathways and position itself as a leader in next-generation industries. The UAE’s ambitious Operation 300 Billion demonstrates this commitment. Launched in 2021, this strategy aims to more than double

manufacturing’s GDP contribution to AED 300 billion (approximately US\$ 82 billion) by 2031, banking on integrating smart technologies and advanced infrastructure. Flagship programs like ‘Make It in the Emirates’, ICV and offtake program, and the Technology Transformation Program (TTP) complement this strategy by creating comprehensive ecosystems that attract foreign investment and support local manufacturing of priority products. This supports UAE industrial sector growth, localizing production supply chains and redirecting the value of procurement to the national GDP. It leverages the UAE’s competitive advantages – logistics, infrastructure, and a cutting-edge digital ecosystem that supports the digitization of advanced manufacturing.

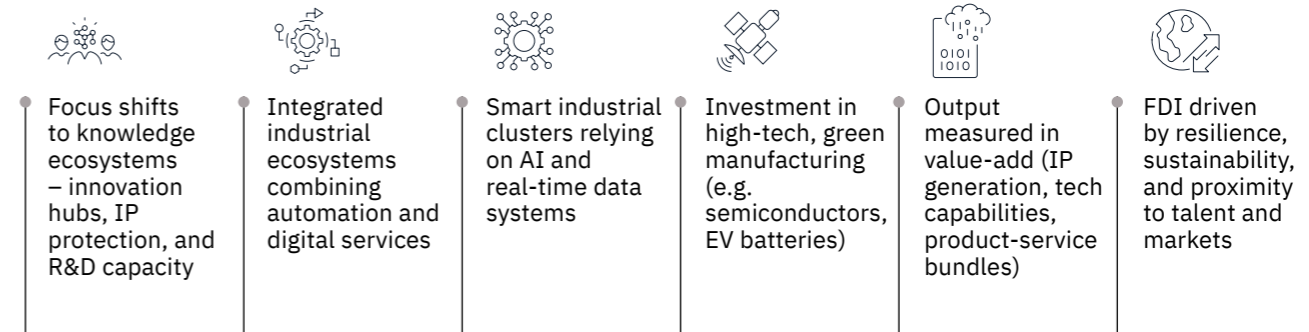
The UAE emphasizes capital-intensive high-tech manufacturing rather than purely volume-driven production. Its strategic emphasis on high-quality infrastructure, digitized logistics, proactive talent attraction, and a deliberate policy push toward innovation sets it apart from other emerging nations.

How manufacturing FDI has evolved globally

1990s-2000s (efficiency era)



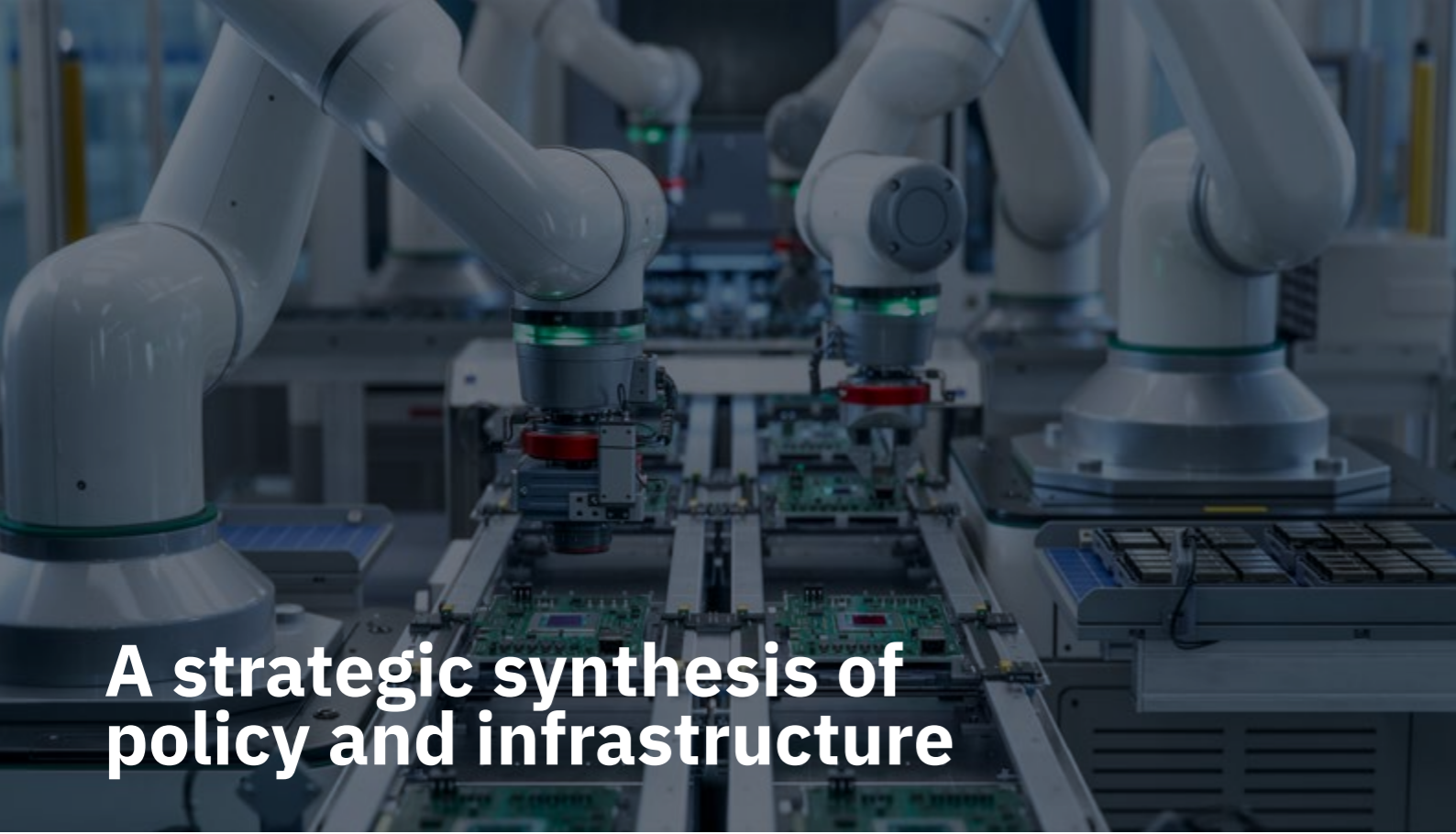
2020s onward (transformation era)



Source: FDI Markets, UNCTAD, IMF, Investment Monitor

THE UAE'S MANUFACTURING TRANSFORMATION





A strategic synthesis of policy and infrastructure

The UAE has strategically transformed its manufacturing sector using policy initiatives that have had a tangible impact on industrial development and FDI inflows.

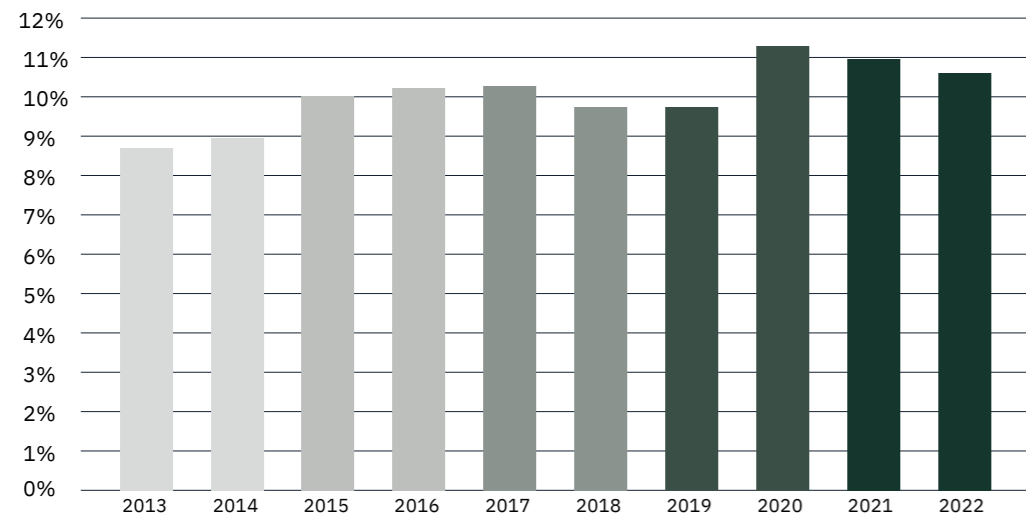
Over the past decade, the UAE has become an increasingly influential player on the world's manufacturing landscape, driven by a strategic synthesis of world-class infrastructure, future-proof policies, and a commitment to technology and innovation. This has improved the UAE's ranking in

UNIDO's Competitive Industrial Performance classification from 37 in 2018 to 29 in 2023.

Components of the UAE's industrial journey

National programs like Operation 300 Billion, along with a practical focus on new technologies, have created an environment where manufacturers can bring projects to fruition and build for the long term. Factories, transport links, and reliable digital networks now sit at the heart of major industrial zones, while broader access to finance has encouraged a new

Share of manufacturing share in the UAE's nominal GDP (%)



Source: FCSA, DSC, SCAD, ENBD Research

By 2031, the UAE aims for:

50% Share of medium/high technology industries in manufacturing value added (MVA)

Source: Ministry of Industry and Advanced Technology

wave of investment. Policymaking, infrastructure development, and incentivization programs are at the heart of manufacturing success.

Policy that drives industrial growth

The launch of the **UAE Strategy for the Fourth Industrial Revolution (4IR)** in 2017 began the journey to position the country as a global hub for advanced technologies. Focus areas include AI, robotics, nanotechnology, smart cities, and blockchain integration in financial transactions and services. By 2019, value added from manufacturing as a percentage of GDP grew by 4% annually.¹⁰

The **National Artificial Intelligence Strategy** was introduced in 2019 to drive innovation, improve process efficiency, and establish the UAE as a global leader in AI technologies.

The **Make It in the Emirates** campaign promotes locally produced goods and connects manufacturers directly with procurement opportunities from public and semi-public organizations. The **Product Offtake Initiative** has identified AED 168 billion worth of opportunities for locally manufactured products.

Projects of the 50 brings together new policies and programs to accelerate economic diversification and manufacturing. The **National In-Country Value (ICV) program** focuses on strengthening local supply chains and developing Emirati talent. It has seen the value of investments by registered suppliers within the country exceed AED 110 billion by end-2024.¹¹

Transform 4.0, launched under MoIAT's Technology Transformation Program, accelerates the digital and technological upgrade of UAE factories by offering tailored transformation roadmaps and expert advisory support. At the same time, the **Technology Transformation Incentive Scheme** provides targeted financial and non-financial incentives that enable manufacturers to invest in advanced, efficiency-driven technologies. By integrating these initiatives under the TTP, the UAE equips manufacturers with the tools required to enhance productivity, strengthen competitiveness, and drive long-term industrial growth.

The infrastructure advantage

A network of more than 40 dedicated zones – including KEZAD, Dubai Industrial City, and Sharjah's SAIF Zone – offers ready-built

Operation 300 Billion
Launched in 2021, the initiative aims to increase the industrial sector's GDP contribution

AED90B (~US\$ 24.5 billion)
In exports from medium and high-tech industries

244%
Growth from 2020 to 2024 and accelerating UAE local supply-chain strength

TO **AED300B** (~US\$ 82 billion) by 2031

FROM **AED136B** (~US\$ 37 billion) in 2021



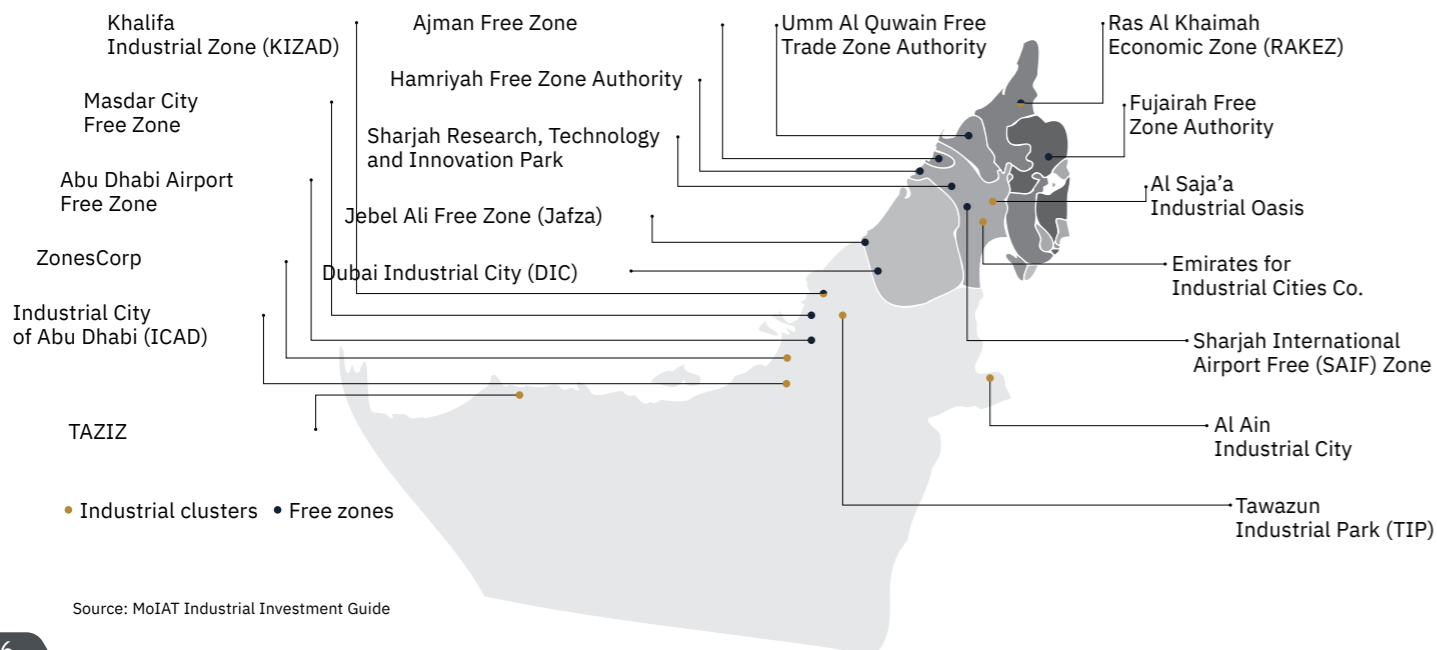
facilities, competitive lease terms, and one-stop services. The UAE also ranks among the world's leaders for digital competitiveness, ranking 11th in the 2024 IMD World Digital Competitiveness Ranking. Manufacturers benefit from nationwide 5G coverage, high-speed fiber-optic networks, and advanced data centers.

Reliable and cost-effective power, water, and gas services support industrial growth. Programs such as the Energy Support Program and ETIP help keep utility costs predictable,

while a national focus on sustainability expands access to clean and renewable sources.

Industrial support infrastructure like accredited labs, certification bodies, and Industry 4.0 enablement centers support compliance and upskilling. In fact, the UAE has approximately 1,160 accredited conformity assessment bodies and 28,000 national standards to ensure competitiveness and facilitate market access.¹² The Industrial Technology Transformation Index (ITTI) benchmarks every factory's digital maturity.

Key industrial and free zones in the UAE



Source: MoIAT Industrial Investment Guide

Strategic enablers that position the UAE as a manufacturing hub



Policy & regulation

- 100% foreign ownership permitted in most manufacturing and industrial sectors.
- Seamless repatriation of capital.
- Well established IP protection and arbitration frameworks.



Digital-first ecosystem

- Industry 4.0 strategic initiatives via Technology Transformation Program and Transform 4.0.
- Companies can access 4IR Readiness Assessments, digital roadmaps, and financial incentives through the Ministry of Industry and Advanced Technology.



Industry clusters

- The UAE hosts 40+ free zones offering zero corporate and personal income tax to companies with 100% foreign ownership in a majority of industrial sectors.



Access to talent

- The Golden and Green Visa programs ensure long-term residency for skilled professionals, engineers, and researchers.



Market access

- Connected to two-thirds of the world's population within 8 hours
- Comprehensive Economic Partnership Agreements (CEPAs) give access to a market of over 2 billion people.



Connectivity

- 12 commercial ports, 9 airports, and road networks ensure seamless connectivity.
- Jebel Ali ranks among the world's top 10 busiest container ports and is the largest in the region.

Talent plays another key role. Roughly one-third of UAE graduates hold STEM degrees, and women account for 56% of those STEM graduates and 44.5% of engineering undergraduates — one of the highest female ratios in the world.^{13,14} Technical and vocational enrolment is also climbing.

Incentivizing advanced manufacturing

The UAE has introduced targeted programs to strengthen advanced manufacturing. While the Ministry of Industry and Advanced Technology (MoIAT) oversees a unified national vision, individual emirates also have tailored initiatives aligned with their local priorities.

Since 2021, MoIAT has ensured that the industrial ecosystem provides motivating incentives to attract FDI attention and support local manufacturing growth. It has signed several agreements with the financial sector, including Emirate Development Bank and other local commercial banks, to offer specialized funding solutions such as capital expenditure financing and long-term loans to encourage technological upgrades, expanded production, and greater export capabilities, which lead to providing more than AED 30 billion in funding solutions to the industrial sector (2021-2024) and aim to provide AED 40 billion more in the next five years.

The Energy Support Program, which builds on the Electric Tariff Incentive Program (ETIP 1.0), provides the private industrial sector with preferential gas and electricity rates to reduce operating costs and encourage competitive and sustainable practices in Abu Dhabi. The Land Rebate Incentive Program (LRIP) is a leasing support initiative designed to attract industrial investors by offering highly competitive lease rates to companies operating in priority sub-sectors in Abu Dhabi.

Comparable options exist across the northern emirates. Customs exemptions for industrial imports offer a 5% exemption on customs duty for machinery, spare parts, raw materials, and semi-finished goods. Factories holding an industrial production license from the MoIAT can receive an exemption on these import costs.

FDI DRIVES MANUFACTURING GDP SHARE





FDI generates sizable GDP contribution and job creation

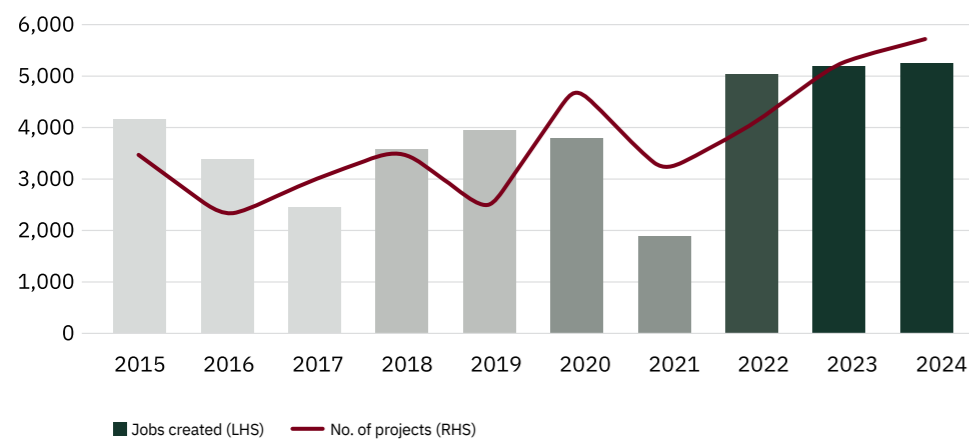
The UAE attracted as many as 251 FDI projects into the manufacturing sector in the 10 years from 2015 to 2024, resulting in the creation of an estimated 38,684 jobs, according to a bespoke *Summary Trends Report* for the UAE developed by *fDi Markets* in March 2025. The assessed contribution of these projects to the UAE's GDP is approximately US\$ 32.7 billion in capital investment.

The top 10% of investors created about a fifth of these projects and accounted for a similar share of new jobs. The industrial equipment sector accounted for 23.6% of

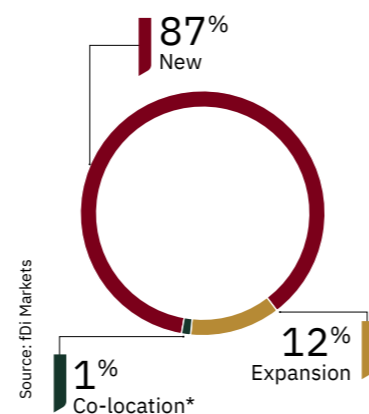
projects, emerging as the top sector, followed by communications, metals, electronic components, and chemicals. 2024 emerged as the landmark year in which both job creation and the number of FDI projects were the highest.

By business activity, manufacturing almost consistently topped the list by number of projects in these 10 years, followed by the establishment of regional headquarters, ICT & internet infrastructure, and recycling. Western Europe is the top source region, accounting for almost two-fifths of projects; project volume from this region peaked during 2024, with 15 projects tracked.

Number of announced FDI projects in manufacturing in the UAE sees a steady increase

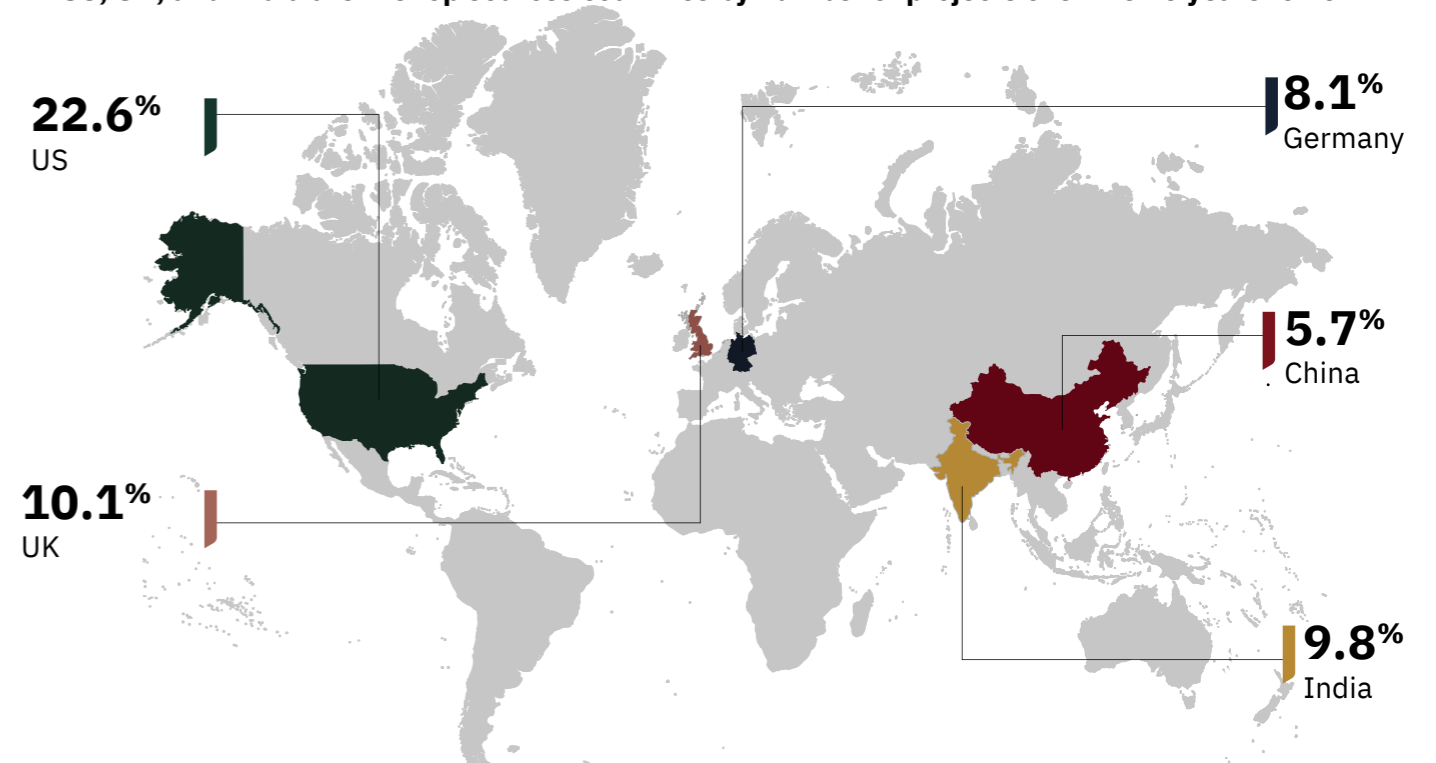


New projects account for the highest share

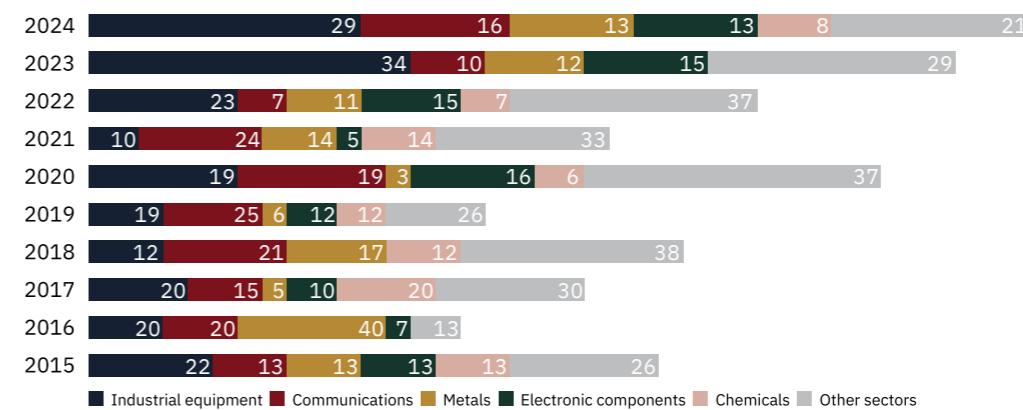


*Projects in which facilities are shared by multiple companies, like data centers

US, UK, and India are the top sources countries by number of projects over the 10 years to 2024

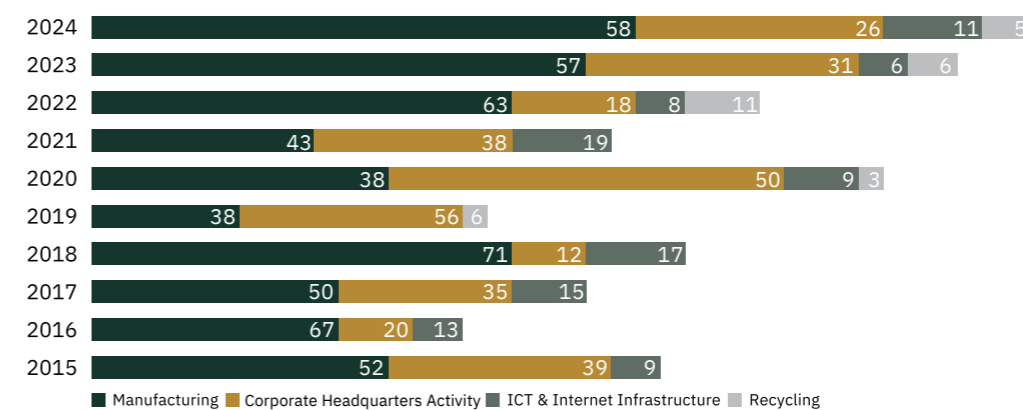


The top 5 sectors account for the largest number of FDI projects in manufacturing (by % of total)



37.8%
Western Europe is the top source region for FDI projects into the UAE's manufacturing sector (2015-2024)

Manufacturing emerges among the most favored business activities in FDI projects (by % of total)



29.1%
Asia-Pacific

23.3%
North America

5.1%
Middle East

3.0%
Emerging Europe

Source: All investment project data is sourced from fDi Markets / The Financial Times based on public information on company announcements. The UAE Ministry of Investment and The Financial Times Ltd. accept no responsibility or otherwise for the accuracy of the data and information, nor does The Financial Times Ltd. claim to track all investment projects. May include estimates.

MANUFACTURING SECTORS IN FOCUS IN THE UAE





Prioritizing the future of the industrial sector

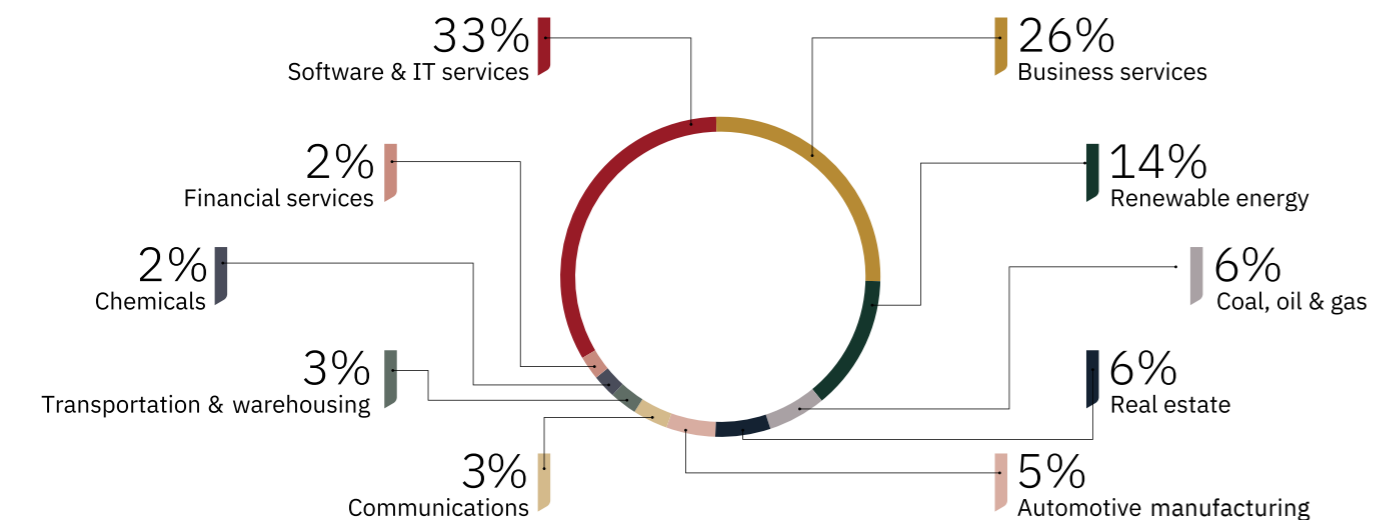
The UAE is focusing on industries that will shape its future economy. It has placed strategic emphasis on areas that reduce import reliance and create high-skilled jobs – the keys to driving long-term industrial growth.

As part of Operation 300 Billion, the Emirates Development Bank has committed AED 30 billion over five years from 2021 to boost key industrial sectors, aiming to finance 13,500 SMEs and generate thousands of jobs. This funding supports manufacturing sectors, including petrochemicals, heavy industries,

machinery, electrical appliances, and renewable energy equipment. This is alongside other national priorities such as infrastructure, technology, healthcare, and food security.

As a result, the value added to the UAE's economy is expected to more than double across most sub-sectors. Notably, the food and beverage industry is projected to grow by 210%, from AED 10 billion in 2018 to AED 31 billion. High growth is also expected in machinery and equipment (164%), pharmaceuticals (150%), and electrical equipment (150%).¹⁵

Manufacturing-oriented sectors among top 10 that attracted greenfield projects in UAE in 2024



Source: fDi Markets; by number of projects

Heavy industries (metals & materials)

Heavy industries are a cornerstone of the UAE's manufacturing sector, particularly in the aluminum and steel domains. Benefiting from abundant energy resources, the UAE has developed some of the world's most extensive metal processing operations. Emirates Global Aluminium (EGA), for instance, produces around 2.5 million tons of aluminum each year, representing roughly 4% of global output, and thus positions the UAE as a key supplier of premium-grade aluminum products.¹⁶ The UAE is also a major steel producer in the GCC, supplying essential materials for construction, infrastructure, and manufacturing projects. EMSTEEL, the country's largest steel producer, reports an annual production capacity of 3.5 million tons of steel.¹⁷

\$2.6B

in capital investment from 2013 to 2025 (up to February)

AED60B

or 31% of manufacturing value added in 2024

2024 Highlights

\$218.6M
capital expenditure

1,106
new jobs expected

13
investment projects

Recent investments

2021

The Hamriyah Free Zone Authority (HFZA) signed an agreement with ArcelorMittal Projects, part of the ArcelorMittal Group, which acquired the assets of a pipe and coating mill located at the free zone and leased 1.38 million square feet of industrial land.

2016

SENAAT and two Japanese steel companies established Al Gharbia Pipe Company to build a plant in the Khalifa Industrial Zone Abu Dhabi (KIZAD), the UAE's first large-diameter, sour service capable welded steel pipe project, with a production capacity of 240,000 tpa.

Chemicals, rubber, and plastics

The sector plays a vital role in the UAE's economy, bridging traditional oil and gas with emerging high-value industries. This includes petrochemicals, specialty chemicals, plastics manufacturing, and rubber products. Using its abundant resources, the UAE produces critical value-added products such as polymers, fertilizers, and various industrial chemicals. A prominent player is Borouge, a strategic joint venture between ADNOC and Austrian firm Borealis, which has significantly expanded the UAE's polymer production capabilities. In 2024, Borouge confirmed a US\$ 6.2 billion investment in its Borouge 4 complex in Ruwais, which will be the world's largest integrated polyolefin production facility.¹⁸

\$4.5B

in capital investment from 2013 to 2025 (up to February)

AED52B

or 28% of manufacturing value added in 2024

2024 Highlights

\$691.1M
capital expenditure

1,437
new jobs expected

31
investment projects

Recent investments

August 2024

Turkey-based Duyayen, a developer and manufacturer of adhesive, coating, and insulation products, invested US\$ 127 million in a manufacturing facility in Dubai.

July 2024

Xpro India invested US\$ 27.2 million in its first global manufacturing facility for polymers in Ras Al Khaimah.

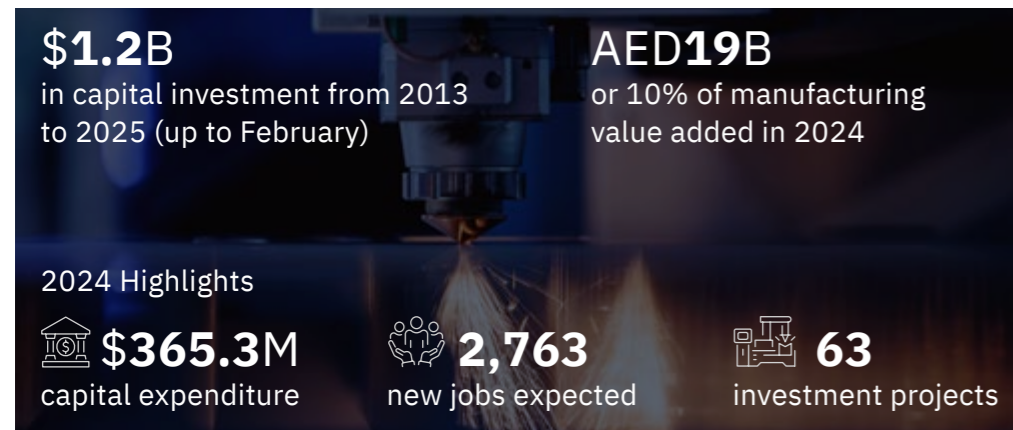
June 2024

GCL Technology Holdings, a Hong Kong-based manufacturer of polysilicon, announced a partnership with MDC Power to build a polysilicon facility in the UAE, injecting US\$ 127 million.

Machinery & equipment

Covering a broad range of industrial and mechanical products, the sector is projected to grow to projected to US\$ 7.3bn in 2025.¹⁹ Examples include Strata, which produces aircraft components for Boeing and Airbus, and TECNALCO, which operates one of the UAE's largest dedicated HVAC and air-distribution manufacturing sites in Umm Al Quwain.

Electrical equipment is also tied to the UAE's clean energy transition and smart infrastructure ambitions. In recent years, the UAE has also successfully developed local capabilities in cable manufacturing and control panel assembly with companies like DUCAB (Dubai Cable Company).



Recent investments

February 2025
Germany's A-HEAT Allied Heat Exchange Technology is investing US\$ 16.8 million to build a 37,000 sq. m. Guntner heat exchanger facility in Jebel Ali Free Zone to serve the GCC, India, China, and Africa.

February 2025
Iran's Afra Gostar Satiar opened an air conditioning systems factory in Dubai.

February 2025
Wilo SE, a global water pump manufacturer from Germany, expanded its Dubai facility, doubling production capacity to support operations across Asia, MENA, and Africa.

Pharmaceuticals

Healthcare innovation is one of the 11 priority sectors under Operation 300 Billion, and the UAE is expanding manufacturing in this sector. In 2022, 23 sites made 2,500 pharma products, making the UAE one of the fastest-growing pharma producers in the region.²⁰ The UAE's pharma market, valued at US\$ 4.6 billion in 2024, is on track to reach US\$ 8 billion by 2033, a CAGR of 7.3%.²¹

In 2021, Abu Dhabi accounted for 27% of national pharma output. The Ras Al Khaimah-based Gulf Pharmaceutical Industries (Julphar) has launched a growth strategy for 2030 that focuses on contract-manufacturing partnerships and market expansion.



Recent investments

2024
Ozon Pharmaceuticals from Russia signed an agreement to invest in a US\$ 79.8 million, 14,000 sq. m. manufacturing plant at Dubai Industrial City employing 100 people.

2018
Inui Health chose Dubai Science Park as its first hub outside the US to roll out a digital-health center that gives local providers secure, on-demand access to medical-grade data.

2014
French drugmaker Sanofi led an investor group to acquire a 66% stake in Dubai's Globalpharma from Dubai Investments.

Food & beverage

UAE's food and beverage (F&B) manufacturing industry is one of the fastest-growing and most integrated in the Middle East. It includes the processing and production of beverages, packaged foods, dairy products, snacks, and other consumables. The sector is tied to the country's food security strategy, cutting reliance on imports and protecting against any global supply-chain fluctuations. The presence of international players such as PepsiCo, which runs one of the region's largest bottling plants in Dubai Investment Park, and Nestlé, with major production sites in both Dubai and Abu Dhabi, are indicators of growing demand. Home-grown champions like Al Ain Farms and Agthia have scaled up from local dairy and grocery producers into regional manufacturers.



Recent investments

2024
Dubai Industrial City attracted over AED 350 million (US\$ 95.3 million) in investments from more than 25 F&B companies leasing 157,935 sq. m. of production and logistics space.

2023
Danish logistics leader A.P. Moller-Maersk opened its first cold-storage facility in Dubai Industrial City, a purpose-built, 13,000 sq. m. warehouse, significantly strengthening the district's capacity to handle and preserve perishable goods.

Industrial sector's targeted contribution across priority sectors: 2018 to 2031 (AED billion)



EMERGING SECTORS

Space & defense

The space sector is one of the key areas of UAE's innovation economy and a significant source of national pride. The global space sector is expected to soar beyond the trillion-dollar mark by 2040, representing an exponential leap in the new space economy. The UAE space sector is a crucial pillar bolstering the country's efforts to address climate change challenges, utilizing an innovative ecosystem to utilise space data and technologies to address global sustainability challenges, promote space-related solutions to overcome national challenges, and significantly increase the number of companies and patents in the space industry.

Government and private investment in UAE space programs now exceeds US\$ 10.9 billion (~AED 40 billion).²² Private sector involvement has been an essential part of this, contributing 44.3% of total investments.²³ Hosting the International Astronautical Congress in Dubai (2021) and establishing the UAE Space Agency (2014) highlights this strategic focus. By 2021, the UAE also became one of only five nations to reach Mars orbit, and in 2023 it became the 10th country to perform a spacewalk (by astronaut Sultan Al Neyadi). In February 2025, The Emirates Mission to the Asteroid Belt (EMA) achieved a significant milestone by successfully completing the Critical Design Review. The mission spans 13 years, six for development and design of the spacecraft and seven for exploring the main asteroid belt between Mars and Jupiter.

Recent investments

2025
Thales Alenia Space has partnered with the Mohammed Bin Rashid Space Center to design and build the Emirates Crew & Science Airlock Module for NASA's Lunar Gateway.

2024
French company ATERMES plans to set up its MENA headquarters in Dubai, its first major space-and-defense FDI venture into the UAE.

2019
The UAE Space Agency launched free zones, allowing 100% foreign ownership for space firms, attracting start-ups and international investors under its National Space Strategy 2030.

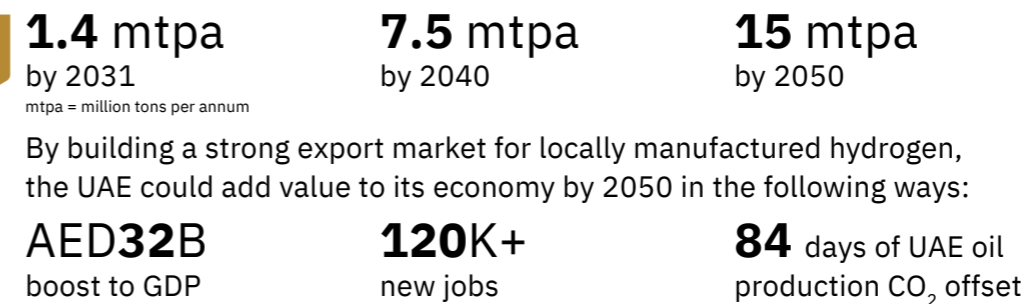
EMERGING SECTORS

Hydrogen & renewable energy

As the UAE accelerates a more sustainable future, renewable energy and hydrogen have become national strategic pillars, essential for meeting climate commitments and developing new export industries. The UAE was the first MENA nation to pledge Net Zero by 2050, and leveraged its role as host of COP28 (in 2023) to launch bold initiatives in green energy.

This is backed by the federal UAE Energy Strategy 2050, which sets targets to triple the share of renewable energy by 2050 and will see AED 150 to 200 billion in investments. Hydrogen is seen as the fuel of the future and the UAE is aiming to be a global producer and exporter of low-carbon hydrogen. It is aiming for a 25% share of the global market, targeting key importers like Japan, South Korea, Germany, and India.

National Hydrogen Strategy 2050 aims to scale H₂ production to:



Recent investments

2025
BEEAH, the Ministry of Energy and Infrastructure, and technology partners Chinook Hydrogen (UK) and Air Water Inc. (Japan), plan to set up a commercial scale waste-to-hydrogen plant in Al Sajaa, Sharjah.

Indian green hydrogen and ammonia producer AM Green partnered with DP World to develop infrastructure to export 1 mtpa each of green ammonia and methanol.

2024
The Abu Dhabi DED and the UK's HYCAP Group, will develop an industrial complex for production, storage, and transport of green H₂.

UAE 2030 national strategy

- Becoming a leader in space services
- Local capabilities in manufacturing and R&D
- Launching space missions
- Cultivating talent and greater awareness
- Encouraging more international partnerships
- Building supportive policies and infrastructure

2024 Highlights

\$186.6M capital expenditure	682 new jobs expected	5 investment projects
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2024 Highlights

\$1.3B capital expenditure	174 new jobs expected	4 investment projects
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FDI share in renewables in UAE from 2019 to 2023 (US\$T)

Year	Total Greenfield FDI (US\$T)	Renewable energy (US\$T)	Share (%)
2023	15.8	1.6	10%
2022	11.3	2.7	24%
2021	7.0	1.1	16%
2020	9.1	3.5	38%
2019	13.9	2.9	21%

Legend: ■ Total Greenfield FDI ■ Renewable energy

Source: I.D. Markets

Global intelligent power management company to build a sustainable 4IR facility in UAE

- Eaton’s agreement with Jafza will boost the UAE’s capabilities in the advanced manufacturing of electrical and electronic components
- The 400,000 sq. ft. facility is expected to be completed in 2026
- The 700 new expected jobs will range from high-skill engineering roles to advanced manufacturing positions

“This strategic partnership with Eaton is a significant advancement in our efforts to develop smart manufacturing facilities in Jafza ... and strengthen Dubai’s standing as a global leader in high-tech and automated manufacturing. Once fully operational, the plant is expected to generate a substantial impact on the UAE’s economy, contribute towards the transition to sustainable energy, and provide valuable opportunities for young Emiratis.”

– SULTAN AHMED BIN SULAYEM, Chairman & CEO, DP World

NYSE-listed intelligent power management company Eaton is starting construction of the first phase of its new 400,000 square feet sustainable facility for advanced manufacturing and engineering in Dubai, in partnership with Jebel Ali Free Zone (Jafza), the flagship free zone of DP World. This comes just nine months after the project’s announcement, reflecting the commitment to high-tech industrial growth in the region. Expected to be operational in 2026, the facility will advance Dubai’s emergence as a global hub for manufacturing and innovation.

The multi-million-dollar investment will create over 700 jobs and supply manufacturing output not only to the UAE, but also across Europe and Africa, making a significant contribution to the UAE’s economy and supporting its approach to a knowledge-based, innovation-driven economy.

The facility’s design aligns with Eaton’s and Jafza’s sustainability goals, integrating renewable energy technologies, energy-efficient processes, and waste management systems that minimize environmental impact. Eaton’s highly automated facility will implement 20 Industry 4.0 technologies, including AI and machine learning.

The facility will significantly enhance the UAE’s capabilities in producing advanced components critical industries including data centers, commercial buildings, and renewable energy. Strategically located in Jafza, Eaton will leverage world class infrastructure and seamless logistics via Jebel Ali Port to efficiently serve key markets across the UAE, Europe, and Africa.

Milestones

1984: Eaton establishes its first office in Dubai in the World Trade Center.

2013: An 86,000 sq. ft. regional headquarters and manufacturing plant opens in Dubai, including an operations and sales office, as well as a manufacturing facility supporting low and medium voltage power distribution and motor control systems.

2018: A US\$ 6 million investment is made in the Jafza plant, which would ship low and medium voltage products to oil and gas, utility, and large infrastructure customers across the region.

2023: Dubai Customer Experience Center opens.

“This advanced, sustainable manufacturing facility and engineering center will become a model for Eaton globally while helping us meet the growing need to deliver power safely, sustainably, and efficiently in the region and better serve the data center, utilities, and commercial building markets. This project aligns with Eaton’s broader growth strategy.”

– PAULO RUIZ, Chairman & CEO, Eaton

A VISION FOR THE FUTURE





A welcoming environment for investment and research

By 2031 the UAE aims to lift manufacturing output to AED 300 billion, nearly doubling its share of GDP from 2021. Operation 300 Billion sets the target, but initiatives like the Technology Transformation Program and other recent reforms supply the tools.

The same roadmap calls for industrial R&D spending to rise from AED 21 billion to AED 57 billion, opening new opportunities for SMEs and tech-driven producers.

As local content grows, home-grown goods are gaining a stronger foothold in export markets, supported by incentives that make the UAE a straightforward place for investors to finance and scale production.

Manufacturing value added (MVA)
AED190B in 2024 | **AED300B** target in 2031



Building blocks for industrial expansion

The UAE's industrial journey rests on five core pillars. Together, these elements create a balanced ecosystem that strengthens current manufacturing practices and lays the groundwork for a resilient, forward-looking industrial future.

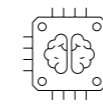


Policy & Incentives

Goal: Develop a regulatory environment to attract investment and fuel industrial growth.

- **Efficient licensing:** Faster, simpler business setup with minimal paperwork and delays.
- **Benefits for investors:** Allowing full foreign ownership, tax exemptions, and easy access to financing.
- **Business-friendly regulations:** Policies that encourage domestic manufacturing and protect intellectual property.

Impact: An attractive, investment-friendly climate driving growth for local and foreign ventures.

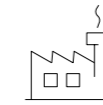


Innovation & Technology

Goal: Accelerate digital innovation and Industry 4.0 to improve productivity and competitiveness.

- **Technology Transformation Program (TTP):** An initiative that supports industrial transformation through adoption of advanced technologies such as those of the Fourth Industrial Revolution (4IR).
- **R&D investment:** Tripling research spending to support industrial innovation and tech adoption.
- **Global partnerships:** Collaborating with international tech firms to access leading-edge capabilities.

Impact: Greater manufacturing efficiency, higher-quality products, and positioning the UAE as a leader.



Infrastructure & Clusters

Goal: Build advanced industrial hubs and integrated logistical networks to boost production capacity.

- **Industrial zones:** Growth of free zones like KEZAD and Dubai Industrial City.
- **Modern logistics:** Modern port facilities, streamlined supply chains, and improved transport connections for faster market access.
- **Utility support:** Reliable, cost-effective energy and water services designed specifically for manufacturing needs.

Impact: Lower operational costs and quicker market delivery through a unified ecosystem and supply chain.



Human Capital & Skills

Goal: Develop a highly skilled workforce to meet the evolving demands of advanced industrial sectors.

- **STEM education:** Strengthening science, technology, and mathematics education.
- **Collaborations:** Partnerships between educational institutions and industry for research and internships.
- **Training:** Industry 4.0 Enablement Centers to build manufacturers' capabilities and support adoption of advanced technology.

Impact: Creating a skilled, adaptable workforce driving productivity and innovation in advanced manufacturing.



Sustainability & ESG

Goal: Promote environmentally responsible practices for growth and development.

- **Green initiatives:** Investment in low-carbon technologies and renewable energy integration.
- **ESG standards:** Mandatory sustainability benchmarks across all industrial operations.
- **Circular economy:** Encouraging practices that minimize waste, increase recycling rates, and optimize resource usage.

Impact: A greener, sustainable manufacturing sector aligned with global standards, boosting long-term competitiveness.



TRANSFORM 4.0

100

High-potential manufacturers receive support in adopting Industry 4.0 technologies

Create a network of Industry 4.0 lighthouse factories within 5 years

Financial and advisory support to fast-track automation and sustainability

Automation and robotization

In the UAE's industrial transformation, automation and robotization have moved from buzzwords to everyday tools that boost productivity and competitiveness. Under the Technology Transformation Program (TTP), many factories are now using smart systems, AI-driven controls, and robotics for everything from assembly and packaging to quality checks. These innovations cut down on manual errors and speed up production, helping local manufacturers compete on a global scale.

Why it matters

1. Higher Total Factor Productivity (TFP)

The UAE is investing in automation to boost productivity, especially in industries that are not tied to oil. TFP shows how efficiently labor and capital are used and with smarter systems cutting down on slip-ups and speeding up processes, factories can produce more without needing extra inputs.

2. Reduced dependence on low-skilled labor

The UAE is moving from labor-intensive industries to a knowledge-based economy, with automation playing a key role. This shift addresses challenges associated with reliance on low-skilled labor, particularly in sectors like manufacturing and logistics. In 2024, the market for deploying AI in manufacturing in the UAE generated revenues of US\$ 103.8 million. This is projected to reach US\$ 747 million by 2030. By integrating advanced technologies, the UAE aims to enhance productivity and reduce the need for manual, repetitive tasks.

3. Improving global competitiveness

Automation enhances the UAE's global competitiveness by streamlining production processes. By adopting advanced technologies, industries are able to reduce lead times and ensure they deliver consistent quality, enabling manufacturers to meet international standards more effectively.

Skilled talent enabling an industrial future

The UAE recognizes that industrial transformation is only possible with the right human capital. By building a pipeline of talent, from international experts to homegrown engineers, the nation is securing the future of advanced manufacturing, space, biotech, and clean tech.



ATTRACT

Golden Visa for highly qualified engineers, scientists, and tech professionals. Fast-track visa processing through Green Visa for skilled employees and freelancers.

Global talent campaigns (e.g. 'Make it in the Emirates') to attract industry leaders and entrepreneurs.

Major clusters like Masdar City, Dubai Silicon Oasis, and KEZAD provide a supportive environment for those operating in the space.



BUILD

Khalifa University, UAE University, and Mohammed bin Zayed University of Artificial Intelligence offer degrees in AI, robotics, and industrial engineering.

Abu Dhabi Polytechnic and ADNOC Tech Academy provide hands-on training in advanced manufacturing, aerospace, and automation.

Internships, apprenticeships, and dual-track programs with industry players help students gain practical experience.



RETAIN

Long-term residency has been introduced for top-performing researchers and tech specialists, which create stability and create live, work, play options.

Competitive salaries for top talent and tax-free income help retain high performers.

Government support for R&D careers and funding innovation-driven roles helps retain professionals seeking growth.

A commitment to growth in advanced manufacturing paves the path to the future

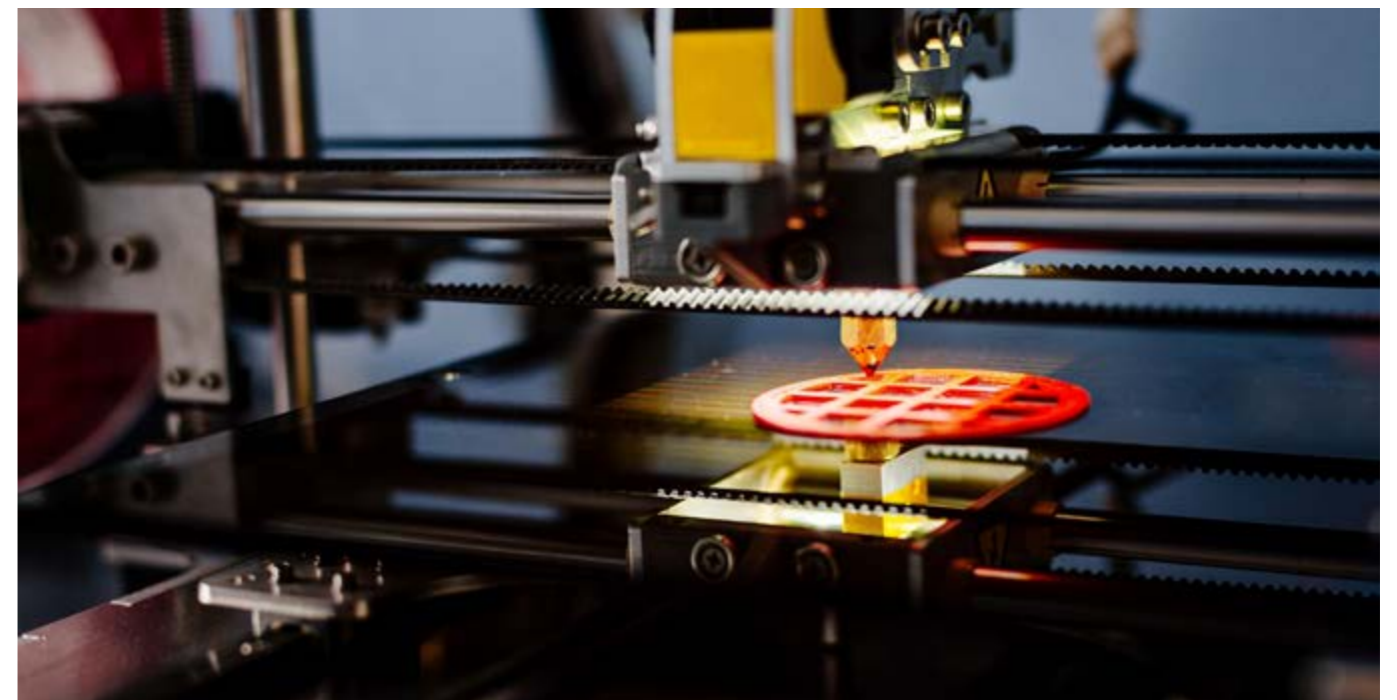
Manufacturing in the UAE has evolved, driven by targeted investment and an ambitious national commitment to innovation. In 2023, the sector added AED 197 billion to GDP, evidence of a shift away from basic assembly work towards high value fields such as renewables, semiconductor production and precision engineering. Last year saw 38 new manufacturing ventures bring in US\$ 2.5 billion and create more than 5,200 jobs. Almost a quarter of these projects involved industrial equipment, highlighting the country's commitment to broadening the industrial base.

The recent surge in advanced manufacturing is part of a longer arc because policy has continued to evolve in parallel with these flows. Operation 300 Billion channels federal finance into priority industries, with the Emirates Development Bank alone earmarking AED 30 billion to back manufacturers and scale SMEs. The Projects of the 50 initiative has opened new visa pathways to attract specialist talent and introduced tailored schemes to help Emirati manufacturers raise standards and reach export markets. Factories are now

encouraged to digitize and adopt advanced manufacturing protocols, with the goal of adding AED 25 billion in value while giving entrepreneurs space to test Fourth Industrial Revolution technologies close to home.

A parallel effort is in reinforcing the talent pipeline. New engineering programs at local universities and industry-funded research hubs are turning graduates into specialists in robotics, process engineering, data analysis, and automation. This steady supply of skilled talent shortens investors' start-up curve and helps local firms progress up the value chain.

The next challenge is to maintain the pace while strengthening capability. The pipeline already stretches into semiconductors, clean hydrogen, and space, fields chosen as much for strategic resilience as for financial return. As these ecosystems grow, export earnings are expected to climb, and a growing share of what the world buys will carry a 'Made in the UAE' label. If the past decade is any guide, these foundations will allow the country's factories to set global manufacturing standards.



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