

Introduction

United Arab Emirates is a country located in the Middle East bordering the Gulf of Oman and the Persian Gulf. Neighboring countries include Oman and Saudi Arabia. It has a strategic location along southern approaches to the Strait of Hormuz, a transit point for world crude oil. The geography of United Arab Emirates is rolling sand dunes of desert and mountains in the east. The government system is a federation with specified powers delegated to the UAE federal government and other powers reserved to member emirates; the chief of state is the president, and the head of government is the prime minister. United Arab Emirates has an open market economy in which the prices of goods and services are determined by a free price system. United Arab Emirates is a member of the League of Arab States (Arab League) and the Gulf Cooperation Council (GCC).



Location: Western Asia

Capital City: Abu Dhabi (+4 GMT)

Chief of State: President Muhammed Bin Zayed Al Nahayyan

Head of Govt.: Prime Minister and Co-Vice President Muhammad Bin Rashid Al Maktum

Currency: Emirati Dirham (AED)

Major Languages: <p>Arabic (official), English, Hindi, Malayam, Urdu, Pashto, Tagalog, Persian</p>

Primary Religions: <p>Muslim (Islam; official) 76%, Christian 9%, other (primarily Hindu and Buddhist, less than 5% of the population consists of Parsi, Baha'i, Druze, Sikh, Ahmadi, Ismaili, Dawoodi Bohra Muslim, and Jewish) 15%</p>

Calling Code: 971

Voltage: 220

Key Websites

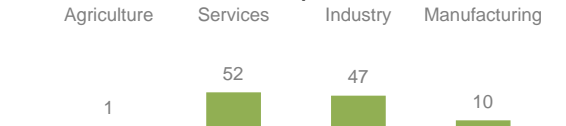
Main Government Page: u.ae

Commerce Ministry: moec.gov.ae

Key Economic Facts

| | |
|--|-------------------------|
| Income Level (by per capita GNI): | High Income |
| Level of Development: | Developing |
| GDP, PPP (current international \$): | \$828.26 billion (2022) |
| GDP growth (annual %): | 7.41% (2022) |
| GDP per capita, PPP (current international \$): | \$87,729.19 (2022) |
| Manufacturing, value added (% of GDP): | 10.37% (2021) |
| Inflation, consumer prices (annual %): | 4.83% (2022) |
| Labor force, total: | 6,579,221 (2022) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 2.75% (2022) |
| Imports of goods and services (current US\$): | \$246.89 billion (2020) |
| Exports of goods and services (current US\$): | \$335.24 billion (2020) |

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

| Index | Rank |
|---|----------|
| Corruption Perceptions Index | 24 / 178 |
| Global Competitiveness Index | 25 / 141 |
| Global Enabling Trade Index | 23 / 136 |
| Global Manufacturing Competitiveness Index (GMCI) | 30 / 40 |
| Global Services Location Index | 25 / 60 |
| Index of Economic Freedom | 24 / 176 |
| International Logistics Performance Index (LPI) | 11 / 160 |
| Inward FDI Potential Index | 11 / 139 |
| KOF Index of Globalization | 37 / 185 |
| Networked Readiness Index (NRI) | 26 / 139 |

Risk Assessment (Provided by Coface)

Country rating: A3 - Changes in generally good but somewhat volatile political and economic environment can affect corporate payment behavior. A basically secure business environment can nonetheless give rise to occasional difficulties for companies. Corporate default probability is quite acceptable on average.

Business Climate rating: A2 - The business environment is good. When available, corporate financial information is reliable. Debt collection is reasonably efficient. Institutions generally perform efficiently. Intercompany transactions usually run smoothly in the relatively stable environment rated A2.

Strengths

- Higher, and progressing, degree of economic diversification outside of hydrocarbons compared with neighboring countries
- Commercial and air hub of the region
- Significant financial buffers
- Rapid development of renewable energy
- Political stability

Weaknesses

- Growing regional challenges to their prominent position as a trade hub
- High dependence of fiscal and external revenues on hydrocarbons
- Dependence on foreign labor (85% of the population is foreign)
- Concentration of the national workforce in the public sector

U.S. Embassy

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