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).

Key Economic Facts

- **Income Level (by per capita GNI):** High Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $683.52 billion (2019)
- **GDP growth (annual %):** 1.68% (2019)
- **GDP per capita, PPP (current international $):** $69,957.62 (2019)
- **Manufacturing, value added (% of GDP):** 8.72% (2019)
- **Inflation, consumer prices (annual %):** -2.08% (2020)
- **Labor force, total:** 6,820,222 (2020)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 5.00% (2020)
- **Imports of goods and services (current US$):** $288.40 billion (2019)
- **Exports of goods and services (current US$):** $389.37 billion (2019)

GDP Composition %

- **Agriculture:** 1%
- **Services:** 53%
- **Industry:** 46%
- **Manufacturing:** 9%

*Risk Assessment (Provided by Coface)*

**Country rating:** A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still 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**
- Regional trading hub
- Higher degree of economic diversification compared to its neighbors
- Political stability
- Vast financial assets of Abu Dhabi
- New investment opportunities related to the normalization with Israel

**Weaknesses**
- Weak oil prices weigh on growth performance
- Subdued outlook for non-oil activity
- Increasing debt, fiscal revenues mostly depend on hydrocarbons
- Lower tourism revenues due to COVID-19
- Rising regional tensions

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