United Arab Emirates

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 Khalifa bin Zayed Al Nahyan  
Head of Govt.: Prime Minister and Vice President Mohammad bin Rashid Al Maktoum  
Currency: Emirati Dirham (AED)  
Major Languages: <p>Arabic (official), Persian, English, Hindi, Urdu</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 Economic Facts

| Income Level (by per capita GNI): | High Income  
| Level of Development: | Developing  
| GDP, PPP (current international $): | $723.05 billion (2018)  
| GDP growth (annual %): | 1.73% (2018)  
| GDP per capita, PPP (current international $): | $75,075.26 (2018)  
| Manufacturing, value added (% of GDP): | 8.92% (2018)  
| Inflation, consumer prices (annual %): | 3.07% (2018)  
| Labor force, total: | 6,904,890 (2019)  
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 2.64% (2019)  
| Exports of goods and services (current US$): | $388.75 billion (2018)  

GDP Composition %

- Agriculture: 1%
- Services: 52%
- Industry: 47%
- Manufacturing: 9%

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

Rankings

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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

- Political stability
- Progressively diversified economy
- Liberal trade regime, growing integration with the world
- Financial hub in the region
- Strong financial buffers, improvement of the fiscal position
- Business friendly environment, modern infrastructure

Weaknesses

- Limited flexibility of the monetary policy due to the currency peg regime
- Exposure to volatility in oil prices
- Reduced tourism flows to Dubai

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