

Rödl & Partner

SEIZING OPPOR- TUNITIES

ELEVATOR PITCH –
UNITED ARAB EMIRATES (UAE)



Elevator Pitch

United Arab Emirates (UAE)

The United Arab Emirates form a federation of seven primarily autonomous emirates (federal states) in total. The economy has experienced a tremendous growth since the last couple of years. Having both economic centers in Abu Dhabi and Dubai, the UAE now count among the most dynamic and significant hubs for the Middle East.

The UAE dispose of a very well developed and modern infrastructure and logistics, e.g. with respect to aeronautics, highways and ports, but also within the real estate as well as the information and communication technology sector. The UAE are optimally prepared for the introduction of new technology for artificial intelligence. Favorable framework conditions along with tax benefits and free trade zones provide ideal conditions for German engagement.

The emirate Dubai, comprising more than three million inhabitants, is the place of business for many small-scale companies at the same time, particularly regarding the processing industry and the trading and real estate sector. Thanks to its geographical location with a state-of-the-art infrastructure on an extremely high level, Dubai has managed to develop to a financial and commercial center between Europa, Africa and Asia. Furthermore, it has evolved into a global hub owing to its international airports "Dubai International" and "Al-Maktoum International Airport". In preparation for the Expo 2020, the development of numerous infrastructure projects has already begun.

Abu Dhabi, which was once crossed by the caravans, is the largest emirate of the UAE in terms of surface area. Now, it has developed into one of the most modern cities on a global scale with a partly futuristic charm in a minimum of time. Additionally, it has become a popular travel destination for high-end tourists (art, cultural exhibitions and architecture). Due to its large amount of mineral oil being exported, it is the richest emirate in the UAE. However, there is a high interest in diversifying the economy in order to become less dependent on the export of mineral oil in the long run. For this purpose, various economic plans have already been worked up, such as "Stadtentwicklung 2030 (City Development 2030)". There is a strong emphasis on the sectors of tourism, real estate, trade and infrastructure development in particular.



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| Form of government | Federal constitutional monarchy |
| Seven emirates | Abu Dhabi, Dubai, Ajman, Sharjah, Umm al-Quwain, Ras al-Khaimah, Fujairah |
| President of the UAE (monarch of Abu Dhabi) | Sheik Khalifa bin Zayed Al Nahyan |
| Prime Minister (emir of Dubai) | Sheik Mohammed bin Rashid Al Maktoum |

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| National holiday | 2. December |
| Capital | Abu Dhabi (concurrently seat of the government of the UAE) |
| Location | Arab peninsula (South East) |
| Climate | Tropical climate (humid and hot at the coast during summer). Very dry and hot in the center of the country. |
| Surface (km ²) | 83,600 (comparison Germany: 357,386) |
| Population | Around 10 million (comparison Germany: 82.8 Mio.) with a high percentage of foreigners (the percentage of natives is approx. 12%). |
| Percentage of population below 25 | Around 34.5% |
| Business language | Arab, English |
| Official language | Arab (fifth-most-spoken language worldwide) |
| Currency | UAE dirham |
| Gross Domestic Product | USD 382.6 billion (comparison Germany: EUR 3.28 trillion) |
| Economic growth | 2.9% (Estimate 2018) |
| Inflation rate | 3.5% (Estimate 2018) |
| Unemployment rate | 1.8% |
| Illiteracy rate | 6.2% |
| Internet users | 95% of the population |

PRIVATE PUBLIC PARTNERSHIP (PPP)

The significance of PPP projects has risen in the last few years. This particularly applies to investments within the sectors of transport infrastructure and power supply. The construction of the world's largest waste incineration plant in Dubai, the "Dubai Mega Waste-to-Energy Plant", is one of the most important PPP projects. Just like the metro project "Dubai's Route 2020", it is intended to be finished before Expo 2020.

DOUBLE TAX TREATY WITH GERMANY

Effective since 14. July 2011.

INVESTMENT PROTECTION TREATY WITH GERMANY

Effective since 2. July 1999.

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| Ease of Doing Business | Rank 11 of 190 countries |
| Corruption Perceptions Index 2017 | Rank 21 of 180 countries |
| Hermes country category | Risk category 2 |

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| Important sectors for investors | <ul style="list-style-type: none"> - Industry - Transport - Logistics - Trade - Hotel - Gastronomy - Tourism - Financial services - Construction (real estate) - Healthcare - Communication - Technologies regarding renewable energies |
| Main supplying countries | <ul style="list-style-type: none"> - China - USA - India - Germany |
| Main buyer countries | <ul style="list-style-type: none"> - India - Iran - Japan - China - Oman - Switzerland - South Korea |
| German export products | <ul style="list-style-type: none"> - Vehicles - Motorised vehicles and parts - Machinery - Chemical products - Electrical engineering and electronics |
| German import products | <ul style="list-style-type: none"> - Base metals (primarily) - Vehicles - Electrical engineering - Electronics - Chemical products - Machinery - Basic materials (excluding fuel) - Motorized vehicles and parts - Textiles and clothing (to a minor extent) |
| Trading volume Germany to the UAE | Around EUR 12 billion (Germany to USA: around EUR 172 billion) |
| German local companies | Around 800 (according to Chamber of Commerce) |

WEAKNESSES / CHALLENGES

- The development of oil prices
- Too dependent on mineral oil and natural gas
- High dependence on imports (e.g. machinery, plants, motorised vehicles, pharmaceuticals) offers chances for German companies
- The government intends to create more incentives for the native population concerning the private sector.
- The implementation of the Value Added Tax increases the price of the products and services. This has affected the consumption behavior.
- Geopolitical tensions could affect the economic framework conditions.
- The government aims to diversify and internationalize the economy.

ADVANTAGES / MARKET CHANCES

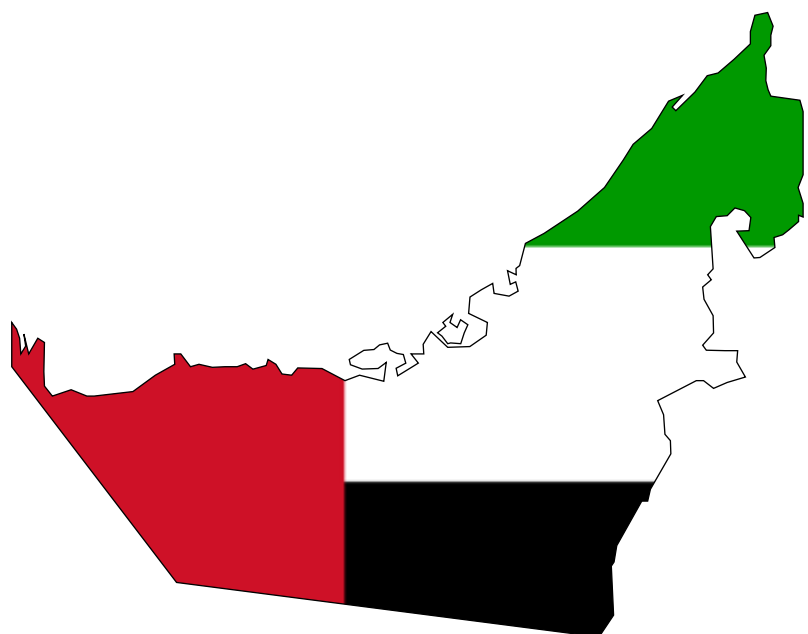
- Excellent industrial infrastructure, e.g. in the sectors of transport, logistics, water disposal and wastewater disposal
- Growing activities in the development of infrastructure prior to the Expo 2020
- Oil wealth of Abu Dhabi
- Great market potential for new products
- Diversification of electricity generation by means of renewable energies (energy strategy by 2030) and the consequent goal to make the UAE less dependent on oil revenues
- General diversification of the economy, e.g. by expanding industry, trade and logistics as well as tourism
- Improve the awareness for an environment-friendly life
- Belongs to the best educational market within the region of the Gulf Cooperation Council

MEMBERSHIP IN ECONOMIC AND INTERNATIONAL ALLIANCE

- United Nations (UN) and special organizations of the UN
- Organization of the Petroleum Exporting Countries (OPEC)
- Organization of the Arab Petroleum Exporting Countries (OAPEC)
- Pan-Arab Free Trade Area (PAFTA)
- Gulf Cooperation Council (GCC)
- International Renewable Energy Agency (IRENA)
- International Organization of Arab States (League of Arab States)
- Organization for Islamic Cooperation (OIC)
- International Monetary Fund (IMF)
- World Trade Organization (WTO)
- World Health Organization (WHO)

MOST IMPORTANT MEDIA (ENGLISH)

- The National
- Khaleej Times
- Gulf News
- Financial Times





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