



UAE's Economic Role

By Alexa Cyr, Iris Rodriguez, and
Kiri Holck



UAE's Economic Journey

- Independence: 1971
- Oil found: 1950s
 - Led to immigration, higher pop., and more prosperity
- Quality of life? Visitors? Cities?

1950



<http://www.telegraph.co.uk/travel/destinations/middle-east/united-arab-emirates/dubai/galleries/Dubai-old-and-new-incredible-pictures-of-the-changing-skyline/burjkhalifa-being/>

2017



<http://images.kuoni.co.uk/73/dubai-39699597-1476718880-WideInspirationalPhoto1170.jpg>

Comparing the U.A.E.

- Wealth in Fujairah, Sharjah, Umm Al-Qaiwain, and Ajman ?
- introduction of oil sparked a growth in cities, foreign investment, and population
- giant contrast from old and new UAE

	1975	2016
GDP (U.S. dollars)	• \$14.721 billion	• \$667.2 billion
Average income (U.S. dollars)	• \$5,317.58	• \$39,313.30
Life expectancy	• 65.305	• 77.65
Population	• 531,265	• 9,380,850
Revenue from oil (U.S. dollars)	• \$6 bil.	• \$40 bil.

United States vs United Arab Emirates Economy

U.A.E. Independence in 1971

U.S. Independence in 1776

GDP growth rate:

- U.S.: 1.6
- UAE: 2.3

GDP per capita:

- 55,836.79
#18
- 67,700
#13

Pop. below poverty line:

- US: 15.1%
- UAE: 19.5%

Unemployment:

- U.S.: 4.7%
- U.A.E.: 2.4%

Pop. below poverty line:

- U.S.: 15.1%
- U.A.E.: 19.5%

Annual Income:

- U.S.: 51,638.10
- U.A.E.: 39,313.30

Number of billionaires (2017) :

- U.S.: 552
- U.A.E.: 21

GDP:

- U.S.: \$18.56 trillion
- U.A.E.: \$667.2 billion



<http://uaeiflag.facts.co/UAEFlagImage.png>

https://upload.wikimedia.org/wikipedia/en/thumb/a/a4/Flag_of_the_United_States.svg/300px-Flag_of_the_United_States.svg.png

Sites

- <https://www.cia.gov/library/publications/the-world-factbook/geos/ae.html>
- <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>
- <http://www.heritage.org/index/country/unitedarabemirates%5C>
- <https://www.state.gov/j/drl/rls/irf/2001/5713.htm>
- <http://almanac.afpc.org/united-arab-emirates>
- <http://data.worldbank.org/country/united-arab-emirates>
- <http://www.worldometers.info/world-population/united-arab-emirates-population/>
- https://www.uaeinteract.com/uaeint_misc/pdf/perspectives/10.pdf

Population

Source: News
Corp Australia



- The labor workforce
 - Immigrants make up 85% of population
 - Emirati 19%, other Arab and Iranian 23%, South Asian 50%, other expatriates (includes Westerners and East Asians) 8%
 - 70,000 before oil discovery, 9 million in 2015
 - Kafala sponsorship system - 1997
 - Tied migrants to their employers - liable for deportation

Reforms at Kafala System



<http://www.independent.co.uk/voices/commentators/johann-hari/the-dark-side-of-dubai-1664368.html>

- Since salaries for migrant workers are low, immigrants often live in poor conditions while accumulating debt.
 - One man was told he would be paid close to 600 dollars per month, but when he arrived in the UAE he was paid less than half of what was promised, had to work 12 hour days, and could not return home because he was in so much debt.
- New aims to make reforms have begun on protection of labors, but continue to face criticism from Pakistan, India, etc.
 - Trade Unions, human rights activists, and politicians have all been involved in reforms to protect the immigrants from being exploited. (Difficult to complete the situation because the recruiters are stationed in many different areas)

Investment: FDI Inflows by Country

Main Investing Countries	2015, in %
United Kingdom	23.7
United States	12.1
India	11.0
France	9.9
Iran	8.0
Saudi Arabia	7.9
Kuwait	7.5
Austria	6.9
Japan	6.9
Switzerland	5.7

Main Invested Sectors	2015, in %
Financial intermediation	50.6
Real estate	13.4
Wholesale and retail trade; car repairs	13.2
Manufacturing sector	5.2
Information and communication	4.8
Construction	4.5
Mining	3.2
Professional, scientific, technical activities	3.1
Electricity, gas, steam, air conditioning	2.9
Transportation and storage	2.1

Tourism in the UAE

- Expanding investment in infrastructure has led to more people wanting to visit unique sites and experience the technological innovation of the UAE.
 - Expanded airlines - Emirates (Dec. 2016)
 - Expanded the airport in Dubai - Al Maktoum
 - Dubai mall and Mall of the Emirates (ski) - traffic of about 200,000 customers per day
 - Building a new pier
- 9.8% increase in visitors from 2012-2013 that has only continued to grow.



<https://www.oceanairtravels.com/emirates/dubai/daily-tours-and-things-do-dubai/ski-dubai-ticket-emirates-mall>

Citations

Population:

<http://www.news.com.au/travel/world-travel/middle-east/dubai-migrant-workers-the-hidden-slaves-behind-glamour-city/news-story/b3997ed5b013870424e84d78a561946c>

Reforms at Kafala System:

<https://www.theguardian.com/world/2013/dec/22/abu-dhabi-migrant-workers-conditions-shame-west>

Investment: UAE Bureau of Statistics

<https://en.portal.santandertrade.com/establish-overseas/united-arab-emirates/foreign-investment>

Tourism:

<http://gulfnews.com/business/sectors/tourism/why-the-uae-is-a-leading-tourism-destination-in-the-region-1.1261536>

<http://www.thenational.ae/business/retail/year-in-review-2014-big-uae-malls-make-big-headlines-small-ones-make-money>

<http://www.thenational.ae/uae/tourism/20170508/new-dh12bn-plan-to-bring-arena-and-promenade-to-yas-island>

UAE oil dependency

Exports : (\$316 billion -2016) -- 2015 (30th largest exporter in world)

-45%: crude oil, natural gas etc.

Economy: 25% based on oil and gas

Fluctuating **oil prices**→trying to diversify eco.

Abu Dhabi's share of **global oil reserve**: 8%

Supreme Petroleum Council has invested over \$20 billion in **oil infrastructure**

The amount of oil trade and global investment→
high GDP for UAE

The government is becoming more involved in **renewable energy sources** for the country

They are starting to use solar panels and are lessening oil/fossil fuel usage

Becoming more **environmentally aware**

Government Interference and economic plan

-UAE has one of the most open economies in world

→ starting to be more based on knowledge/technology/skilled labor

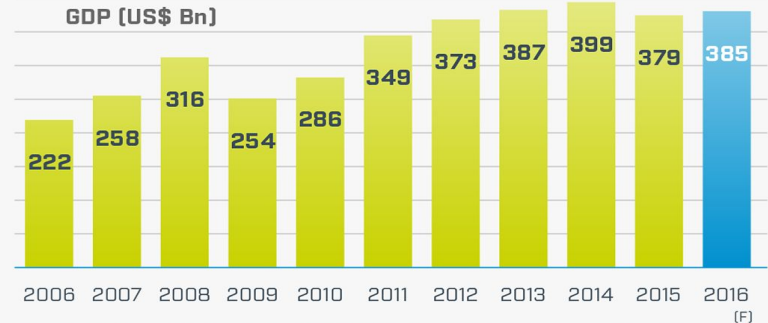
-UAE pursuing 2021 Vision: innovation, science, research, technology

-Tourism included in means for success of diversification (i.e: airports, malls etc.)

Government focus:

-tourism -scientific research -new energy sources

The Economist + IMF



Despite GDP growth slowing in Q3+Q4 2016, the UAE fared reasonably well given the regional volatility in oil+gas prices. This was primarily due to the diversified economy and the minority reliance on oil revenue for GDP contribution. 2017 is expected to be slow with growth starting to pick up from 2018 onwards.

Growing the UAE Economy

In regards to the diversification of the Emirati economy:

“A major part of this strategy was the completion of the Dubai International Financial Centre (DFIC) in 2004. The DFIC is intended to make Dubai a mecca of international finance by functioning as an intermediary between Western capital and investment opportunities in emerging markets in the Middle East and Asia¹”

-Dubai is a trade hub for not only the Middle East but also for the Western World, increasing the socio-economic status

-Their placement is strategic for this reason, and due to more economic diversification with imports and exports, the GDP/wealth of the country is growing

Citations:

www.bbc.com/news/world-middle-east-14703998

<https://www.cia.gov/library/publications/the-world-factbook/geos/ae.html>

mepc.org/journal/abu-dhabis-new-economy-oil-investment-and-domestic-development

<http://www.asfar.org.uk/>

<http://www.fgould.com/middle-east/articles/construction-intelligence-report-uae-04-16/>