



الإمارات العربية المتحدة  
وزارة الاقتصاد

# اقتصاد الإمارات UAE Economy

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**Sheikh Mohammed  
reveals UAE created 248,000  
jobs last year**



# Sheikh Mohammed reveals UAE created 248,000 jobs last year

The UAE succeeded in creating 248,000 jobs in 2020, revealed His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. Despite the global economic slowdown brought about by the pandemic that led to a large majority of people worldwide becoming unemployed, the UAE persevered and remained resilient, he said.

Taking to Twitter, Sheikh Mohammed said the country managed to stay ahead due to 'effective crisis management'.

"The world economy shrank 4 per cent, international trade dropped 20 per cent, and the world lost millions of jobs in 2020," Sheikh Mohammed tweeted.

"In the same year, the UAE economy created 100,000 jobs in the retail sector and e-commerce and 148,000 jobs in the financial, technology and telecommunications sector. We repeat: Crisis management creates opportunities, and management crises destroy gains."

The UAE's non-oil GDP is expected to grow by 3.6 per cent by the end of 2021, the Central Bank of the UAE has estimated.

In the wake of the Covid-19 pandemic, the total value of economic support offered by the government in the form of packages and incentives has crossed AED 388 billion, contributing to business continuity and growth in commercial activities and vital sectors.





## Special Report:

# UAE the third largest trading partner of India after USA and China

The UAE is linked with India by a distinguished strategic partnership that includes many aspects of joint cooperation and a bilateral, regional, and multilateral memorandum of understanding. It ranks first in the Arab world and eleventh globally in the list of investors in India, with investments totaling at USD 17.2 billion. The UAE is the third-largest trading partner of India after USA and China, with a trade value of USD 60 billion. The UAE also accounts for 50% of India's total trade with GCC countries and 71% of India's total exports to the GCC countries.

The UAE's exports to India amounted to nearly USD 6.5 billion in 2019 (AED 24 billion), recording a growth rate of about 33.9% over 2018, while the value of re-exports amounted to approximately USD 8.1 billion (AED 29.9 billion). The total imports from India to the UAE amounted to nearly USD 26.6 billion (AED 98.1 billion), with a growth rate of 15.9% compared to 2018, and the total foreign trade between the two countries reached USD 41.3 billion (AED 152 billion), with a growth of 15.3% compared to 2018.

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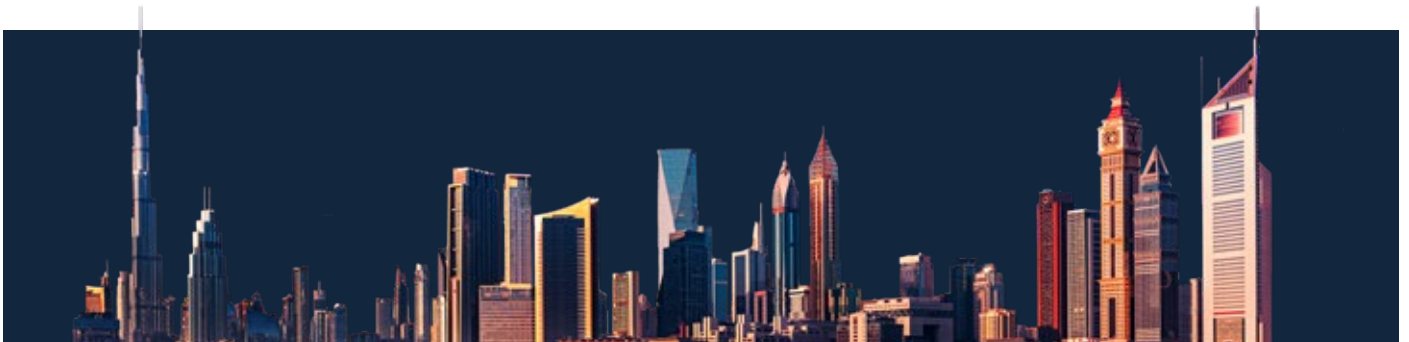
## Sheikh Mohammed bin Rashid launches key economic projects

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, recently launched several economic projects including accelerators for family businesses.

His Highness wrote on his Twitter account, "During my visit today to the Ministry of Economy, an array of new economic projects were launched, including accelerators for family businesses to support them in entering into new markets; an economic research institute in cooperation with the most prestigious international universities; and a global investment conference that will be launched on March 22, highlighting the new economic opportunities in the UAE."

His Highness Sheikh Mohammed bin Rashid Al Maktoum added, "Today, at the Ministry of Economy, we launched a Skill-Up Academy and a new platform to support the growth of start-up companies called the Scale-up Platform . In addition, the digital platform called 'Grow in UAE,' has been launched to provide integrated information on the country's investment policies and opportunities, apart from a clear national agenda to attract young and skilled talents to the country."

He explained: "Our efforts to strengthen the economy continues and it is gaining momentum and progressing in the right direction. Our cabinet was reconstituted last summer so that all ministries, internal, external and legislative institutions work to focus on one clear goal - the UAE's sustainable economic growth for the next fifty years."





## Effective June 1st, UAE Commercial Companies Law allows 100% foreign ownership

UAE Ministry of Economy announced that the amended Commercial Companies Law will come into effect on June 1st, 2021, allowing foreign investors and entrepreneurs to establish and fully own onshore companies.

The UAE government has recently adopted an amendment to the Commercial Companies Law allowing 100 percent foreign ownership of companies. Abdulla bin Touq Al Marri, Minister of Economy, said, "The amended Commercial Companies Law aims at boosting the country's competitive edge and is a part of UAE government efforts to facilitate doing business."

Bin Touq added that the amendments introduced by the new Commercial Companies Law will boost the UAE's appeal as an attractive destination for both foreign investors, entrepreneurs and talents. It will further strengthen the country's position as an international economic centre and encourage the flow of investments to the country's vital economic sectors.









## Economic Integration

### Committee adopts flexible action plan to provide data on Beneficial Owner of more than 400,000 companies registered in UAE

The Economic Integration Committee recently held its 5th meeting virtually, headed by H.E. Abdulla Bin Touq Al Marri, UAE Minister of Economy; and in the presence of H.E. Dr. Ahmad Belhoul Al Falasi, Minister of State for Entrepreneurship and SMEs; and H.E. Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, in addition to the representatives of local economic development departments in all emirates of the UAE.



The meeting discussed the integration efforts between the Ministry of Economy and the departments of economic development in the UAE, and all relevant federal and local institutions. It reviewed the world-leading successes achieved at the federal and local levels, in addition to discussing ways to enhance cooperation and partnership to support the UAE's preparations for the next 50 years and contribute to providing government services in line with the best global standards.

H.E. Bin Touq confirmed that the Economic Integration Committee is working on achieving the national objectives in line with the UAE Centennial 2071, and following the directives of the wise leadership, to enhance the country's economic model. It strives to promote the principles of partnership, integration of roles, coordination and joint action in order to drive economic growth in each emirate of the UAE, to support sustainable development and the national economy, and to shape the features of the future economy over the next fifty years.

H.E. added: 'Through the Economic Integration Committee, we will continue discussing priority economic matters and enhancing the outcomes of plans and initiatives implemented by the various development entities in the country. During the 5th meeting, we discussed several important issues, including mechanisms for implementing international standards regarding realistic and specific economic activities, according to Cabinet Resolution No. (57) of 2020, and an action plan was approved to define the relevant economic activities to combat tax evasion. A flexible action plan was also adopted to provide data for the Beneficial Owner of more than 400,000 companies registered in the UAE to implement the requirements of Cabinet Resolution No. 58 of 2020 regarding the organization of the Beneficial Owner's data. The focus was placed on the importance of continuing national efforts to support the recovery and growth of the business environment and accelerate the economic recovery, as well as strengthening the position of the UAE on the international map and global indicators.'





The Committee has approved an action plan to provide the real beneficiary data of more than 400,000 companies registered in the UAE to ensure compliance with international standards as stipulated in the ministerial resolution, whereby the companies are obligated to create a register of the real beneficiary and list the required data in the competent authorities' licensing systems. The move supports the national efforts in the field of combating money laundering and the financing of illegal organizations, thereby enhancing the UAE's position in the relevant global indicators.



The execution of the plan has been divided into 4 phases, including holding awareness workshops and providing training to 40 local licensing entities in the areas of providing real beneficiary data, as well as receiving companies' undertakings to provide their data. This includes the information of real beneficiary and listing real beneficiary data in the national economic register's system to be connected to the systems of the Ministry and the local licensing authorities in each emirate. The real beneficiary is defined as the person owning the company, or directly or indirectly controlling the company by virtue of owning more than 25% of company's ownership rights, and 25% or more of the authorities to vote and appoint or discharge the majority of the members of the company's board of directors.

During a presentation delivered by H.E. Younis Haji Al Khouri, Undersecretary of the Ministry of Finance, the Committee explored plans concerning the economic substance regulations and international standards and approved an action plan to identify the details and requirements of economic substance activities practiced by the companies licensed to operate all over the UAE, including the free zones. Economic substance activities include, intellectual property business, headquarters business, holding companies' business, shipping business, and distribution and service center business.

The Economic Integration Committee was established recently by virtue of a ministerial resolution issued by the Minister of Economy. The Committee's scope of tasks includes proposing and coordinating economic development policies and programs in UAE, ensuring conformity and alignment between local and federal economic regulations, rules and procedures, promoting economic cooperation between the seven emirates, and submitting suggestions and sharing opinions for the development of the legislative frameworks regulating economic activities in the UAE.



## UAE records world's 2nd highest hotel occupancy rate in 2020

The UAE tourism sector showcased an outstanding performance in 2020 despite the impact of the COVID-19 pandemic, revealed the Ministry of Economy, noting that the sector was among the least affected and fastest to recover around the world.

The UAE recorded a 54.7 percent hotel occupancy rate in 2020 – the second highest in the world, only behind China – while the global rate dropped to 37 percent due to the impact of the pandemic, and hotels in the Middle East region recorded just 43 percent occupancy. This is in parallel to the significant decline in tourism activity, which fell by 74 percent around the world and 76 percent in the region.

Hospitality establishments welcomed 14.8 million guests in 2020, who spent 54.2 million nights in 1,089 different establishments that provided approximately 180,000 rooms, according to official statistics issued by the World Tourism Organisation and the Emirates Tourism Council – established by the Council of Ministers in January 2021 and chaired by Dr. Ahmad Belhoul Al Falasi, Minister of State for Entrepreneurship and SMEs. This brings the average stay to 3.7 nights per guest, with returns of AED 318.5 per room. Meanwhile, domestic tourism contributed AED 41 billion to the national economy last year – a figure that is expected to double in the upcoming few years.

"The global tourism industry bore the brunt of the COVID-19 pandemic," noted Al Falasi. "Guided by the directives of its wise leadership, the UAE was able to quickly contain the outbreak's impact on the local tourism sector, relying on innovation and agility in its efforts to provide incentives, launch initiatives, and create opportunities to accelerate the recovery of the tourism sector and boost its contribution to GDP."



"Despite the tremendous challenges it brought onto the industry, the pandemic also created new opportunities for domestic tourism, with a surge in demand recorded over the past year, especially during the holidays and vacation season, and some establishments even reporting full occupancy. This reflects the high quality of the services the sector provides, which rank among the best in the world," he explained. "Strengthening domestic tourism is essential for ensuring the tourism sector's full recovery and driving faster economic recuperation. The UAE can benefit from its advanced infrastructure, modern facilities, and wide range of services and activities to promote itself as a tourist destination with a lot to offer visitors – be they UAE residents or travellers from abroad."

"Despite the tremendous challenges it brought onto the industry, the pandemic also created new opportunities for domestic tourism, with a surge in demand recorded over the past year, especially during the holidays and vacation season, and some establishments even reporting full occupancy. This reflects Al Falasi asserted that the next stage will include further initiatives aiming to maintain the sector's outstanding performance and boost chances for recovery: sector still reels from the impact of the COVID-19 pandemic, and with tight restrictions on movement still in place around the world."

"The UAE Strategy for Domestic Tourism, the Unified Tourism Identity Strategy, and 'The Most Beautiful Winter in the World' campaign, all launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, Ruler of Dubai, were key to achieving these positive results locally, at a time when the global tourism "The tourism sector's accomplishments over the past year are a result of the notable efforts made by all relevant parties to promote the sector at the federal and local levels," he added. "This is in addition to the proactive measures the UAE implemented to deal with the outbreak and minimize its impact on public health. UAE authorities actively encouraged widespread testing for infections, leading the world in the number of tests performed as a percentage of the total population. The preventive measures established a sense of reassurance and helped create a safe environment to welcome tourists."

According to global statistics on tourism, China ranked first in the world in occupancy rates at hotel establishments with a rate of 58 percent, followed by the UAE in second place with 54.7 percent, and the United States in third with 37 percent. The top three were followed by Mexico (32 percent), Turkey (30 percent), Thailand (27 percent), the United Kingdom (26 percent), Spain (23 percent), Italy (16 percent), and Germany (12 percent).

Statistics also revealed that the UAE suffered the least in terms of tourist traffic in 2020, where activity fell by just 45.2 percent – the lowest drop in the world. The UAE was followed by Mexico, where tourist traffic decreased by 52 percent, then Italy (63 percent), Germany (69 percent), Turkey (73 percent), Saudi Arabia (76 percent), the USA (77 percent), Spain (78 percent), the UK (82 percent), and Thailand (83 percent).



## UAE accedes to Budapest Treaty and Strasbourg Agreement

The UAE has joined the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and the Strasbourg Agreement Concerning the International Patent Classification. In line with the directives of its wise leadership, the country's accession will help to accelerate its economic goals for the next 50 years that focus on its shift to a knowledge economy, promotion of intellectual property (IP) rights, and creation of an environment conducive to research and development (R&D) and innovation.



H.E. Dr. Ahmad Belhoul Al Falasi, Minister of State for Entrepreneurship and SMEs, confirmed that the UAE, under the guidance of its wise leadership, is working towards creating an environment that is conducive to innovation, invention, intellectual property applications and R&D, all of which are key to building an economy of the future. He noted that joining the Budapest Treaty and the Strasbourg Agreement is vital to developing a legal IP framework and building a legislative environment that supports innovations and inventions in the UAE.

Al Falasi also explained that both are the latest additions to several treaties entered into by the country as member of the World Intellectual Property Organization (WIPO). The move is seen to improve the UAE's ranking on the Global Innovation Index and other relevant global indicators, in addition to bolstering the country's bid to become one of the best innovative countries in the world.

Al Falasi added: "The UAE's accession to the Budapest Treaty will further stimulate new inventions and scientific research on microorganisms in our country, which will lead to innovation-driven growth in the fields of medicine, food and agriculture, biotechnology, genetic engineering, pharmaceutical and chemical industries, and biological treatment. It will also encourage relevant international companies to file patent applications on microorganisms in the country, which will fast-track the UAE Centennial 2071 goals focusing on economic development, scientific progress and quality investments."





He also stated: "Our accession to the Strasbourg Agreement, on the other hand, will enhance the patent systems and their classification in the UAE, in line with the unified global classification and international best practices. The expected result is that the number of quality patents in the country will increase, thus enabling our government to accelerate our economic diversification efforts and our shift to a knowledge-based economy. This latest development will bolster as well our international partnerships and cooperation in the IP field."

Al Falasi confirmed that the Ministry of Economy is keen to implement the approved classification for patent examination in the country based on the provisions of the Strasbourg Agreement and in line with the best international practices.

With the UAE's accession to the Budapest Treaty, inventors, and researchers in the country can now benefit from the services of the WIPO-recognized International Depository Authorities (IDAs). When applying for patents, they can deposit their microorganisms to one of the IDAs without the need to do the same in other member states. They can access the deposited microorganisms such as bacteria, viruses, fungi, and microscopic cells and their parts for R&D purposes.

Inventors can check the list of recognized depository authorities on WIPO's official website at <https://www.wipo.int/budapest/en/idadb/>. They can also utilize the online platform to communicate directly with the authorities to avail of their services, whether they are for patent purposes or R&D or both. This is indicated in the guidelines issued by the WIPO. To learn more about the guidelines, visit <https://www.wipo.int/treaties/en/registration/budapest/guide/>.

The UAE ranked first in the Arab world and 34th globally in the Global Innovation Index 2020. The country also ranked first in the Middle East and Africa region in terms of the volume of new foreign direct investments (FDI) in the biotechnology sector and third in the region in terms of capital volume between 2003- 2020, according to the FDI Markets Index of the Financial Times.





## UAE Central Bank

### extends economic-support programme until mid-2022

The United Arab Emirates extends its economic support programme launched in response to the coronavirus pandemic until the middle of next year, the Gulf state's central bank said.

Financial institutions will continue to be able to tap a collateralized Dhs50bn (\$13.6bn) zero-cost liquidity facility until June 30 next year, according to a statement.

Banks can draw on the facility to provide new loans and financing to individuals, small and medium-sized enterprises, and other private corporates affected by the virus fallout.

Financing for loan deferrals under the programme will also be extended until the end of 2021, while outstanding financing for deferrals will be fully phased out by the end of this year, the central bank said.





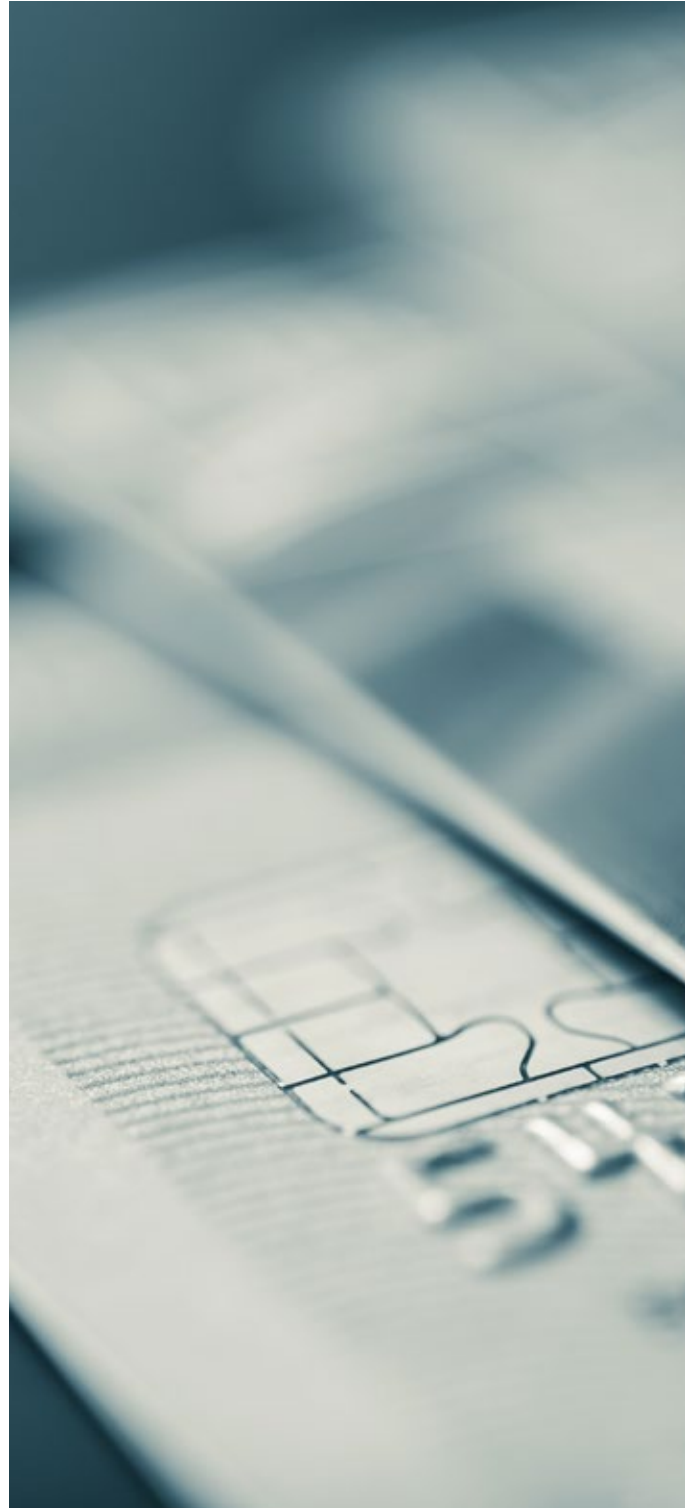
## UAE ranks first in the Arab region in the Modern Financial Technologies Index

The UAE ranked first in the Arab region in the Modern Financial Technologies Index, launched by the Arab Monetary Fund on the occasion of the Arab Day for Global Inclusion.

The UAE emerged first thanks to the multiple efforts to enhance the fields of modern financial technology activities, and the various initiatives in activating the latest financial technologies and providing the requirements that improve the degree of digital financial transformation. In addition to excellence in providing digital financial services, enhancing financial awareness and education, and providing funding to support innovation, cooperation and partnerships, whether at the state or related party level.

In the hub of policies, legislation and initiatives, Bahrain, the UAE, Saudi Arabia and Tunisia won the first four places, thanks to Bahrain's excellence in establishing comprehensive regulatory framework for all modern financial technology activities. The UAE shares with them the existence of a digital regulatory laboratory, and Saudi Arabia also shares with them the existence of many initiatives to activate innovative financial solutions and services.

The index sheds light on the development of the modern financial technology industry and digital financial services in the Arab countries during the period (2018-2020), while the general index consists of 6 main indicators that represent the dimensions of the environment supporting modern financial technologies. These include: policies and legislation, the demand side, availability of financing, financial infrastructure, talent development to support innovations, and finally, collaboration and partnerships.





## Distribution of AED 75.73 billion by ADX companies over 3 years



The total cash profits distributed by companies listed on the Abu Dhabi Securities Exchange to their shareholders jumped to AED 75.73 billion during the three years (2018-2020), which reflects the large rates of returns achieved by investors in the market companies. The UAE financial markets are at the forefront of the financial markets in the Gulf region and the Middle East in general, in terms of the rate of return on investment in the shares of listed companies.

In detail, the consolidated financial statements issued by the Abu Dhabi Securities Exchange showed the growth of the cash dividend distributed by listed companies by 14.7% during the period from 2018-2020 compared to its predecessor during 2015-2017.

The combined data shows that the total value of cash profits distributed by companies listed in the capital market reached approximately AED 24.4 billion during the year 2018 before rising to AED 24.79 billion in the year 2019 and then jumping to AED 26.55 billion in the year 2020.

The number of Emirati companies listed in the capital market is around 64 companies operating in many sectors, on top of which are banks, which is the sector that most distributes cash dividends to its shareholders. The growth witnessed by the Abu Dhabi Stock Exchange during the past year contributed to increasing the market value of the shares of listed companies to about AED 890 billion at the end of 2020, registering a significant growth compared to the total documented value in 2019.





## Abu Dhabi tourism department partners with Tiktok



The Department of Culture and Tourism – Abu Dhabi (DCT Abu Dhabi) officially announced its partnership with social media giant TikTok on Tuesday, April 27. In a statement, the tourism department said that by using its newly launched TikTok channel – Visit Abu Dhabi – it aims to engage content creators to showcase the best of the emirate with creativity and authenticity to reach wider audiences worldwide and inspire viewers to consider Abu Dhabi as part of their future travel plans. With 14 posts at the time of writing this, the page had already amassed 34,000 followers and over 166,000 likes.

“This partnership is unique in the sense that it provides viewers with an opportunity to get to know Abu Dhabi through unique reels created by locals and residents of the emirate, highlighting various elements such as iconic destinations within the capital, our people and culture, as well as our exclusivity, offerings and more. We look forward to growing our channel on the platform through TikTok’s guidance and creative input and have no doubt that this opportunity will have a great outcome,” said Ali Hassan Al Shaiba, Executive Director of Tourism and Marketing at DCT Abu Dhabi. Shant Oknayan, General Manager of Global Business Solutions Middle East, Turkey, Africa and Pakistan added: “As an immersive short-form video platform, TikTok will provide DCT Abu Dhabi with the unique ability to become creators and storytellers by listening to the community and adopting an always-on approach to their content.



## DIFC Announces

# Proposed Intellectual Property Regulations for Consultation

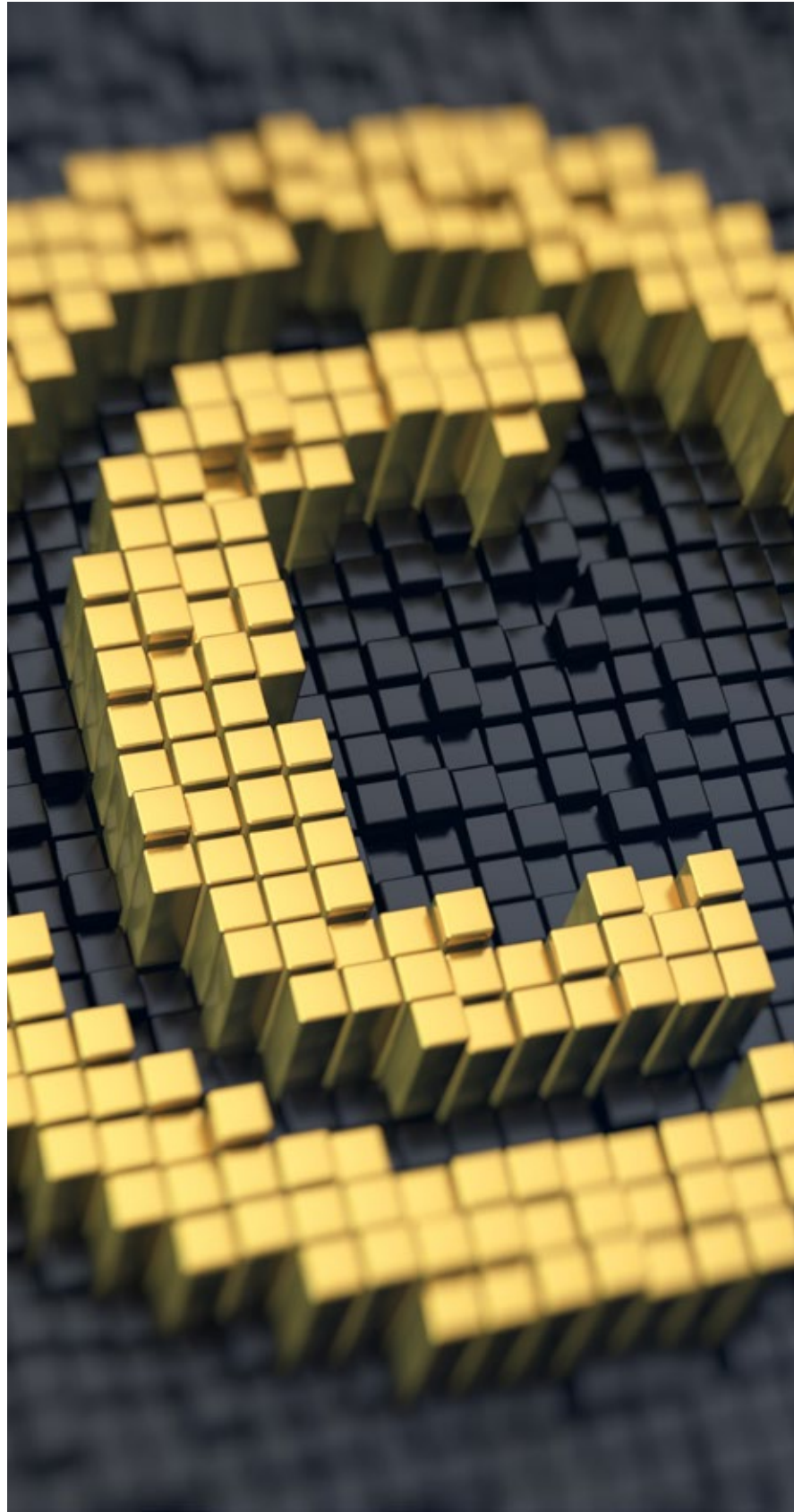
DIFC Announces Proposed Intellectual Property Regulations for Consultation Back Dubai International Financial Centre (DIFC), the leading international financial hub in the Middle East, Africa and South Asia (MEASA) region, has issued a proposal to issue Intellectual Property Regulations under the Intellectual Property Law No. 4 of 2019. The Proposed Regulations will facilitate the administration and enforcement of the DIFC IP Law and enhance the regulatory framework in DIFC.

The proposed regulations deal with the requirements concerning intellectual property infringement complaints to the DIFC Commissioner of Intellectual Property (IP), the inspections and investigations that the IP Commissioner may carry out in dealing with such complaints, and the requirements for issuing directions in respect thereof. The proposed regulations will establish a Register of Experts, which the IP Commissioner can refer to when investigating complaints, and also covers the ability of the IP Commissioner to cooperate with relevant federal and local authorities in the UAE from an enforcement perspective.

The consultation paper and legislative proposal can be accessed by visiting Consultation Papers | Dubai International Financial Centre ([dific.ae](https://dific.ae))

The deadline for providing comments is 9 May 2021.

The Proposed Regulations reflect the Centre's commitment to maintaining a transparent and robust legal and regulatory framework aligned with global best practice.







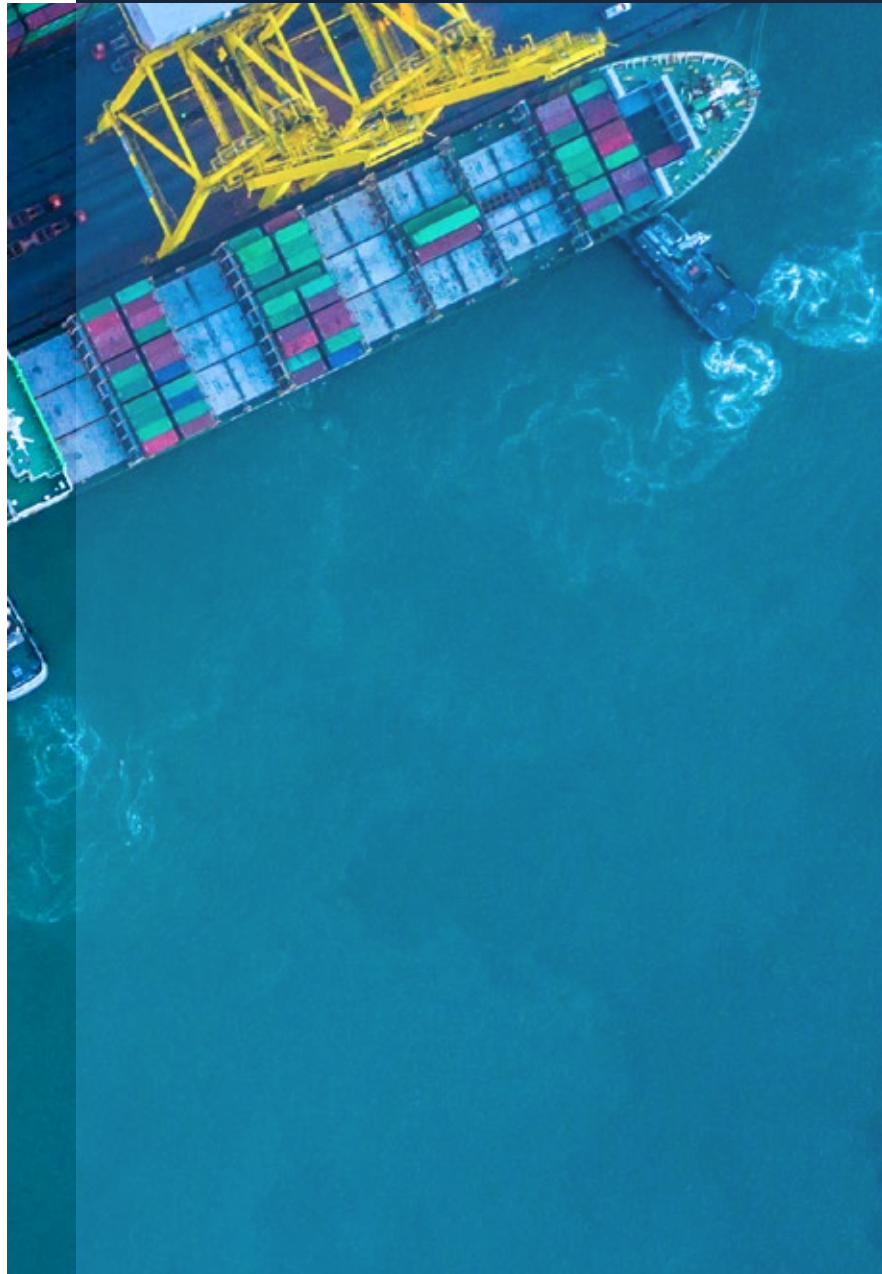
## DP World launches e-commerce platform to accelerate global trade

Trade enabler DP World launched DUBUY.com, a global wholesale e-commerce platform. DUBUY.com is available first in Rwanda with plans to expand across Africa and around the world.

DUBUY.com adds digital trading corridors to the physical corridors DP World has built across the African continent with its investment in ports, terminals and logistics operations. DUBUY.com is partnering with local businesses and the Rwandan Government to help unlock access to global markets for small and medium-sized UAE enterprises, using DP World's end-to-end integrated supply chain services to fulfil orders for export and to receive goods. The platform also enables global companies to find and serve new trading partners in Africa, opening up access to fast growing markets.

Online marketplaces are a significant opportunity for economic growth in Africa which today accounts for less than 0.5 percent of global eCommerce according to the United Nations Conference on Development and Trade. In 2018, trade between the UAE and Rwanda reached AED 1.6 billion (USD 434.8 million), with the size of trade growing significantly in the last decade as part of wider bi-lateral and economic ties between the two countries.

The combination of DUBUY.com with DP World's physical logistics infrastructure and data-driven logistics solutions will solve some of the key challenges to the growth of eCommerce, including reliable fulfilment, secure financial transactions and the movement of goods.



The background is a dark blue gradient. At the top, there is a faint candlestick chart with green and red bars and thin white lines. At the bottom, there are several stacks of silver coins, some of which are slightly out of focus. In the center, there are two overlapping circles: a gold one on the left and a blue one on the right. The text "Thank you" is written in white, centered over the intersection of these two circles.

Thank you