



IMD WORLD  
COMPETITIVENESS  
CENTER

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# IMD WORLD COMPETITIVENESS YEARBOOK

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# 2016

# UAE

## OVERALL PERFORMANCE



## CHALLENGES IN 2016

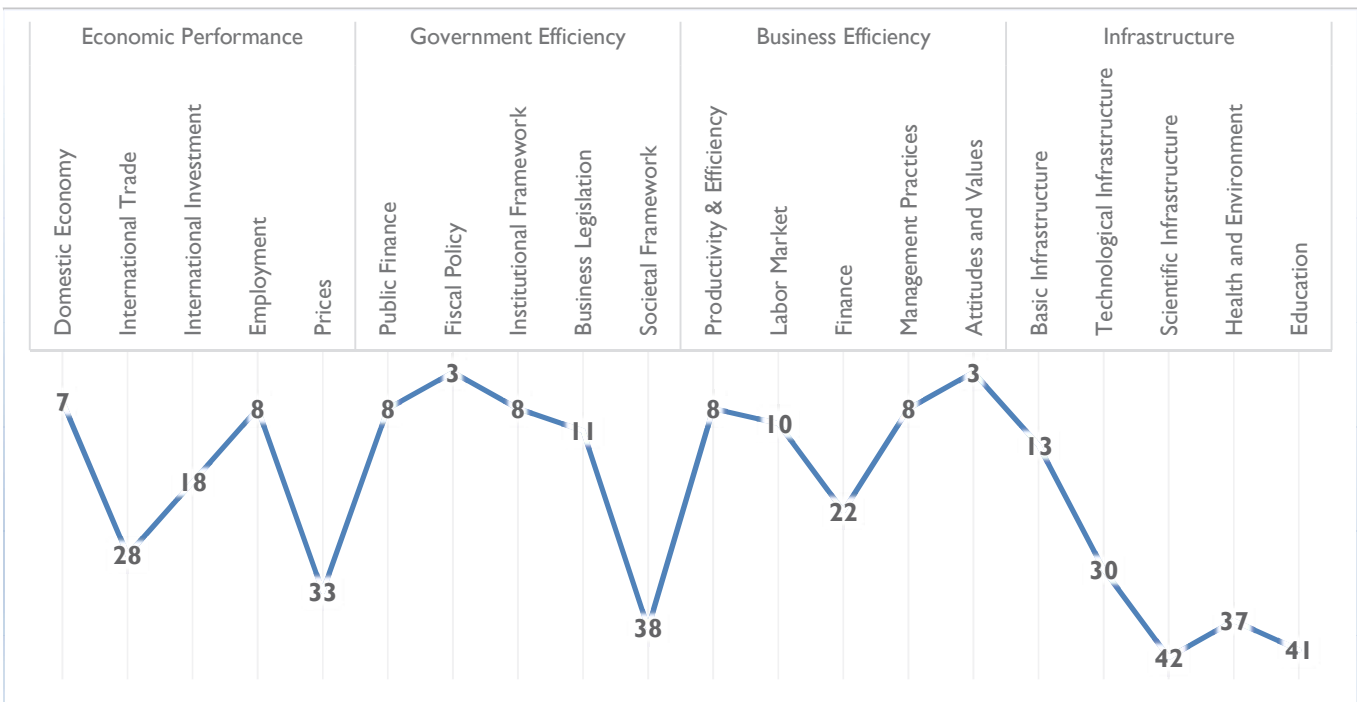
- Maintain a strong economic diversification agenda to insulate the economy from fluctuations in the hydrocarbons market.
- Accelerate regulatory and legislative reforms to keep pace with the modernization of government services and products.
- Sustain the current pace of investment in renewables.
- Boost investments in R&D through public-private partnerships.

**Provided by:**  
Emirates Competitiveness Council

## BASIC FACTS

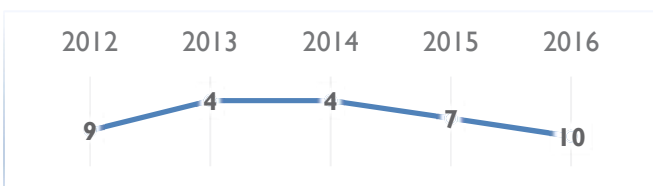
	Abu Dhabi	Rank
Capital	Abu Dhabi	
Land area (square km '000)	84 <sup>2015</sup>	
Exchange Rate (per \$)	3.673 <sup>2015</sup>	
Population - market size (millions)	9.16 <sup>2015</sup>	39
Gross Domestic Product (GDP) (US\$ billions)	339.1 <sup>2015</sup>	29
GDP (PPP) per capita (US\$)	70,746 <sup>2015</sup>	4
Real GDP growth (%)	3.9 <sup>2015</sup>	12
Consumer price inflation (%)	4.07 <sup>2015</sup>	48
Unemployment rate (%)	3.60 <sup>2014</sup>	7
Labor force (millions)	5.89 <sup>2015</sup>	33
Current account balance percentage (%)	3.99 <sup>2015</sup>	20
Direct investment stocks inward (\$bn)	115.6 <sup>2014</sup>	37
Direct investment flows inward (%)	2.52 <sup>2014</sup>	24

## COMPETITIVENESS LANDSCAPE

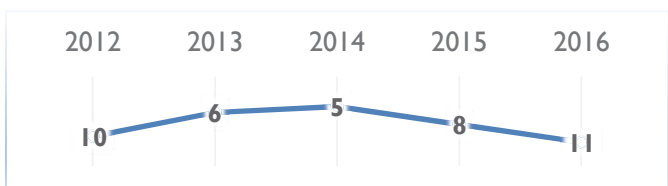


## PEER GROUPS RANKINGS

### EUROPE - MIDDLE EAST - AFRICA



### POPULATIONS < 20 MILLION



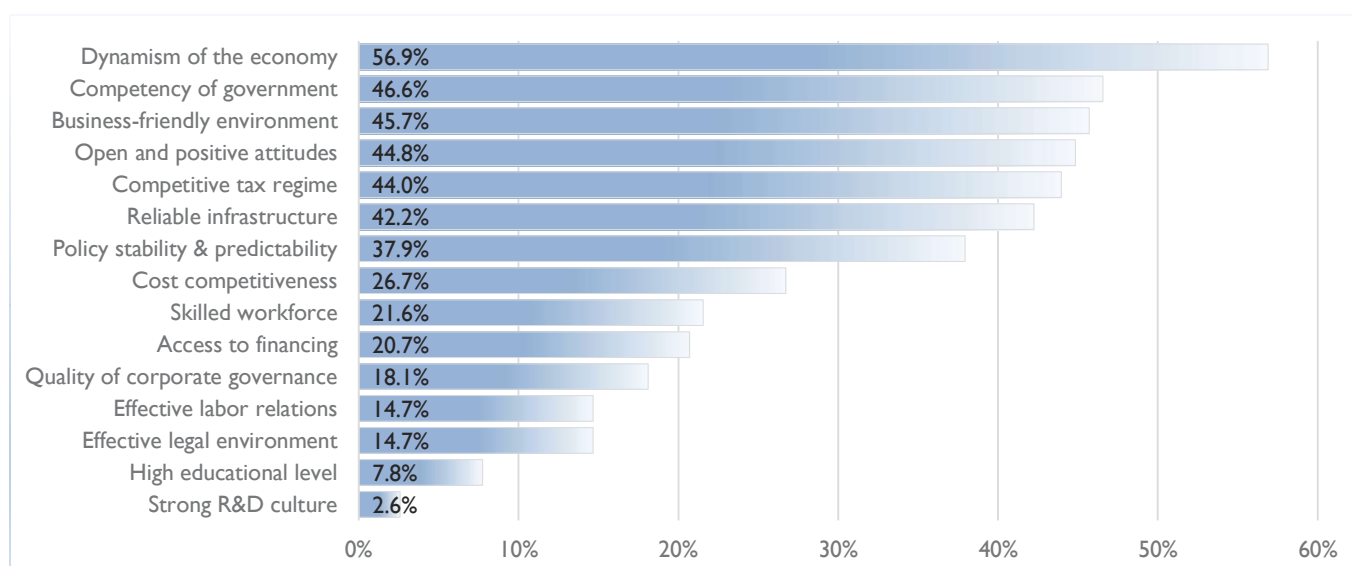
## COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY	WCY	DECLINES	WCY	WCY
	2015	2016		2015	2016
1.1.15 Real GDP growth per capita	0.59	3.12	2.3.08 Exchange rate stability	0.008	0.079
4.3.05 Business expenditure on R&D (%)	0.14	0.52	3.2.04 Remuneration of management		
3.3.11 Stock market capitalization (%)	26.63	58.22	1.5.02 Adjusted consumer price inflation	0.90	3.07
4.3.18 Number of patents in force	3.9	8.0	2.1.02 Government budget surplus/deficit (%)	5.95	-4.97
2.3.03 Interest rate spread	7.51	3.52	1.2.02 Current account balance percentage	11.99	3.99
4.3.07 Total R&D personnel nationwide per capita	1.37	1.97	2.1.04 Total general government debt (%)	12.00	19.79
4.3.02 Total expenditure on R&D (%)	0.49	0.70	2.4.08 Government subsidies	0.72	1.01
4.1.25 Electricity costs for industrial clients	0.103	0.063	1.2.08 Exports of goods (\$bn)	359.00	265.00
4.4.08 Medical assistance			1.1.20 GDP per capita	43,437	37,030
1.2.25 Tourism receipts	2.70	3.50	2.2.11 Employer's social security contribution rate	12.88	14.66
3.3.01 Banking sector assets	104.12	129.55	2.2.07 Effective personal income tax rate	5.15	5.87
1.5.07 Gasoline prices	0.45	0.35	2.2.10 Employee's social security contribution rate	5.15	5.87
3.2.03 Remuneration in services professions			1.2.09 Exports of goods (%)	88.85	78.15
1.2.12 Exports of commercial services (\$bn)	16.41	19.77	4.3.16 Patent applications per capita	4.61	4.26
4.5.05 Pupil-teacher ratio (secondary education)	14.30	11.50	4.1.10 Dependency ratio	14.3	15.3

## KEY ATTRACTIVENESS INDICATORS

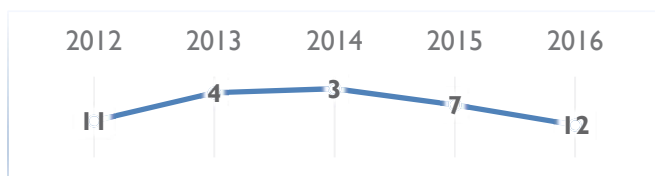
From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



## UAE

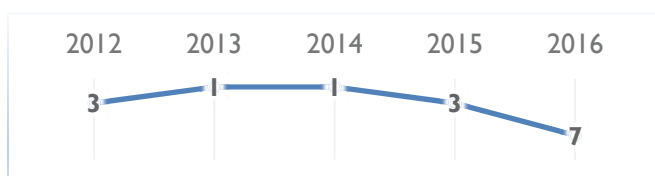


## ECONOMIC PERFORMANCE



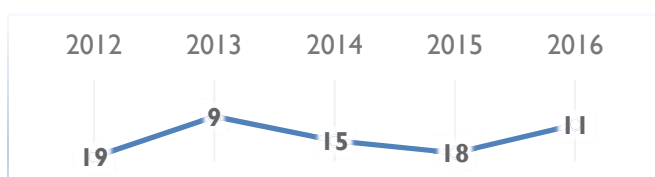
Sub-Factor Rankings :	2015	2016
Domestic Economy	13	7
International Trade	12	28
International Investment	23	18
Employment	4	8
Prices	9	33

## GOVERNMENT EFFICIENCY



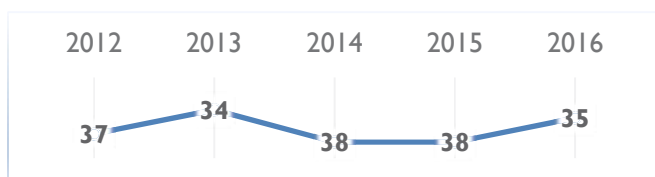
Sub-Factor Rankings :	2015	2016
Public Finance	1	8
Fiscal Policy	3	3
Institutional Framework	17	8
Business Legislation	8	11
Societal Framework	17	38

## BUSINESS EFFICIENCY



Sub-Factor Rankings :	2015	2016
Productivity & Efficiency	19	8
Labor Market	10	10
Finance	25	22
Management Practices	15	8
Attitudes and Values	4	3

## INFRASTRUCTURE



Sub-Factor Rankings :	2015	2016
Basic Infrastructure	11	13
Technological Infrastructure	25	30
Scientific Infrastructure	46	42
Health and Environment	33	37
Education	44	41

## STRENGTHS

Economic Performance	Rank
1.3.13 Relocation threats of production	1
1.3.14 Relocation threats of R&D facilities	1
1.2.26 Exchange rates	1
1.5.07 Gasoline prices	2
1.3.15 Relocation threats of services	3
1.4.02 Employment (%)	4
1.1.21 GDP (PPP) per capita	4
1.1.13 Diversification of the economy	5
1.2.09 Exports of goods (%)	7
1.4.06 Unemployment rate	7

Government Efficiency	Rank
2.2.09 Consumption tax rate	1
2.5.03 Ageing of society	1
2.4.20 Redundancy costs	1
2.3.11 Government decisions	2
2.3.10 Adaptability of government policy	2
2.3.13 Bureaucracy	3
2.1.10 Tax evasion	3
2.2.12 Real personal taxes	3
2.4.13 Ease of doing business	3
2.4.19 Immigration laws	3

Business Efficiency	Rank
3.5.05 Need for economic and social reforms	2
3.2.23 International experience	3
3.4.07 Entrepreneurship	3
3.5.03 National culture	3
3.5.01 Attitudes toward globalization	3
3.2.13 Labor force (%)	4
3.5.02 Image abroad or branding	4
3.2.06 Working hours	5
3.2.22 Foreign high-skilled people	5
3.5.06 Value system	5

Infrastructure	Rank
4.1.10 Dependency ratio	1
4.2.21 Cyber security	2
4.4.19 Green technology solutions	3
4.1.06 Management of cities	4
4.5.14 Science in schools	4
4.5.09 Student mobility inbound	5
4.1.14 Quality of air transportation	5
4.1.25 Electricity costs for industrial clients	6
4.1.18 Maintenance and development	6
4.1.19 Energy infrastructure	8

## WEAKNESSES

Economic Performance	Rank
1.5.02 Adjusted consumer price inflation	53
1.2.18 Export concentration by product	52
1.5.05 Office rent	51
1.5.03 Cost-of-living index	48
1.2.13 Exports of commercial services (%)	44
1.3.08 Direct investment stocks inward (%)	42
1.2.12 Exports of commercial services (\$bn)	40
1.3.02 Direct investment flows abroad (%)	37
1.3.07 Direct investment stocks inward (\$bn)	37
1.3.01 Direct investment flows abroad (\$bn)	36

Government Efficiency	Rank
2.5.13 Disposable Income	57
2.1.02 Government budget surplus/deficit (%)	54
2.4.05 Foreign investors	49
2.4.16 Start-up procedures	35

Business Efficiency	Rank
3.2.16 Female labor force	59
3.2.04 Remuneration of management	39
3.2.03 Remuneration in services professions	36

Infrastructure	Rank
4.5.01 Total public expenditure on education	60
4.4.18 Renewable energies (%)	60
4.4.01 Total health expenditure	59
4.3.16 Patent applications per capita	50
4.3.18 Number of patents in force	47
4.3.02 Total expenditure on R&D (%)	47
4.4.08 Medical assistance	47
4.4.12 Energy intensity	44
4.5.07 Higher education achievement	43
4.2.07 Computers per capita	43