

Dubai FDI ANNUAL RESULTS AND RANKINGS 2022 | Highlights Report

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Leadership Message

Dubai's ability to secure the No. 1 global ranking for Greenfield FDI projects for the second year in a row is a tribute to the leadership's unrelenting commitment to excellence. Guided by the far-reaching vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the emirate has constantly pursued new frontiers of growth by enhancing its investment value proposition. Even when the global economy has been beset by headwinds and cyclical challenges, Dubai has been able to offer an opportunity-rich environment for international investors.

Dubai's emergence as the world's top investment destination has also been driven by the dynamic partnerships it has forged with international investors to accelerate innovation and create enduring economic value. Consistent with its culture of collaboration and its role as a bridge between markets and industries, the partnerships that Dubai has established with businesses and entrepreneurs across the world have helped create the foundations of sustainable growth.

Over the last year, Dubai has strengthened its status as a leader in attracting FDI in many vital industries, especially future-oriented sectors. With the implementation of the Dubai Economic Agenda D33 that aims to consolidate the emirate's position as one of the world's top urban economies, the emirate is set to further raise its global profile as a magnet for investment, innovation and enterprise.

HH Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum
Dubai Crown Prince and Chairman of The Executive Council of Dubai

Message from The Department of Economy & Tourism, Dubai

H.E Helal Saeed Almarri **Director General, Department of Economy** **and Tourism, Government of Dubai**

Dubai's leading global FDI ranking underpins a comprehensive framework of initiatives that were launched to further strengthen the city's business and investment environment, based on the directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President and Prime Minister, and Ruler of Dubai, and on the follow up and guidance of His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai; and the continued support of His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, First Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance.

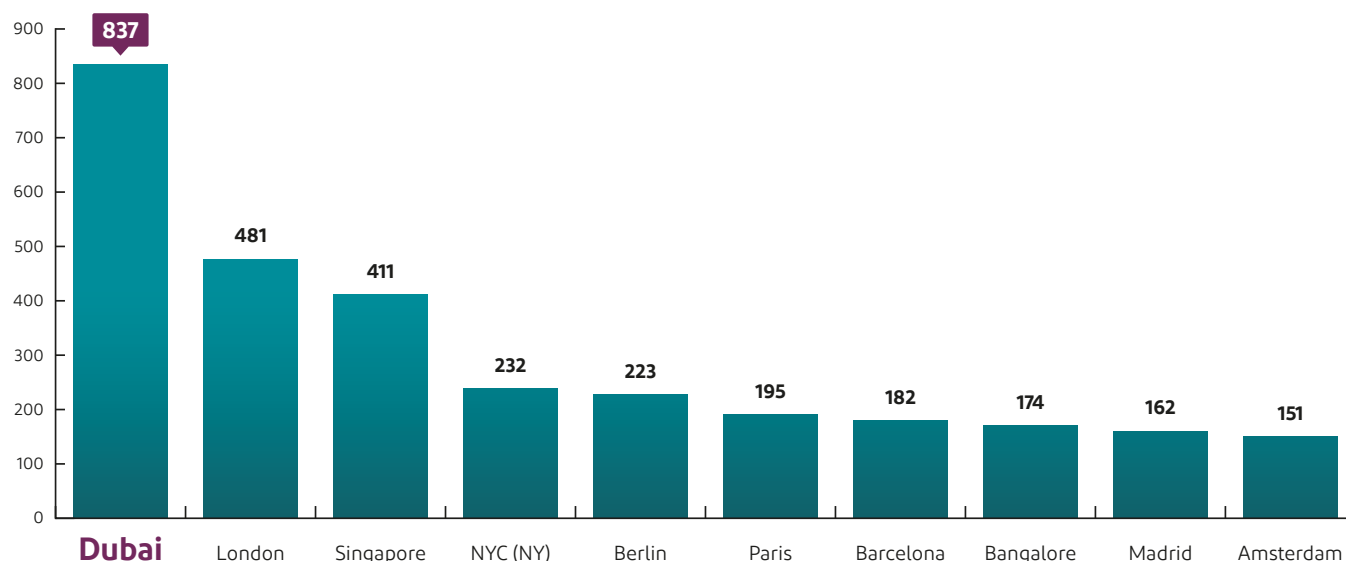
Our strategy to further consolidate Dubai's position as one of the top three global cities, in line with the Dubai Economic Agenda, D33, is again strengthened by the achievement of attracting and stimulating FDI and reflects the confidence that investors, multinational companies, start-ups, and global talent have in Dubai. In spite of global economic challenges, the pioneering legislative reforms inspired by our visionary leadership and the impact created by the hugely successful Expo 2020, accelerated our drive to create a stable and sustainable investment environment within the wider economic ecosystem. The growth of the city's share in global Greenfield FDI projects clearly indicates our strategy's effectiveness and also highlights the city's position as the capital of the global digital economy and a hub for innovation and technology, further ensuring that increasing FDI inflow remains a top priority and key goal of the D33 Agenda

As we look ahead to building an even more prosperous future for Dubai, we will also continue to build on the strong public-private partnerships that have played a pivotal role in Dubai's progress, underscoring our commitment to Dubai remaining a top destination for FDI, a leading global city and a model for sustainable development.



Dubai's New Highs

Global Ranking by FDI Projects 2022



Source: Financial Times Ltd. "fDi Markets" data

According to the 2022, Financial Times 'fDi Markets' data, for the second year in a row, Dubai ranked #1 leading destination city globally [out of 183 cities ranked] for greenfield FDI projects in 2022, with 837 announced greenfield FDI projects. The ranking of Dubai as the leading location globally for new FDI demonstrates the competitive strengths and attractiveness of Dubai.

Despite a backdrop of global uncertainty and economic challenges, Dubai has cemented its position as a top destination city worldwide for FDI with continued year-on-year growth since 2020 – bucking the global downward trends seen in most international cities.

For the first time, **Dubai's share in attracting greenfield FDI projects globally reached 4.7% - the highest growth in Dubai's global share in the past seven years.**

In 2022, the data from Financial Times Ltd. "fDi Markets" shows that:

- 83.6% of investments from FDI projects into Dubai were export-oriented, citing Dubai as a regional hub location for FDI.
- 29.7% of companies selected Dubai due to the strength of its regulatory environment
- 28.6% of companies selected Dubai due to its technology, innovation, and industry clusters for foreign direct investments in 2022.

Dubai Economic Agenda (D33)

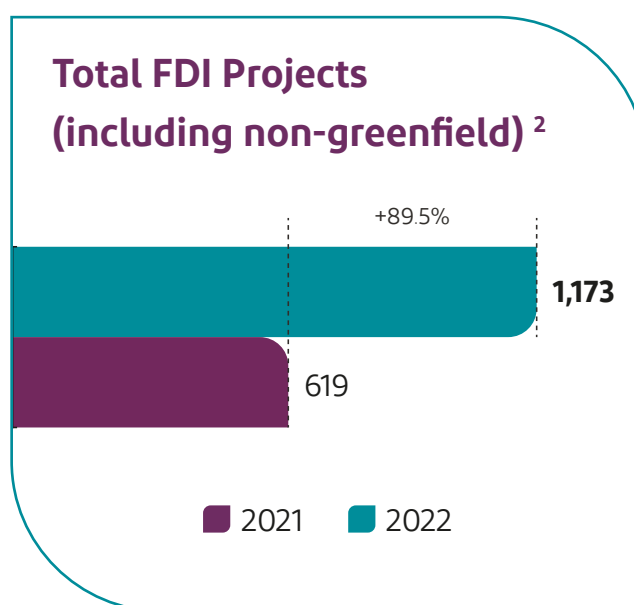


The Dubai Economic Agenda D33, which was launched in January 2023, will be the growth engine for the city in the coming decade and builds on the strong FDI investment flows.

The comprehensive strategy, which aims to double the size of Dubai's economy over the next decade and consolidate its position among the top three global cities, includes 100 transformative projects. In addition to growing the FDI pipeline into the city up to AED650bn (USD177bn) over the coming 10 years,

D33 will accelerate growth by investing in human development, skillsets and advanced technology and consolidate Dubai's global competitiveness, innovation and knowledge-based economy. Through this agenda, Dubai will also invest in enhancing the advantages gained from Dubai's strategic location and its advanced infrastructure to raise the city's status as a preferred destination for major international companies, investment, talent and visitation.

Total Announced FDI Projects into Dubai



Analysis

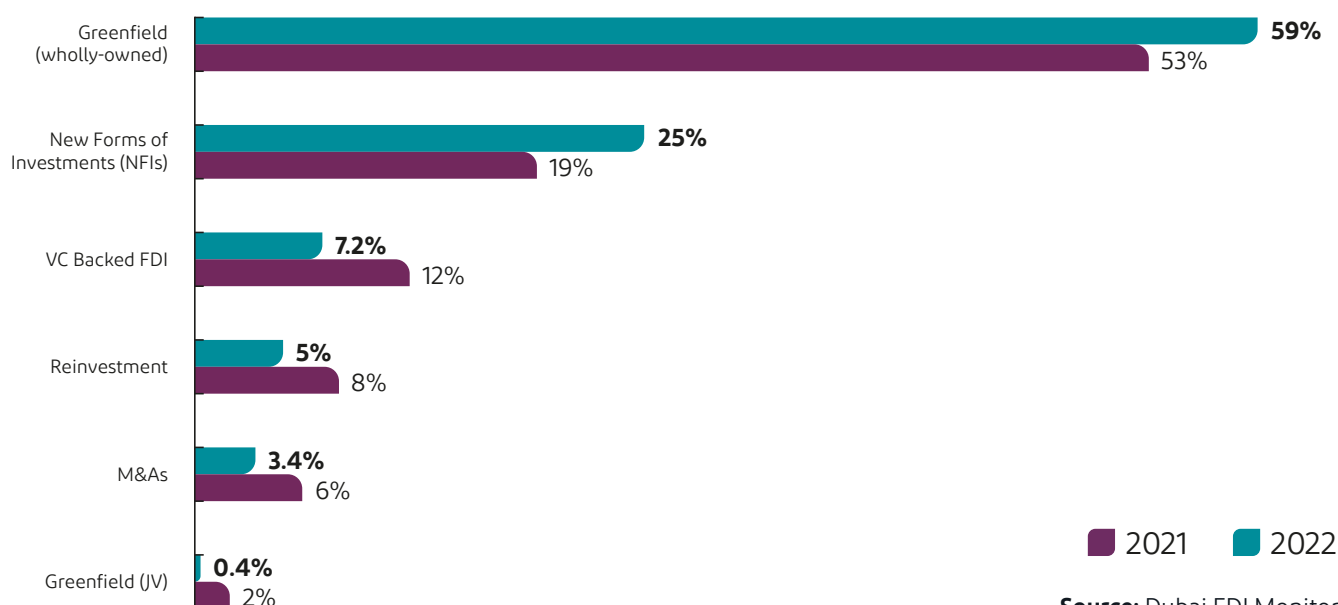
As per Dubai FDI Monitor data, total announced foreign direct investment projects into Dubai reached 1,173 in 2022, a strong 89% increase compared to 619 FDI projects in 2021. Dubai FDI Monitor records in addition to greenfield FDI projects, data on Reinvestment projects, Mergers & Acquisitions, Joint-Ventures, New Forms of Investments (NFIs) and Venture Capital backed FDI.

For a third year in a row, Dubai has attracted a record share of global greenfield FDI projects, reaching 4.7% in 2022, and up from 2.8% in 2021. Notably, Dubai attracted 56 Headquarters (HQ) greenfield FDI projects in 2022, the highest number in MENA and the highest number globally ahead of both Singapore

and London (53 and 50 HQ projects respectively). The number of Research and Development FDI projects also increased to 24 in 2022, from 11 in 2021 and only four in 2020, highlighting Dubai's growing attractiveness as a high-tech and knowledge-based hub.

Sources: Financial Times Ltd. "fDi Markets" data ¹
Dubai FDI Monitor ²

FDI Projects into Dubai: Investment Types



Source: Dubai FDI Monitor

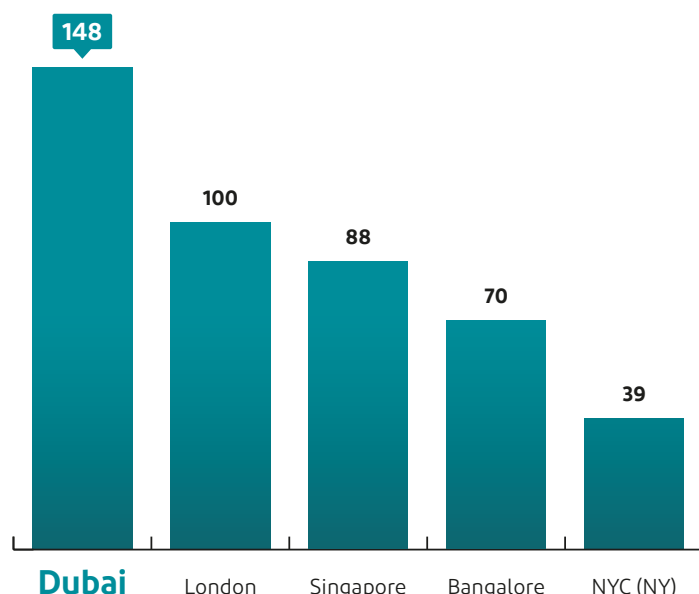
Analysis

New Forms of Investments (NFIs), also referred to as non-equity modes (NEM) of investments that demonstrate the level of domestic market maturity in Dubai and the diverse non-equity-based partnership opportunities across joint ventures, strategic alliances, sub-contracting, licensing, production sharing, franchising, and turnkey projects in the Dubai market. Dubai FDI Monitor introduced data on NFIs in 2018, to track, validate FDI projects from this new market entry form. In 2021, a new category is introduced, Venture Capital (VC) Backed FDI, making Dubai FDI Monitor the only comprehensive source of real time data on FDI flows into Dubai across all FDI categories.

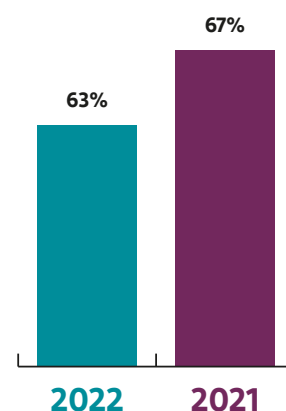
Greenfield FDI into Dubai accounted for 59% of the total number of FDI projects recorded in 2022, a 6 ppts. increase compared to 2021. New Forms of Investment (NFIs) were the second most active type of investment into Dubai, accounting for 25% in 2022 compared to 19% in 2021. VC backed FDI projects decreased from 12% in 2021 to 7.2% in 2022. Reinvestments FDI projects dropped to 5% in 2022 from 8% in 2021. Mergers and Acquisitions projects accounted for 3.4% while Joint Ventures projects accounted at less than 1% in 2022 from 6% and 2% shares respectively in 2021.

FDI Projects: Technology Level

Global Cities Ranking by AIT FDI Projects 2022 ¹



High-Medium Tech ²



Analysis

According to the Financial Times Ltd. “fDi Markets” data, Dubai’s share of global FDI projects in Advanced Information Technologies (AIT) increased to 5.5% in 2022 and Dubai was the number 1 city in the world ranked by number of AIT projects attracted. The number of Advanced Information Technology projects in Dubai more than doubled in 2022 to a record 148 greenfield FDI projects.

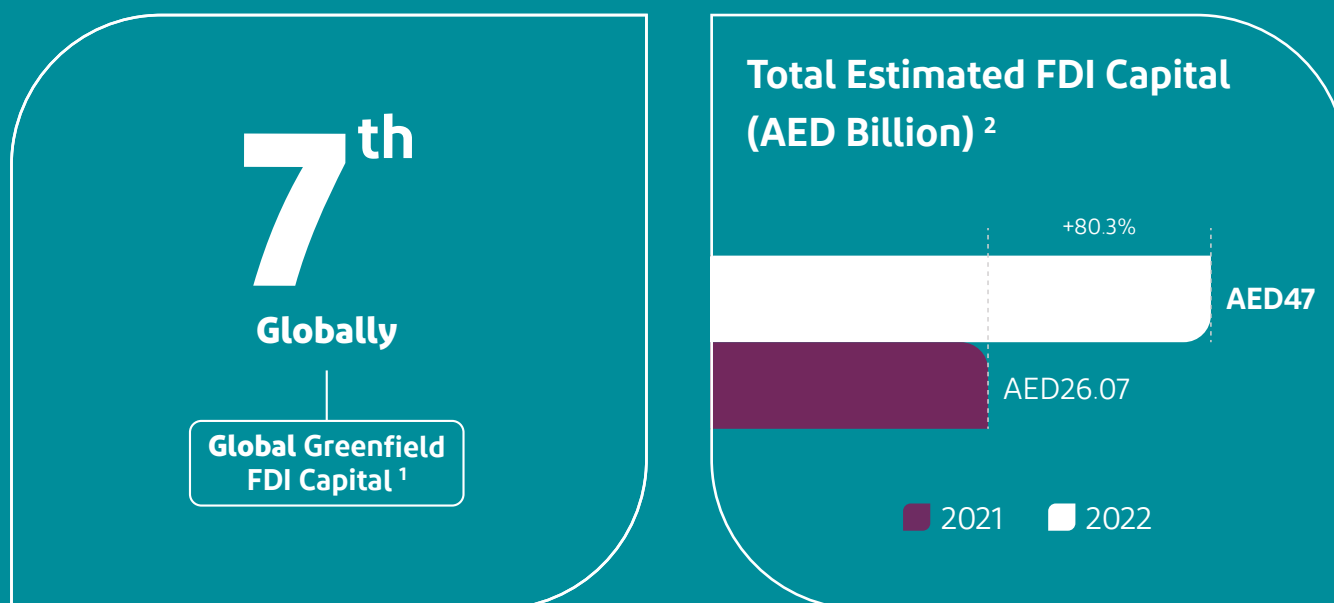
According to Dubai FDI Monitor, High and Medium Technology FDI projects, as defined by the OECD, EU and US, accounted for 63% of the total announced FDI projects into Dubai in 2022, reaching a record volume of 744 projects. The number of High Tech FDI projects alone, more than doubled in 2022 compared

to 2021, reaching a record 283 projects, accounting for almost 24% of all projects.

In terms of job creation, High and Medium-Tech FDI projects in 2022 generated 20,354 new announced jobs a 54% growth over 2021 and the highest number ever with 8,400 more High and Medium Technology jobs created in 2022 than in 2021. These results show the progress Dubai is making to position the city as a hub for high technology and knowledge-intensive activities.

Sources: Financial Times Ltd. “fDi Markets” data ¹
Dubai FDI Monitor ²

FDI Capital Flows into Dubai



Analysis

According to data from the Financial Times Ltd. "fDi Markets", Dubai was the 7th leading city for greenfield FDI capital investment globally in 2022.

The Dubai FDI Monitor recorded AED 47 billion (USD 12.8 billion) of estimated investments in FDI related projects in Dubai in 2022, an increase of 80.3% compared to 2021. The growth of investment was driven by increased M&A activity and increased investment in new Greenfield FDI projects and

re-investment in existing projects. Transportation and Electric Power Generation were the major sectors for capital investment in 2022 followed by Accommodation & Food Services.

Sources: Financial Times Ltd. "fDi Markets" data ¹
Dubai FDI Monitor ²

Venture Capital FDI Flows into Dubai-based Start-ups

Analysis

The data from “Dubai FDI Monitor” supported by MAGNiTT, a Dubai-based firm which captures and analyzes startup data, revealed that 91 funding deals from Dubai-based startups have successfully attracted Venture Capital (VC) Backed FDI, amounting to AED 2.29 billion (USD 620 m) in 2022.

Dubai saw a 2% drop in VC backed FDI from AED 2.34bn (USD 640 m) in 2021 to AED 2.29bn (USD 620 m) in 2022, in line with global VC landscape. While an 8% increase in startup funding deals from 84 deals in 2021 to 91 deals in 2022 shows a comparative performance as the market started overcoming the impact of the pandemic.

While EMPG’s MEGA round raised the largest funding (AED 734.4m/USD 200m) in 2022, other prominent startups that raised funding in 2022, highlighting the affluence of Dubai’s global start-up scene were:

- Tabby (AED 198.2m/USD 54m)
- Wahed (AED 183.6m/USD 50m)
- Altibbi.com (AED 161.5m/USD 44m)
- Yap (AED 150.5m/USD 41M)
- Huspy (AED 135.8m/USD 37m)
- Millennial Brands (AED 128.5m/USD 35m)
- ArabyAds (AED 110.1m/USD 30m)
- Baraka (AED 73.4m/USD 20m)

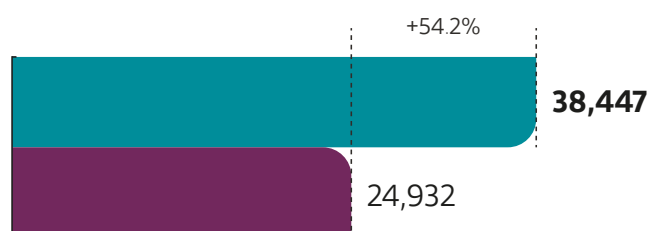
VC Backed FDI (AED Billion)



Source: Dubai FDI Monitor – MAGNiTT data ³

2021 2022

FDI New Job Creation in Dubai ²



■ 2021 ■ 2022

Sources: Financial Times Ltd. "fDi Markets" data ¹
Dubai FDI Monitor ²

Analysis

According to Financial Times Ltd. "fDi Markets" data Dubai once again ranked first in the Middle East and Africa region in creating new jobs through greenfield FDI in 2022 and maintained its fifth rank globally in 2022.

New job creation through FDI related projects increased by 54.2% in 2022 with an estimated 38,477 new jobs in 2022 compared to 24,932 in 2021. The number of FDI jobs associated with new greenfield FDI projects reached a record level of 21,866 jobs in 2022, a 56% increase over 2021, while the number of FDI jobs associated with New Forms of Investments also reached a record level of 13,179 new jobs in 2022, a 65% increase over 2021.

1st

Regionally

MENA new jobs created through FDI in 2022 ¹

5th

Globally

Global new jobs created through FDI in 2022 ¹

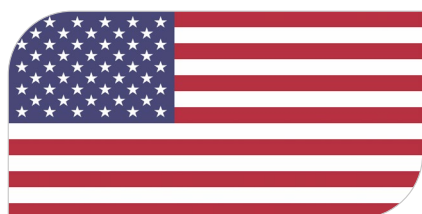
Top 5 Source Countries: FDI Capital into Dubai



41% Canada



12% United Kingdom



11% United States



4% India



4% Switzerland

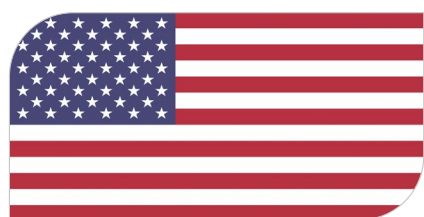
Source: Dubai FDI Monitor

Analysis

The top five source countries by FDI capital accounted for over three-quarters (72%) of the total estimated capital investment into Dubai in 2022. The leading source country in 2022 was Canada with a 41% share of total FDI capital investment, driven by M&A activity. The United Kingdom ranked second accounting for 12% of the total, followed by the United States in third place with an 11% share of FDI in Dubai and then India and Switzerland each accounting for 4% of FDI.

The United States, United Kingdom and India have continued to be amongst the top source countries for FDI Capital and FDI Projects into Dubai in 2021 and 2022.

Top 5 Source Countries: FDI Projects into Dubai



20% United States



13% United Kingdom



12% India



5% France



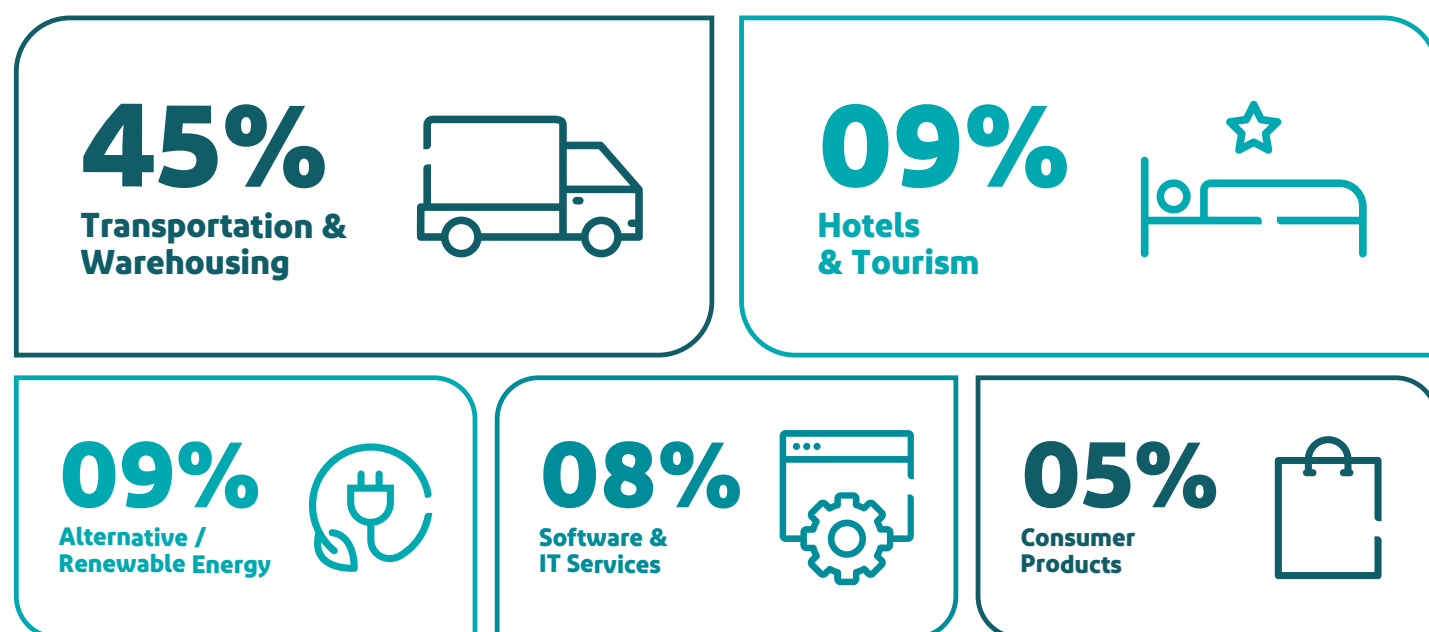
4% Switzerland

Source: Dubai FDI Monitor

Analysis

In terms of the number of projects, the top five source countries accounted for 54% of the total number of announced FDI projects in Dubai in 2022. For the fifth year, the United States ranked as the top FDI source country with a 20% share of the total number of announced FDI projects in Dubai, followed by the United Kingdom accounting for 13% with India, France and Switzerland following with 12%, 5% and 4% market shares respectively.

Top 5 Sectors: FDI Capital into Dubai



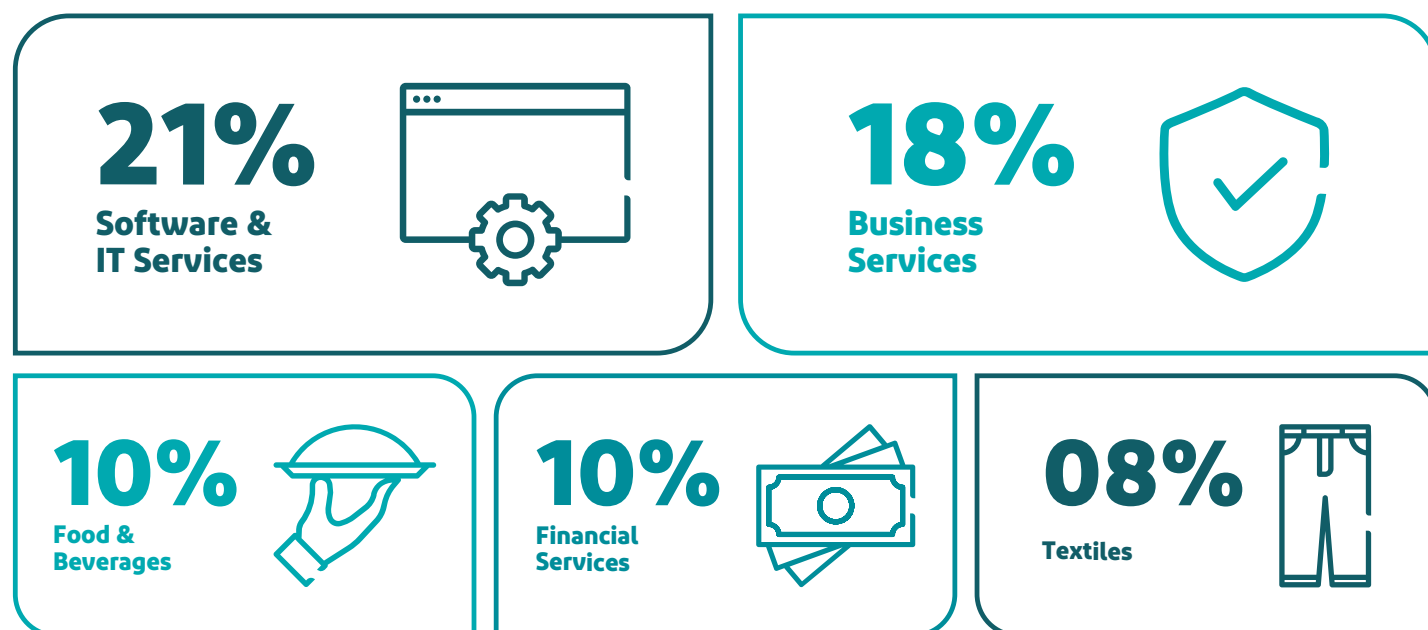
Analysis

The top five sectors accounted for 76% of the total estimated capital investment of FDI related projects in Dubai in 2022. The Transportation & Warehousing sector ranked as the top of the five sectors with 45% of the total estimated FDI capital in 2022, driven by major M&A activity wherein Canadian fund Caisse de Depot et Placement du Quebec (CDPQ) acquired 22% stake in the three Dubai-based assets through a new joint venture with DP World for \$5bn in 2022.

Hotels & Tourism sector and Alternative/Renewable Energy sector accounted for 9% each while Software & IT Services and Consumer Products accounted for 8% and 5% respectively of the total estimated FDI Capital in 2022.

Source: Dubai FDI Monitor

Top 5 Sectors: FDI Projects into Dubai



Analysis

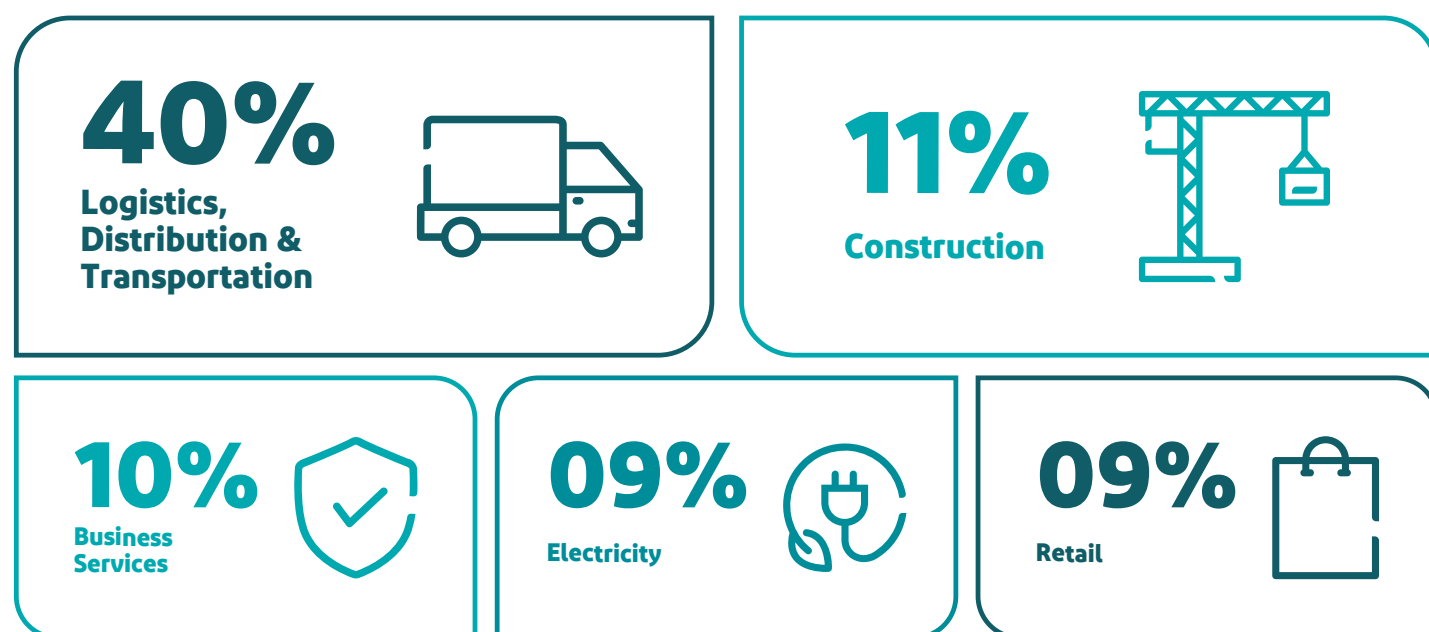
The top five sectors accounted for two-thirds of the recorded FDI related projects into Dubai in 2022. Software & IT Services was the leading sector accounting for 21% of the total announced FDI related projects in 2022, followed by Business Services with 18% market share, and then the Food & Beverages, Financial Services and Textiles sectors.

Companies from 45 different countries established Software & IT projects in Dubai in 2022. while companies from 40 different countries established FDI projects in Dubai in the Business Services sector in 2022.

Looking at the Food & Beverages and Textiles sectors, the vast majority of FDI projects were retail investments and most took the form of New Forms of Investments, given the importance of franchising in these sectors. For the Financial Services sector, most of the investment projects were Greenfield FDI and the highest proportion of projects (62.8%) were related to securities, commodity contracts and other financial investments and related activities, reflecting Dubai's growing strength as a financial services centre.

Source: Dubai FDI Monitor

Top 5 Business Function: FDI Capital into Dubai



Analysis

The top five business activities accounted for 79% of the total estimated capital investment from FDI related projects in Dubai in 2022. The leading business activity was Logistics, Distribution & Transportation accounting for 40% of the total estimated capital investment, driven by M&A activity, followed by Construction (mostly hotels), Business Services (across many sectors), Electricity (all renewable energy projects) and Retail (mostly Food & Beverages, Textiles and Consumer Products projects).

Source: Dubai FDI Monitor

Top 5 Business Function: FDI Projects into Dubai



Analysis

The top five business activities accounted for 93% of the total announced FDI related projects in Dubai in 2022. Business Services was the top ranked business activity with 40% of the total announced FDI projects in 2022 with Retail ranking second at 28% and Sales, Marketing & Support third with 19%. FDI projects with Headquarters and Research and Development business activities ranked fourth and fifth accounting for 5% and 2% market share of FDI projects respectively.

Source: Dubai FDI Monitor

About This Report

The “DUBAI FDI Results & Rankings Highlights Report 2022” is published annually by Department of Economy & Tourism (DET) in Dubai. Dubai’s global FDI rankings are based on data and analysis by Financial Times Ltd., “fDi Markets” data, and periodic and special reports published by fDi Intelligence. The rankings are based on investment destinations with 10 or more FDI projects during the reporting period considered and includes Greenfield FDI only.

The data in this report is also based on “Dubai FDI Monitor”, which tracks, validates, and reports on foreign direct investment (FDI) flows into Dubai across key FDI indicators including capital, projects, sectors, source countries, technology level, among others.

Dubai FDI Monitor

Dubai FDI Monitor is the first FDI monitoring, and reporting open data service offered, on city-level, globally, since 2015. Dubai FDI Monitor has set a new standard among investment promotion agencies, triggering the adoption of similar initiatives across countries and cities worldwide and named a global best practice for innovation in investment promotion.

Dubai FDI Monitor's online portal provides access to FDI inflows data, in real-time, and around the clock, providing data, analytical reports, and interactive maps, as well as reliable and updated information on the investment environment, which includes policies, legislation, sectoral strategies, incentives, and initiatives that promote and facilitate investing in Dubai.

Dubai Economy & Tourism continues to develop Dubai FDI Monitor, introducing new features like self service and analytics to provide real-time data and insights to the investor community, FDI professional service providers and other stakeholders in Dubai and beyond.

- You can visit Dubai FDI Monitor portal and register as a user at: www.DubaiFDIMonitor.ae
- You can request a Custom Data Report by email to: strategy@dubaidet.ae

FDI Data Definitions, Types and Sources

Dubai FDI Monitor tracks, validates, and provides analysis on all types of FDI projects into Dubai, which includes in addition to Greenfield FDI projects, data on FDI Reinvestment projects, Mergers & Acquisitions, Joint-Ventures, New Forms of Investments (NFIs) along with its latest addition of Venture Capital (VC) Backed FDI, using a proprietary technology platform to aggregate and analyze the FDI projects' data based on international classification standards (NAICS) as well as other international standards and best practices in trend analysis.

Dubai FDI Monitor captures 6 types of FDI projects data, representing the entirety of Foreign Direct Investments (FDI) flows into Dubai.

1. Greenfield FDI (New FDI projects and business ventures)
2. Re-Investment (Existing FDI projects' expansion)
3. Mergers & Acquisitions (M&A)
4. Greenfield Joint-Venture (JV)
5. New Forms of Investments - NFIs, (non-equity modes "NEM" of investment)
6. VC Backed FDI (FDI into Dubai based Startups)

Dubai FDI Monitor uses FDI project data tracking, mining as well as aggregation from the most credible data sources including:

- FDI projects data Tracking, aggregation, validation and trend analysis services from Wavteq, www.Wavteq.com
- Greenfield FDI Projects data from fDi Markets, a service by Financial Times Ltd. www.fDimarkets.com
- VC Backed FDI data from MAGNiTT, www.Magnitt.com

Use of This Report

The Dubai FDI Monitor is not a statistical data source. For official statistics on FDI stocks in Dubai, please contact: **Dubai Statistics Center** (www.dsc.gov.ae). For official statistics on FDI stocks in UAE, please contact: **Federal Competitiveness and Statistics Centre** (www.fcsc.gov.ae)

Dubai Economy & Tourism takes reasonable steps to ensure that the Dubai FDI Monitor data is updated on real-time, accurate and current. Please take into consideration, that some data may vary based on the date of publishing, due to the updates of both FDI capital and FDI projects numbers that occur during the ongoing project qualification and validation process. The Data published in this report is accurate as of 10th April 2023.

