



Dubai FDI Annual Results and Rankings

مؤسسة دبي
لتنمية الاستثمار
DUBAI FDI



2018

Highlights Report



H.E. Sami Al Qamzi
Director General
Dubai Economy

Dubai's success in attracting foreign direct investment (FDI) continues unabated by the general malaise afflicting FDI outflows across the globe. According to the "Dubai FDI Monitor" 2018 Report, total FDI flows into Dubai during 2018 reached a record AED 38.5 billion (USD 10.5bn), an increase of more than 41% over its 2017 level. According to fDi Markets data, Dubai has also improved its global rankings in 2018, climbing from 4th in 2017 to 3rd in total number of projects, and from 10th in 2017 to 6th in total capital flows.

Importantly, the fDi Benchmarking Reports that rank the top global FDI destinations based on data from fDi Markets, ranked Dubai: 1st globally in the Top FDI Performers Report in 2018; 1st globally in the TOP 20 Destination Cities for Renewable Energy Investments between 2013-2018; and, 2nd globally in terms of economic potential in the Global Cities of the Future Report.

We are proud of the remarkable results achieved in 2018. They reflect the vision and guidance of His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai, and the directives of His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council to make Dubai a pivotal hub in the global economy and the preferred global foreign direct investment destination.

I take this opportunity to congratulate all of Dubai Economy's partners and stakeholders who contributed to our success. Our commitment to supporting our vibrant and growing investor community remains unwavering. Together we can continue to chart our path towards more economic prosperity.

I wish you continued success in 2019 and beyond!



Fahad AlGergawi
Chief Executive Officer
DUBAI FDI

The “Dubai FDI Monitor” report provides the facts that reflect the extent to which Dubai’s investment ecosystem is ready to support global business success, growth and expansion. The remarkable results that Dubai has achieved in 2018, including its leading position in global rankings highlighted in the report, reflect our leadership vision and strategic initiatives that are transforming Dubai to a smart and sustainable city of the future and a global hub for talent, innovation and entrepreneurship.

Dubai FDI Monitor also provides data analysis that shed light on the trends shaping Dubai’s future growth trajectory and cementing investors’ confidence. In 2018, Dubai became home to 523 new FDI projects, an increase by 43% compared to 2017. Dubai was particularly successful in attracting a large number of small and medium sized investments with a high technology content and a large innovation capability. Greenfield FDI projects in 2018 represented 63% of the total inflows, and Dubai attracted 25% more Greenfield projects compared to the previous year, making Dubai the 3rd most attractive location globally for FDI projects.

FDI projects classified as “new forms of investments” (NFIs) represented 29% of the total FDI projects in 2018. a trend that underlines the increasing market maturity, global connectivity and the wide range of investment opportunities in Dubai today. Moreover, NFIs projects contribute to supporting Dubai’s transition into a knowledge-based economy with unique market entry opportunities through multiple partnership models, enabled by the rise of mature local businesses, start-ups and new business models.

Last but not least, Dubai and for the second year in a row, has maintained its top position in the region and ranked 5th globally in FDI Reinvestment projects in 2018. This is a testament to the deep-rooted partnership with the Dubai investor community where we work hand-in-hand to support investors from pre-establishment all the way to achieving success, growth expansion.

Wishing you another year of outstanding results and success!



GLOBAL Rankings



● Source: *fDi Intelligence
**fDi Benchmarking by WAVTEQ

○ Analysis

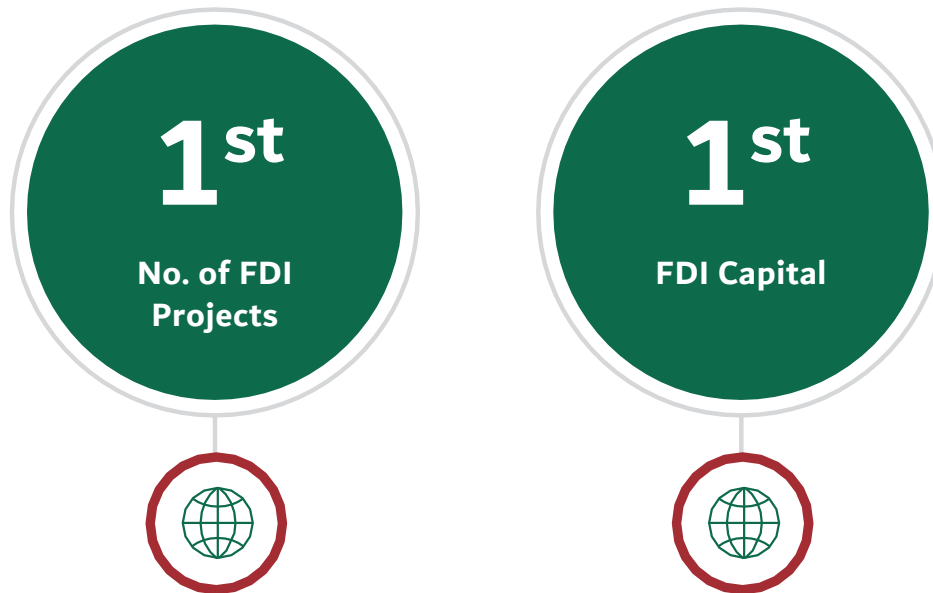
Dubai, once again, confirmed its **role and ambition as a globally leading investment destination.**

In the **2018 Top FDI Performers Report** by fDi Intelligence, Dubai ranked no. 1 globally, which demonstrates the attractiveness of Dubai for investors from around the world.

In another report named the **City FDI Performance Index**, published in 2018, which compares and benchmarks the individual performance of investment destinations, Dubai ranked no. 1 in the category of no. of investors attracted.



MENA Rankings



● **Source:** fDi Markets data (captures Greenfield investments only and in comparison to Destination Cities with 10 or more projects)

○ Analysis

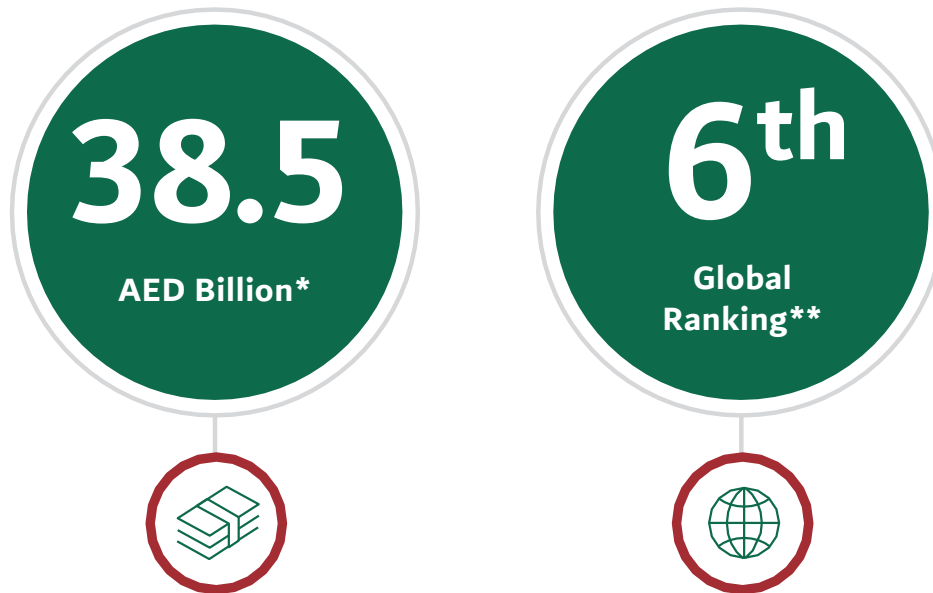
In 2018, Dubai was the leading investment destination in terms of number of FDI projects and total FDI capital in the MENA region. No other city in the region attracted more foreign direct investments in 2018.

Dubai emphasized its role as a leading location for business in the region while the economy of the Emirate is sustainable growing.

With its strategic location and its international outreach, Dubai serves as the gateway to regional growth markets and as the preferred investment destination in MENA, Dubai is on the path to become a pivotal hub in the global economy.



FDI Results 2018



● Source : * Dubai FDI Monitor
** fDi Markets data (captures Greenfield investments only and in comparison to Destination Cities with 10 or more projects)

○ Analysis

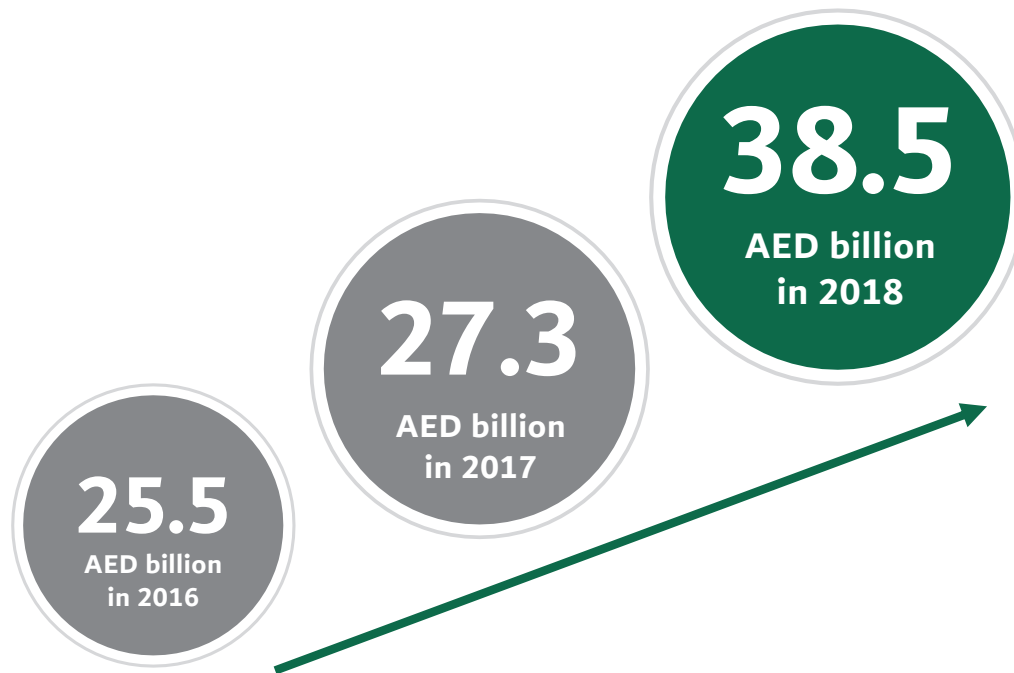
Dubai achieved the **highest total FDI capital inflows** in 2018, ever since FDI inflows are being recorded in the Emirate with **almost AED 40bn in FDI**. This means Dubai, for the first time, has exceeded USD 10bn in FDI capital.

Compared to the previous year **Dubai attracted 41% more FDI capital into the Emirate** despite the globally declining FDI trend.

In terms of ranking **Dubai improved its position by four points and ranked 6th globally** in terms of FDI capital according to fDi Markets data base.



Trends



● Source : Dubai FDI Monitor

○ Analysis

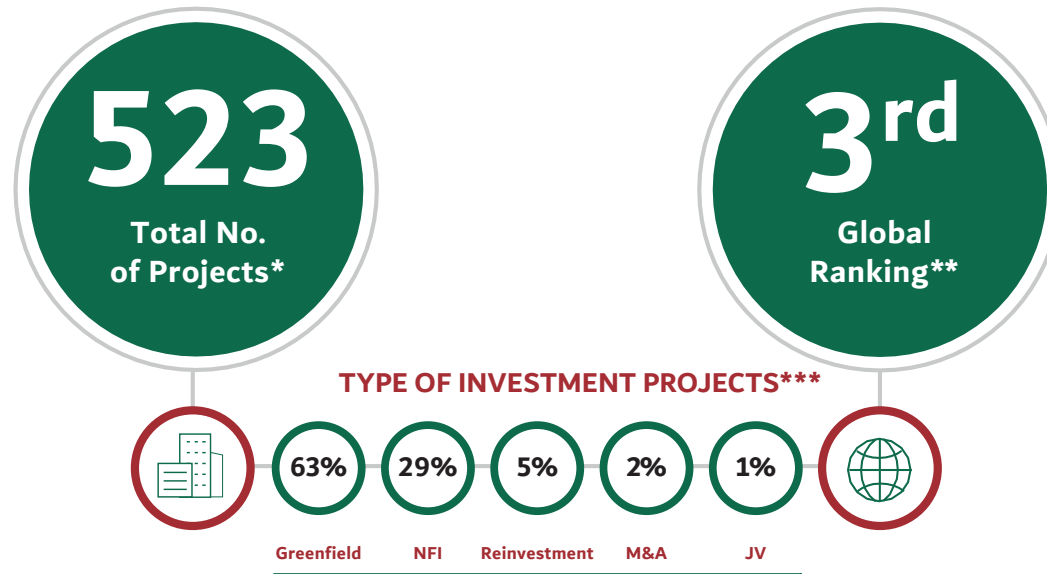
Looking at the **three year trend from 2016 to 2018**, Dubai has attracted 51% more FDI capital in 2018 compared to 2016 and 41% more compared to 2017.

Overall, **Dubai goes strongly against the global trend**. For two consecutive years Dubai FDI inflows have increased while globally FDI declined in 2017 as well as in 2018, with a sharp drop in 2018 of 19%, from USD 1.47tn down to USD 1.2tn, according to UNCTAD Investment Trends Monitor.

Dubai's government strategies and unique value proposition have enabled the Emirate to counter the global decline and not only retain but even increase its attractiveness as an investment destination.



FDI Results 2018



● Source : * Dubai FDI Monitor

** fDi Markets data (captures Greenfield investments only and in comparison to Destination Cities with 10 or more projects)

***Dubai FDI Monitor data analytics

○ Analysis

In terms of **number of FDI projects**, Dubai remains in the **top 3 globally** together with Singapore and London.

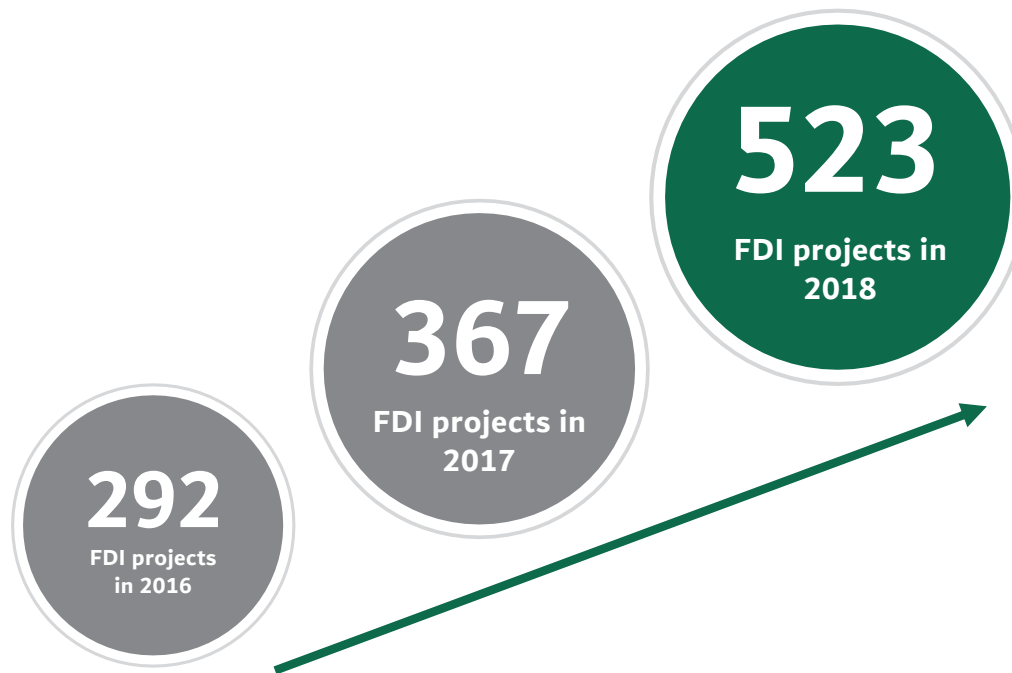
Dubai was able to again **increase the number of New Forms of Investment (NFI) projects** and remained at a solid re-investment level of 5%, which confirms a strong investor confidence in Dubai.



Dubai ranked 2nd globally in terms of economic potential according to Global Cities of the Future Report



Trends



● Source : Dubai FDI Monitor

○ Analysis

Looking at a three year trend from 2016-2018, Dubai, the **number of FDI projects in Dubai has more than doubled since 2016.**

Compared to 2017, the number of FDI projects in Dubai have increase by 43%.

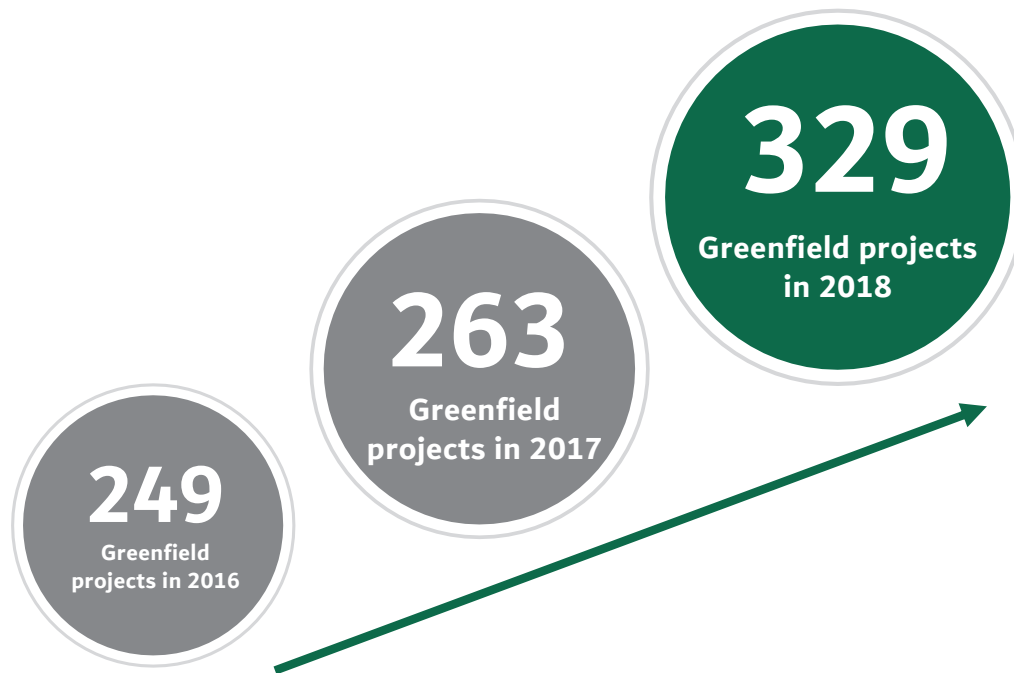
Dubai was especially able to attract a lot of small and medium size investments with a **high technology component and a large innovation capability.**



Dubai ranked 1st globally in the TOP 20 Destination Cities for Renewable Energy Investments by fDi Intelligence



Trends



● Source : Dubai FDI Monitor

○ Analysis

In a three year trend from 2016 – 2018, it is evident that Dubai consistently remained highly attractive for capital-heavy investments, especially in the construction sector. Compared to the previous year, **Dubai attracted 25% more Greenfield projects in 2018.**

Dubai as a tourism destination was in 2018 backed up by large-scale investments in hotels and resorts, which are mostly Greenfield projects and account also for a vast amount of FDI capital.

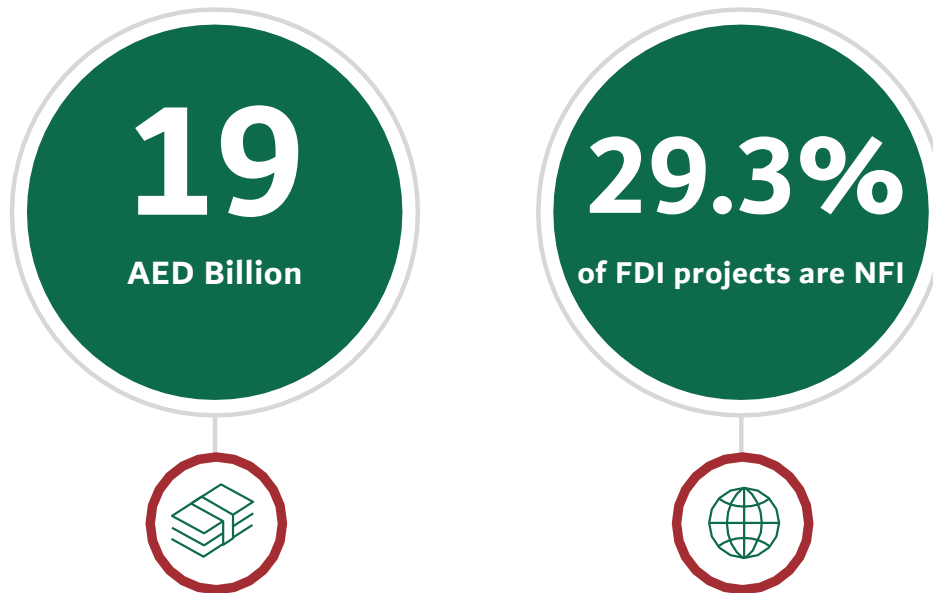
1st

in the Arab
World

UAE was ranked 1st in the Arab World and 11th globally in the Ease of Doing Business Report by World Bank



FDI Results 2018



● Source : Dubai FDI Monitor

○ New Forms of Investment

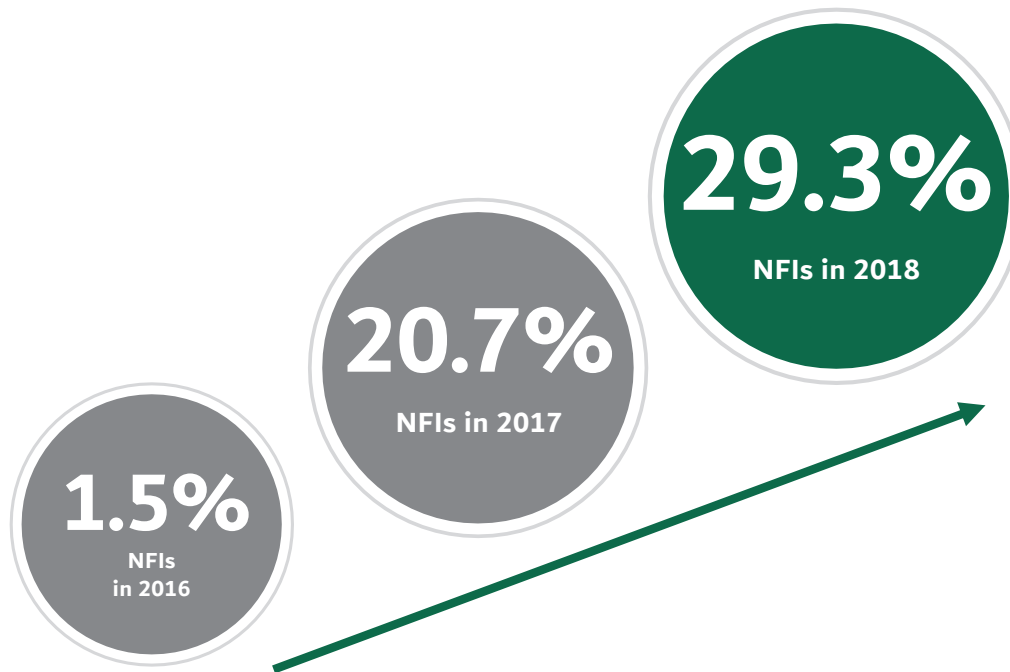
NFIs have **exceeded the FDI capital from Greenfield projects in 2018** and represent 29% of all FDI projects. Dubai FDI Monitor is **the first FDI monitoring and reporting system in the world** measuring NFIs since 2015.

Definition of NFIs

New Forms of Investment (NFIs) are non-equity modes of investment whereby **a new investment project is 100% owned by a domestic firm** but is established in **partnership** with a foreign owned company which has a high level of management control and contribution to new venture. Examples include non-equity based joint ventures, strategic alliances, and partnerships and can include subcontracting, licensing, production sharing, franchising, and turnkey projects.



Trends



● Source : Dubai FDI Monitor

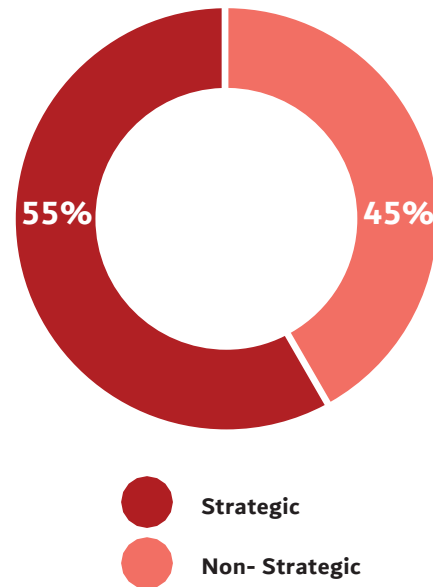
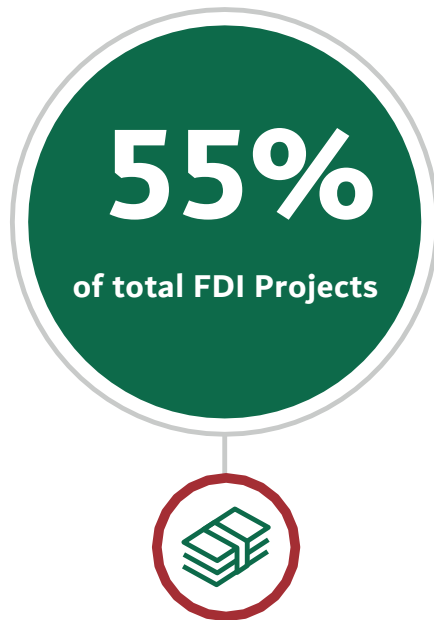
○ Analysis

With a constantly growing number of NFI projects since 2016, Dubai has demonstrated its ability to be a **vibrant business environment** able to attract and facilitate investments in various forms. Dubai's brand **encouraged investors to join partnerships with local companies** and contribute to the Emirate's sustainable economic growth.

In 2018, almost every third FDI project was a NFI.



Dubai was ranked 1st globally in the World Digital Competitiveness Ranking 2018 in a leading category and was in the top 10 in six other categories



● Source : Dubai FDI Monitor

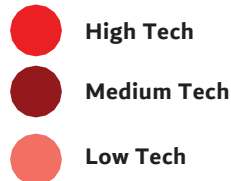
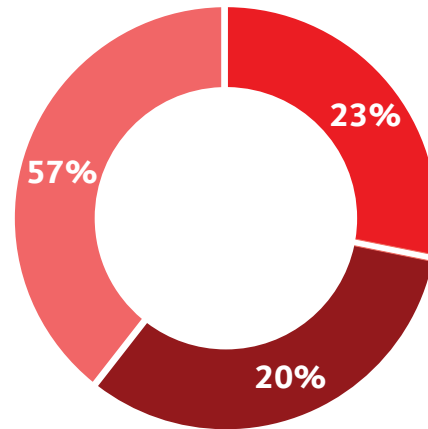
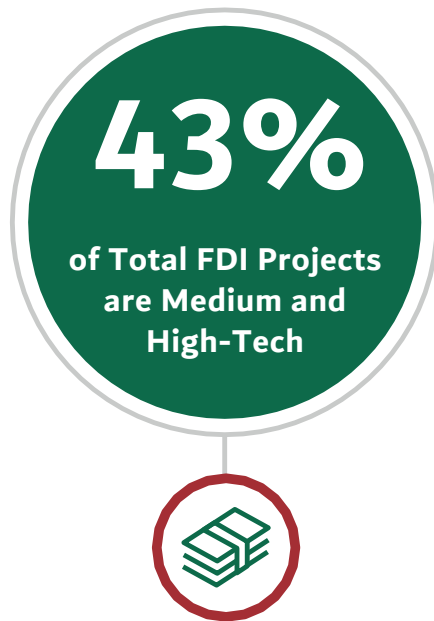
○ Analysis

The Dubai FDI Monitor report classifies FDI projects on a strategic level based on turnover, size of investment and technology level.

In 2018 **more than half of all FDI projects** were classified as strategic for the Emirate of Dubai.



Total strategic projects accounted for 94% of total FDI capital coming into Dubai in 2018



Source : Dubai FDI Monitor

○ Analysis

The Dubai FDI Monitor report classifies FDI projects on technology level based on the sector, sub-sector and activities of the projects and in line with OECD, EU and BEA definitions.

In 2018, **43% of all FDI projects** had a medium and high-tech component and a large number of globally leading technology companies have invested in Dubai.



Total high & medium tech projects accounted for 15.6% of total FDI capital coming into Dubai in 2018



FDI Results 2018

24,727

New Jobs
created*



9th

Global Ranking**



● Source : * Dubai FDI Monitor
** fDi Markets data (captures Greenfield investments only and in comparison to Destination Cities with 10 or more projects)

○ Analysis

Dubai is one of the most attractive destinations in the world to attract global talent. Investments into the Emirate of Dubai contributed to the job market in Dubai in 2018 by **creating a record number of almost 25000 new jobs.**

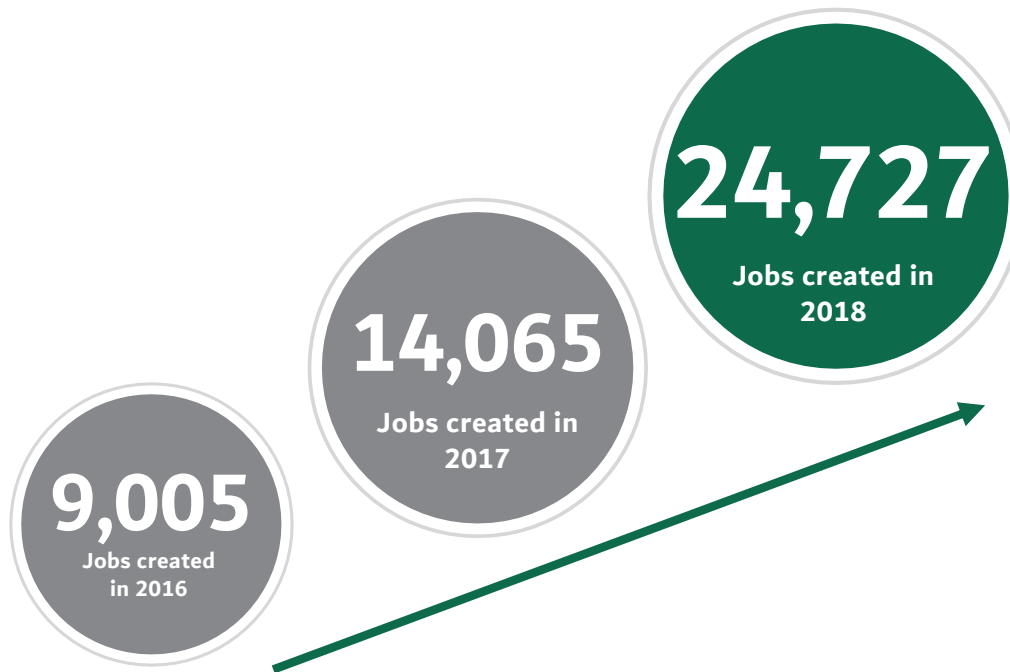
Dubai was **ranked 9th globally** in terms of creating new jobs through Foreign Direct Investment (FDI).

28%

28% of all new jobs created in 2018 were in medium and high technology sectors



Trends



● Source : Dubai FDI Monitor

○ Analysis

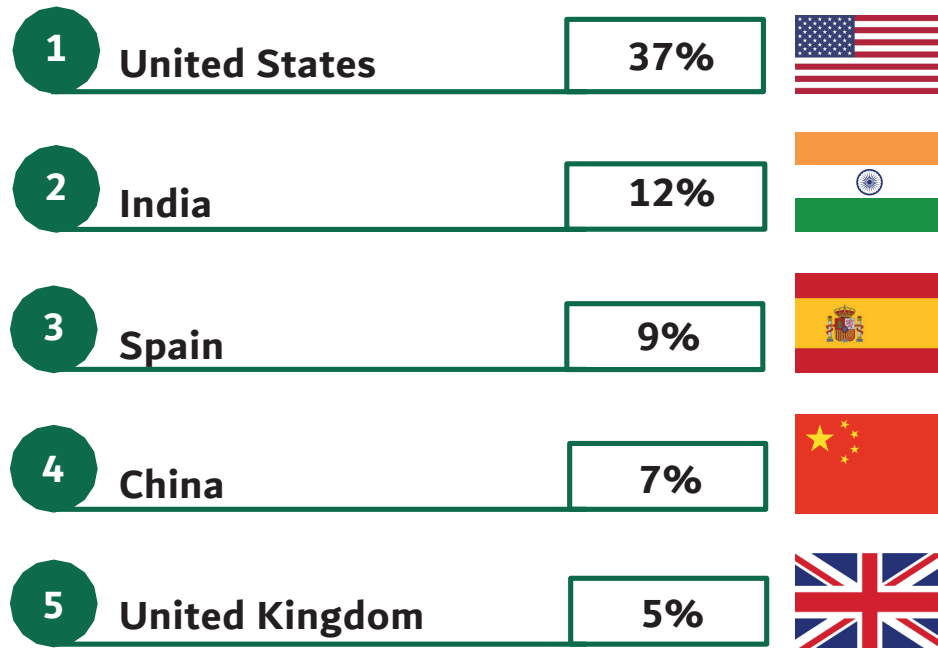
In a three year trend, Dubai's attractiveness as a **leading investment destination** has significantly contributed to create new jobs in the city. FDI is a key driver for the job market and economic growth of the Emirate.

In 2018 Investments into the **Emirate of Dubai** have created three times more new jobs than in 2016.

76%

Investments into the Emirate of Dubai created 76% more jobs in 2018 compared to the previous year

Top 5 Source Countries by Total FDI Capital into Dubai



● Source : Dubai FDI Monitor

○ Analysis

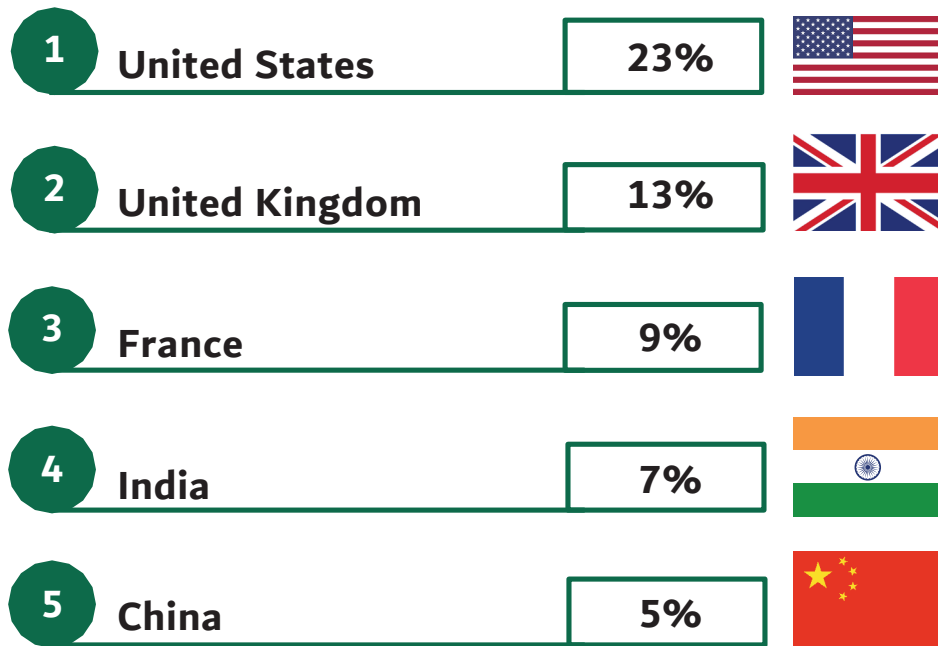
The US is the leading investor in terms of FDI capital. One of the major partner countries of the UAE, India has contributed **12% of all FDI capital** into the Emirate in 2018.

Amongst the top five investors in terms of FDI capital were also Spain, China and the UK.

70%

The top five FDI capital source countries account for 70% of all FDI capital into Dubai in 2018

Top 5 Source Countries by Total FDI Projects into Dubai



● Source : Dubai FDI Monitor

○ Analysis

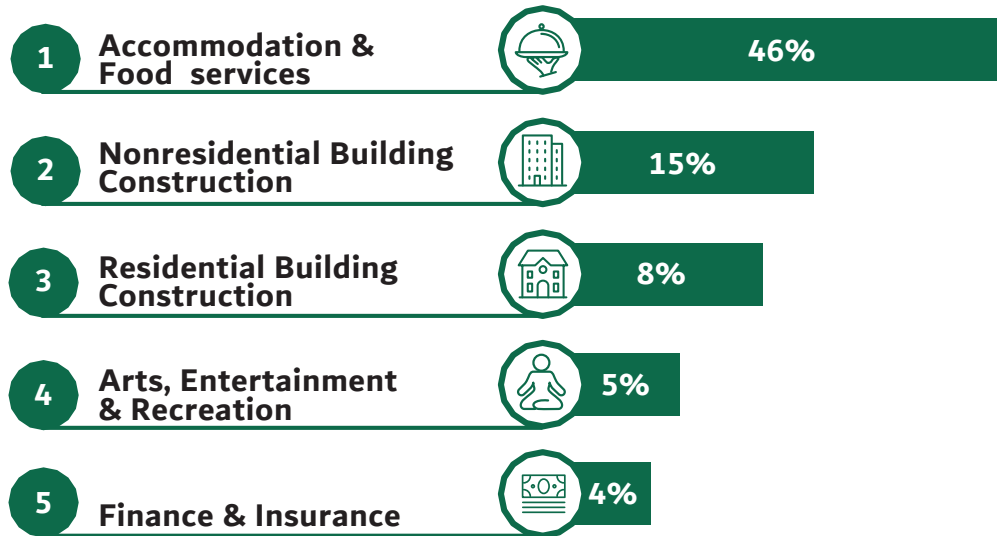
Also in terms of number of investment projects, US is leading the ranking contributing **23% of all FDI projects**. The UK contributed 13%, which will be the last year before BREXIT.

Amongst the top five are also France, and the growth markets India and China.

57%

The top five FDI project source countries account for 57% of all FDI projects in 2018

Top 5 Sectors by Total FDI Capital into Dubai



● Source : Dubai FDI Monitor

○ Analysis

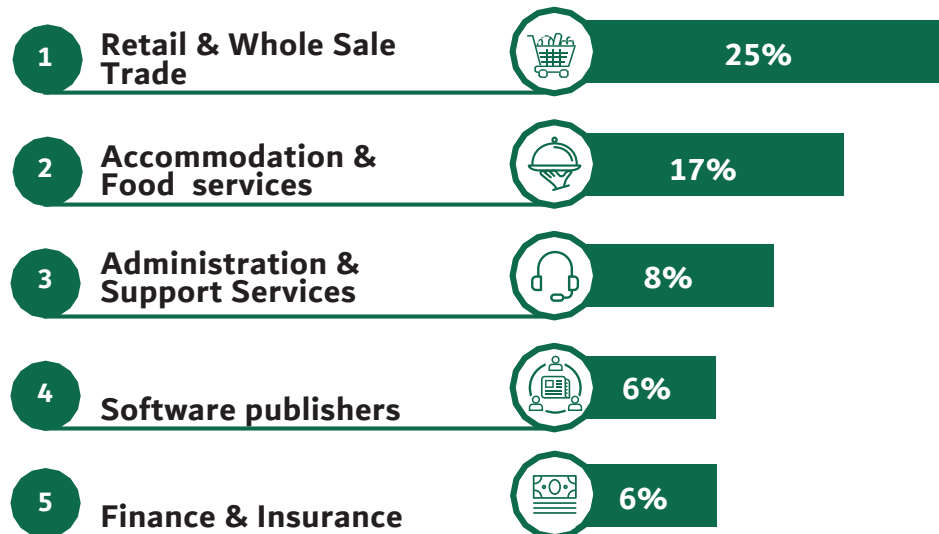
Dubai has once more proven to be solid ground for large-scale investments. The service industry as well as the construction sector of residential and non-residential buildings has dominated the investments in 2018.

Compared to 2017 especially residential buildings have almost tripled the amount of FDI invested. Also Arts, Entertainment & Recreation emerged as one the leading sectors in terms of FDI capital in 2018.

78%

The top five sectors in terms of FDI capital account for 78% of all FDI capital into Dubai

Top 5 Sectors by Total FDI Projects into Dubai



● Source : Dubai FDI Monitor

○ Analysis

Retailers and service based industries remain optimistic on the future perspective of the region with the majority of companies serving the entire region from Dubai with roughly 6.5% of all FDI projects choosing Dubai also to be their regional or operational Headquarters.

62%

The top five sectors in terms of projects account for 62% of all FDI projects into Dubai



FDI Projects Tracking STANDARDS

The Dubai FDI Monitor tracks FDI projects that have 10% or more foreign equity, are categorized into industries following the NAICS classification, recognizing the parent headquarters as the source of investment. FDI projects announcements are qualified through public information or direct confirmation from the investor.



FDI Projects Qualification PROCESS

The FDI Project validation process includes identifying the investor local mailing address, company registration information, recruitment of staff or signing of a lease.



Data Analysis Reporting APPROACH

The Dubai FDI Monitor data analysis reporting is based on percentages and not FDI capital amounts or project numbers of project distribution. This approach provides a high-level view that is consistent with long-term trends, given the variation on both FDI capital and FDI projects numbers that occur during the qualification and validation process.



Strategic Project Classification CRITERIA

The Dubai FDI Monitor report classifies FDI projects on a strategic level based on turnover, size and technology level.

- The project is over \$50Mn in value
- The project is from companies with sales over \$350Mn
- The project is in sectors and sub-sectors with a technology component



First Ever FDI Monitor at City Level with LIVE data has been launched in 2018

www.dubaifdimonitor.ae



PURPOSE

- Accurate and real time reporting on FDI flows, trends and economic impact at your fingertips.
- Customized self-service reports for registered users



BENEFITS

- Provides credible insights on FDI results and performance
- Informs policy and strategy formulation process
- Develop targeted digital services to investors



KEY FEATURES

- FDI tracking & validation
- FDI dashboard
- Investment Map of Dubai
- Interactive Investors and projects database
- Annual Reports Depository



DUBAI FDI MONITOR REPORT

- Annual FDI Results – Highlights Report
- Customized Reports



**For further information,
please contact:**

Mr. Juri Suehrer
juri.suehrer@fdidubai.gov.ae

Mr. Hassan Mohalal
hassan.mohalal@fdidubai.gov.ae

Dubai FDI issues an Annual FDI Results – Highlights Report based on Dubai FDI Monitor data for results and analysis and based on Financial Times - fDi Markets data, used by central banks around the world including UAE Central Bank, especially for overall FDI city rankings across capital flows, number of projects and number of reinvestment projects. The Dubai FDI Monitor data and trend analysis are based on international classification standards (NACIS) as well as International standards and best practices and powered by a proprietary tracking technology, developed by leading FDI technology consultants, WAVTEQ and used by governments around the world, including the US Department of Commerce.

The Dubai FDI Monitor reports are published solely as a service to Dubai FDI stakeholders. Dubai FDI takes reasonable steps to ensure that the service provided is accurate, current and complete. However, please take into consideration that the Dubai FDI Monitor data is updated on real-time, hence this information and analysis may vary based on the date of publishing due to the variation on both FDI capital and FDI projects numbers that occur during the ongoing project qualification and validation process.

The Dubai FDI Monitor LIVE is the latest service, Dubai FDI has launched. It is available 24/7 and an open data platform to access FDI data for the Emirate of Dubai. Dubai FDI Monitor LIVE gives free access to FDI data and allows users to produce customized reports to be downloaded free of charge. It is also the depository for all Dubai FDI reports and available at www.dubaifdimonitor.ae. Should you need further customized reports, Dubai FDI team will strive to provide you with the information upon receipt of your request. Dubai FDI retains the right at our sole discretion to deny requests that do not comply with internal policies and procedure. Customized report and data requests can be submitted to develop@fdidubai.gov.ae.

The Dubai FDI Monitor is not an official statistical data source. For official statistics on FDI stocks in Dubai, please contact: Dubai Statistics Center (<https://www.dsc.gov.ae>). For official statistics on FDI stocks in UAE, please contact: Federal Competitiveness and Statistics Authority (<http://fcsa.gov.ae/en-us>). Data is accurate as of 31st March 2019.



DUBAI FDI

Dubai Investment Development Agency (DUBAI FDI), is an agency of Dubai Economy – Government of Dubai. We develop, promote and support Foreign Direct Investment (FDI) opportunities to facilitate Investors' success, growth and expansion in Dubai, the United Arab Emirates and across regional and international markets.

DUBAI FDI works alongside foreign investors to guide and assist on all aspects of business decisions, from identifying opportunities across key sectors and determining the best legal structure to set up their business by connecting investors to a vast network of government and private sector leaders to enable their growth and expansion.

DUBAI FDI works with multiple stakeholders at national, regional and international level to develop networks and partnerships and advocate policies and strategies with the aim to enhance Dubai's economic sustainability and competitiveness as a pivotal hub in the global economy.

Contact Us



www.dubaifdi.gov.ae



info.fdi@fdidubai.gov.ae



+971 4 4455964, +971 4 4455939



Business Village, Block A, 9th Floor, next to the Clock Tower, Deira, Dubai



08:00 - 15:00 (Sunday-Thursday)



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