

Dubai FDI Annual

Results & Rankings

2020
Highlights
Report



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Leadership Message

Dubai's regional leadership and global prominence in FDI attraction and future economic opportunities for global businesses and start-ups are the fruit of the great vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, that laid solid foundations for Dubai's advantage as the smart and sustainable city of the future, the gateway to regional growth markets and a pivotal hub in the global economy.

Dubai's sustained FDI flows and its leading position in regional and global rankings as a major FDI location in 2020, reflect the continued attractiveness of Dubai's investment environment and the confidence of the investor's community in Dubai's future economic potential. Dubai's success in combating the Covid-19 pandemic and starting the recovery phase in record time, is a testament to our commitment to provide the best investment environment in the world and transform global challenges into new opportunities for growth, driven by technology, innovation and powered by Emirati and global talent, making Dubai the best place to work, live and invest.

“Dubai's regional leadership and global prominence in FDI attraction and future economic opportunities for global businesses and start-ups are the fruit of the great vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum”.

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

Dubai Economy Message

Through the leadership of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE 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, Dubai's economy demonstrates high levels of resilience, diversity, and speed of adoption to changes, supported by world class infrastructure, legislation, and ease of doing business.

Dubai's unparalleled investment environment fundamentals are clearly reflected in the "Dubai FDI Annual Results & Rankings Report 2020". Moreover, the report highlights Dubai's achievements in regional and global rankings as a leading FDI Global City of the Future in 2021-2022. Today, Dubai has become a pivotal hub in the global economy offering growth and expansion opportunities for investors across strategic and future-oriented sectors in financial services, logistics, hospitality, and trade as well as leading Industry 4.0 technologies, accelerating digital transformation across all sectors, industries, and smart city services in Dubai.

"We look forward to support your success, growth and expansion in Dubai, as we move to a new phase of sustainable economic growth and future opportunities, inspired by our leadership vision and enabled by strategic plans and government initiatives, as we get ready to host Expo 2020 Dubai and share new opportunities arising from the 2040 Urban Plan."

H.E Sami Al Qamzi
Director General,
Dubai Economy



Dubai FDI Message

Thanks to Dubai's wise leadership and future readiness, global investors and entrepreneur's realized success and growth in Dubai over the years. The "Dubai FDI Annual Results & Rankings Report 2020" provides unique data-based insights into the FDI flows into Dubai, the success stories that drive investor confidence and the opportunities shaping future economic potential. I encourage you to visit our open data portal (www.dubaifdimonitor.ae) to gain further insights on investors, sectors and explore our latest online services.

"While we take pride in Dubai's achievements as a leading FDI Global City of the Future 2021-2022, we also take inspiration from the hundreds of investors that choose to invest in Dubai to grow their future business sustainably, despite the unprecedented global challenges in 2020."

Setting a new record for Dubai's global market share in Greenfield FDI Projects, attracting 2.1% of all Greenfield FDI projects in 2020 and exceeding the 2% mark for the first time, according to the Financial Times' fDi Markets.

We look forward to lead by example through more Impact FDI projects in partnership with forward-thinking businesses and startups worldwide, to turn global challenges into opportunities for growth, partnership and innovation.



Fahad Al Gergawi
Chief Executive Officer,
Dubai Investment
Development Agency,
(Dubai FDI)

Covid-19 Impact and Global FDI

“Global foreign direct investment (FDI) collapsed in 2020, falling 42% from \$1.5 trillion in 2019 to an estimated \$859 billion”, according to the most recent Global Investment Trends Monitor No. 38, published on 24 January 2021, by The United Nations Conference on Trade and Development (UNCTAD).

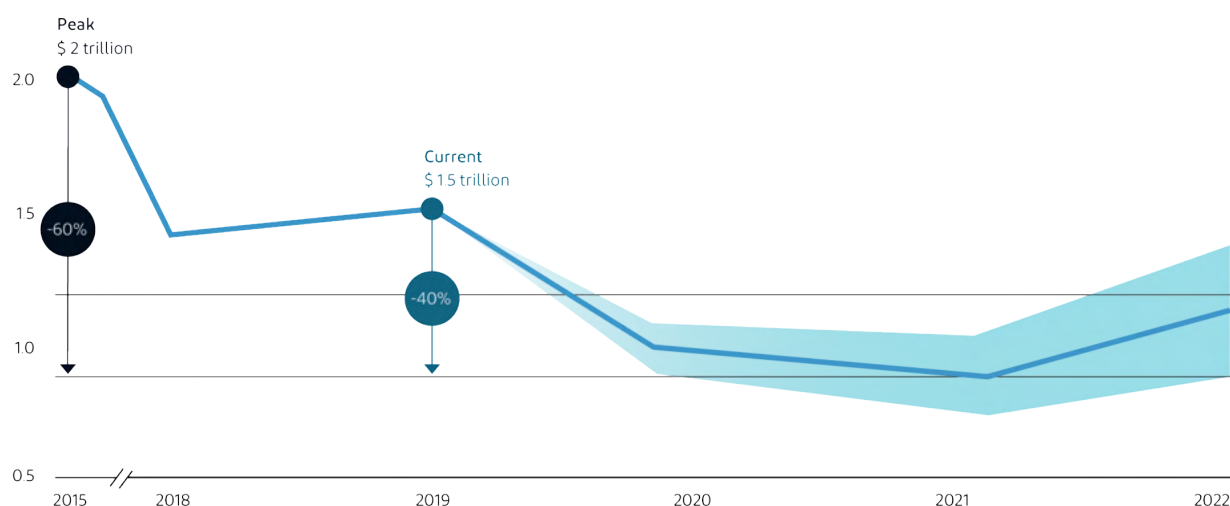
The report further outlined that “... the decline in FDI was concentrated in developed countries, where flows plummeted by 69%, although the overall FDI performance masks a few regional bright spots”, according to UNCTAD. UNCTAD further noted that: “Despite projections for the global economy to recover in 2021, UNCTAD expects FDI flows to remain weak due to uncertainty over the evolution of the COVID-19 pandemic. The organization [UNCTAD] had projected a 5-10% FDI slide in 2021 in last year’s World Investment Report 2020.”

The Director of Investment and Enterprise at the United Nations Conference on Trade and Development (UNCTAD) further stated that, “the effects of the pandemic on investment will linger and investors are likely to remain cautious in committing capital to new overseas productive assets.”

“Uncertainty about the COVID-19 pandemic’s evolution and the global investment policy environment will continue to affect FDI flows in 2021.”

Global Investment Trends Monitor, No. 38, UNCTAD

Global FDI Inflows, 2015-2019 and 2020-2022 Forecast (Trillions of dollars)



Source: Global Investment Trends Monitor, No. 38, UNCTAD, published on 24th January 2021

2020: Dubai's Year of Global FDI Achievements

The "FDI Global Cities of the Future 2021/2022" report, published by fDi Intelligence division of the Financial Times in February 2021, marked new achievements for Dubai in its ambition to be the globally leading FDI destination. The report comprises of comprehensive analysis data from the specialist online tools fDi Markets and fDi Benchmarking in conjunction with inputs from Dubai FDI's qualitative application, reviewed by a distinguished judging panel.

Dubai came 3rd among the top global FDI locations in the overall rankings and ranked 2nd globally in the 'Major Cities for FDI' subcategory as well

as 2nd in 'Economic potential and business-friendly environment'. Dubai also ranked 3rd in the 'connectivity' subcategory. Dubai's achievements highlight and further strengthen Dubai's future readiness and are a key indicator for future investor confidence.

Dubai has also achieved a record global market share in Greenfield FDI Projects, attracting 2.1% of all Greenfield FDI projects in 2020 and exceeding the 2% mark for the first time, according to the Financial Times' fDi Markets, the leading global source of data on Greenfield FDI.

FDI Global Cities of the Future 2021/2022



Source: fDi Intelligence "fDi Global Cities of the Future 2021/22"

FDI Capital Flows into Dubai in 2020



**MENA Greenfield
FDI Capital



**Global Greenfield
FDI Capital

24.7bn
AED

*Total Estimated FDI Capital
(including non-greenfield)

Analysis

Despite the global pandemic's unprecedented negative impact on FDI flows worldwide, Dubai maintained a high level of investor confidence in 2020, with the total estimated FDI Capital flows reaching AED 24.7 billion.

Dubai continued to rank among the top global FDI locations in 2020, ranking 1st in the Middle East & North Africa region (MENA) and 4th globally in attracting Greenfield FDI Capital, according to the Financial Times' fDi Markets, the leading global source of data on Greenfield FDI.

Sources: *Dubai FDI Monitor **fDi Markets

FDI Projects into Dubai in 2020



****MENA Greenfield
FDI Projects**



****Global Greenfield
FDI Projects**

455

***Total announced FDI Projects
(including non-greenfield)**

Analysis

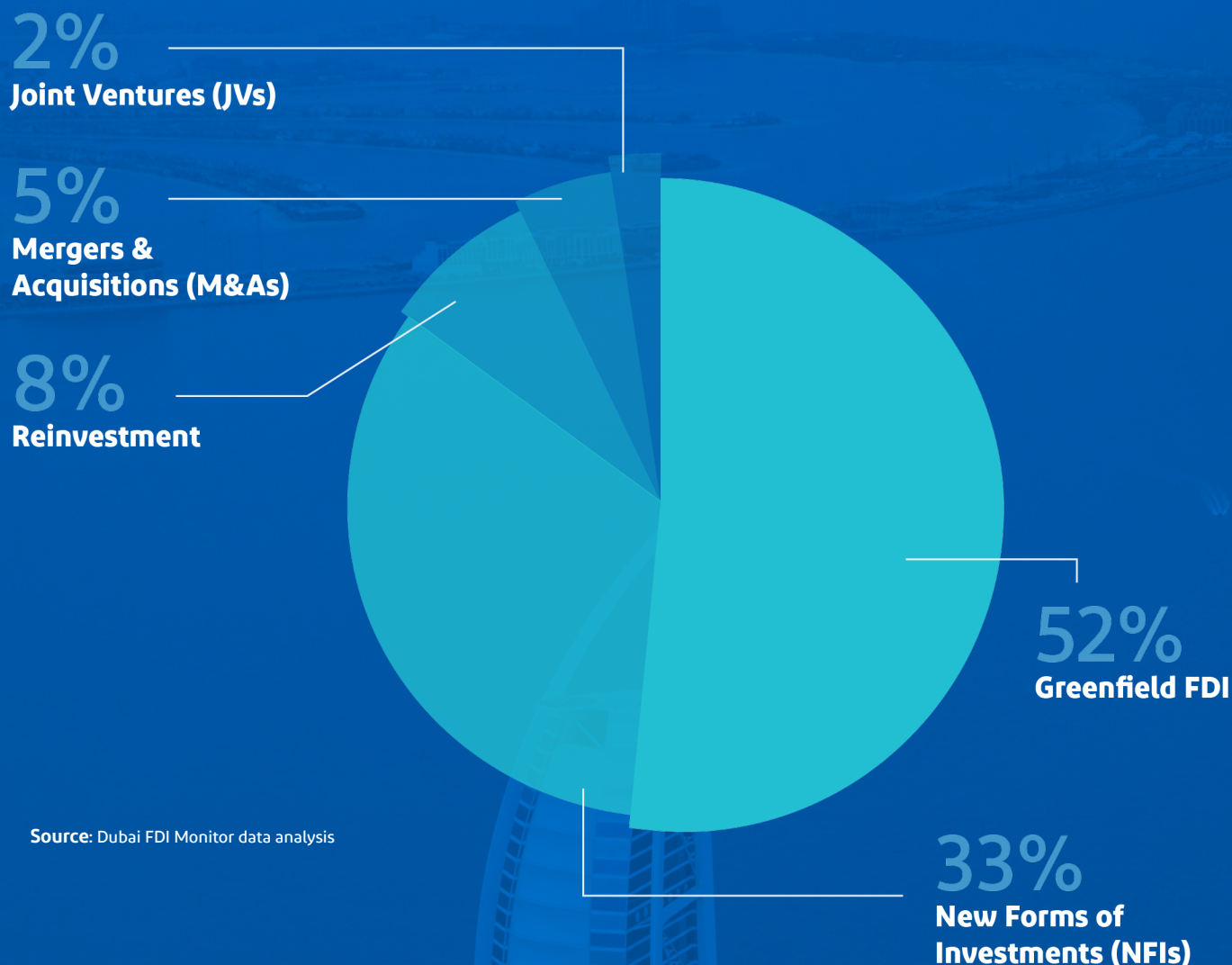
Total announced FDI projects into Dubai reached 455 in 2020, exceeding the annual average of 441 FDI projects over the past five years. The number of FDI projects into Dubai during 2020 reaffirms Dubai's strong FDI location fundamentals as well as its economic resilience, sectoral diversity and FDI future readiness.

Dubai continued to lead regional and global FDI locations in facilitating global business growth and expansion, ranking 1st in the Middle East & North Africa region (MENA) and 3rd globally in attracting Greenfield FDI projects, according to the Financial Times' fDi Markets, the leading global source of data on Greenfield FDI.

Sources: *Dubai FDI Monitor **fDi Markets

FDI Projects into Dubai in 2020: Analysis

Announced FDI Projects by Investment Type in 2020



Source: Dubai FDI Monitor data analysis

Analysis

With more than 50% of all announced FDI Projects into Dubai classified as Greenfield FDI, Dubai's advantage as the smart and sustainable city of the future, the gateway to regional growth markets and the global business hub were clearly demonstrated in 2020, despite the stringent measures taken to combat the global pandemic.

33% of announced FDI projects in 2020 were classified as New Forms of Investment (NFI), also referred to as non-equity modes (NEM) of investments, a market entry form that demonstrates 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.

Re-Investment FDI Capital and Projects in 2020

Dubai Reinvestment FDI Capital



**MENA Reinvestment
FDI Capital



**Global Reinvestment
FDI Capital

**1.6 bn
AED**

*Total estimated FDI Capital

Dubai Reinvestment FDI Projects



**MENA Reinvestment
FDI Projects



**Global Reinvestment
FDI projects

36

*Reinvestment FDI Projects

Sources: *Dubai FDI Monitor **fDi Markets

Analysis

For the first time since 2016, FDI Capital from Re-Investment Projects reached AED 1.6 billion in 2020, exceeding the one billion AED mark, where Dubai has averaged AED 0.89 billion, in FDI Capital from Re-Investment Projects, year on year as per data from Dubai FDI Monitor.

Dubai ranked 1st in the Middle East & North Africa region (MENA) and 11th globally in Reinvestment FDI Capital. Dubai also ranked 1st in the Middle East & North Africa region (MENA) and 4th globally in Reinvestment FDI projects, according to the Financial Times' fDi Markets, the leading global source of data on Greenfield FDI.

Venture Capital FDI Flows into Dubai-based Start-Ups in 2020



MENA Global Venture
Capital FDI Flows in 2020



Global Venture Capital
FDI Flows in 2020

2.36 bn
AED

*Total estimated Venture Capital
FDI Flows into Dubai-based Start-Ups

Analysis

Dubai's dynamic innovation and entrepreneurship ecosystem has attracted a significant amount of Venture capital FDI capital. Dubai-based start-ups attracted an estimated AED 2.36 billion in FDI Capital through 31 investment deals in 2020, according to data from MAGNiTT, a Dubai-based firm, which captures and analyzes startup funding information. Dubai ranked 1st in the Middle East & North Africa region (MENA) and 11th globally, according to the "Global Venture Capital FDI 2020" report by fDi Intelligence.

Data from MAGNiTT reveals that 94% of funding for Dubai based start-ups in 2020 came from international investors, while only 6% were local investments, highlighting the affluence of Dubai's global start-up scene. It is notable that the largest exit in the Middle East & North Africa region (MENA) in 2020, was from Dubai-based start-up; Instashop (\$360m) was acquired by Delivery Hero and the merger of Dubai-based start-up EMPG (\$150m) with OLX group.

Source: *Dubai FDI - MAGNiTT data

FDI New Job Creation in Dubai in 2020



****MENA new jobs created
through FDI in 2020**



****Global new jobs created
through FDI in 2020**

18,325

***Estimated new jobs created
through FDI in 2020**

Analysis

Despite the challenges of the global pandemic in 2020, Dubai was able to strengthen its position as a global economic and financial hub. Multinational corporations, benefit from Dubai's advantageous geographical position, thriving business ecosystem and quality of life to establish their regional headquarters in Dubai, creating new jobs and attracting global talent to live and work in Dubai.

In 2020, FDI into Dubai created an estimated 18,325 new jobs. A total of 57% of these new jobs were created in High-Tech and Medium-Tech sectors according to Dubai FDI Monitor data.

Dubai ranked 1st in the Middle East & North Africa region (MENA) and 6th globally in creating new jobs through Greenfield FDI in 2020, according to the Financial Times' fDi Markets, the leading global source of data on Greenfield FDI.

Source: *Dubai FDI Monitor **fDi Markets

FDI Projects in 2020: Strategic Level

57%

***Strategic projects share of total FDI projects in 2020**

Source: Dubai FDI Monitor

Analysis

The share of Strategic FDI projects reached 57% of all announced FDI projects in Dubai in 2020, which further strengthens the foundation for Dubai's sustainable economic development. These investments accounted for 91% of the estimated FDI Capital flows reaching a record AED 22.5 billion.

Dubai government's strategic plans and accelerated future readiness have especially attracted strategic FDI into high and medium tech sectors in 2020, as 76% of all strategic FDI projects in 2020 were high and medium tech with a total of AED 11.2 billion in Estimated FDI Capital.

FDI Projects in 2020: Technology Level

56%

*** High and Medium-Tech projects share of total FDI projects in 2020**

Source: Dubai FDI Monitor

Analysis

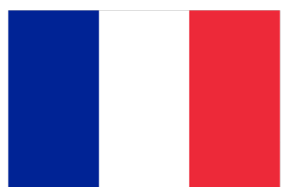
The global pandemic has accelerated digital transformation and adoption of the latest technologies and innovation across multiple industries and economic sectors.

Dubai recorded a significant increase in High and Medium-Tech FDI Projects in 2020, reaching a 56% share of the total FDI projects in 2020. High and Medium Tech projects share of FDI reached AED 12.1 billion in 2020, with AED 9.9 billion allocated to High-Tech FDI projects.

Top 5 Source Countries: FDI Capital into Dubai in 2020



21%
USA



16%
France



11%
Japan



7%
UK



6%
Germany

Analysis

The top 5 source countries accounted for AED 14.8 billion or 60% of the total estimated FDI capital flows into Dubai in 2020.

The United States maintained its position as the leading source country for FDI into Dubai with 21% of the total estimated FDI capital. France accounted for 16%, followed by Japan with 11% of all investments.

The traditionally strong FDI source markets UK and Germany ranked 4th and 5th with 7% and 6% of the total estimated FDI capital respectively.

Source: Dubai FDI Monitor

Top 5 Source Countries: FDI Projects into Dubai in 2020



22%
USA



14%
UK



6%
France



6%
India



4%
Netherlands

Analysis

The top 5 source countries for FDI projects into Dubai accounted for 52% of the total announced FDI projects in 2020.

The United States also led the ranking in terms of Top 5 source countries for FDI Projects into Dubai with 22% of all announced FDI projects. UK was ranked 2nd with 14% of all FDI projects, followed by France and India, with both 6%. Netherlands ranked 5th with 4% of all FDI projects in 2020.

Source: Dubai FDI Monitor

Top 5 Sectors: FDI Capital into Dubai in 2020



40%

**Accommodation
& Food services**



13%

Electric power generation



8%

Other information services



4%

**Healthcare
& Social Assistance**



4%

Retail & Wholesale Trade

Analysis

The top 5 sectors accounted for 69% of the total estimated FDI capital flows into Dubai in 2020.

The Accommodation & Food Services sector led the top 5 sectors with a dominant share of 40% of the total estimated FDI capital in 2020, followed by the Electric Power Generation with a 13% share, and Other Information Services with 8% share.

Healthcare & Social Assistance, a major driver of FDI in 2020 ranked 4th with 4% share of the total estimated FDI capital in 2020, followed by traditionally strong Retail & Wholesale Trade sector with 4% share.

Source: Dubai FDI Monitor

Top 5 Sectors: FDI Projects into Dubai in 2020



18%

**Accommodation
& Food services**



14%

Retail & Wholesale Trade



10%

Software publishers



6%

Finance & Insurance



6%

Management of companies

Analysis

The top 5 sectors accounted for 54% of the announced FDI projects into Dubai in 2020.

The Accommodation & Food Services sector accounted for 18% share of all announced FDI projects, followed by Retail & Wholesale Trade with 14% share. Software publishers ranked 3rd with a 10% share, followed by Finance & Insurance as well as Management of companies, each recording a 6% share of the announced FDI projects.

Source: Dubai FDI Monitor

ABOUT THIS REPORT

Dubai FDI Monitor

The Dubai FDI Monitor, has been developed by the Dubai Investment Development Agency (Dubai FDI), as part of a commitment to achieve the objectives of Dubai Plan 2021 and provide a new generation of innovative and smart services to investors, policy makers and FDI professional service providers in Dubai and the region.

new standard among investment promotion agencies in the world, driving adoption of similar initiatives across countries and cities and named a global best practice for innovation in investment promotion.

Dubai FDI continues to develop Dubai FDI Monitor, introducing new smart services and features to provide real-time data and insights to support investors success, growth and expansion.

ts - NFIs, investment project is firm but is with a foreign high level d contribu s, turn-key contracting, agreements

Dubai FDI also reports on Dubai's global rankings based on data and analysis by Financial Times' fDi Markets, and its specialised tools and reports, fDi Benchmark & 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.

Dubai FDI Monitor Methodology

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 Tracking: Process

The process includes identifying the investor, gathering information, recruitment of local partners, and monitoring the project's progress.

FDI Project Classification: Criteria

FDI Monitor report classifies FDI projects on a strategic level based on their size and technology level. The criteria are as follows:

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

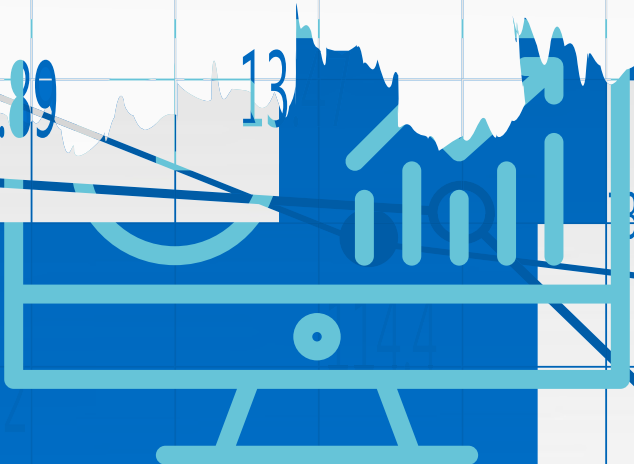
Use of this Report

Dubai FDI issues an Annual FDI Results and Rankings – 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.

Dubai FDI takes reasonable steps to ensure that the Dubai FDI Monitor data is updated on real-time, accurate and current. Please take into consideration hence that some data 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 Data published in this report is accurate as of 10th March 2021.

The Dubai FDI Monitor is not an official 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.fcs.gov.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



Acknowledgements

On behalf of the Dubai Investment Development Agency (Dubai FDI), an agency of the Department of Economic Development, Government of Dubai, I would like to thank our partners for their significant contribution in compiling this report and providing valuable insight and FDI data analysis, namely our trusted technology partner and advisors WAVTEQ and Magnitt, our Dubai – based partner and regional leaders in capturing FDI into Start-ups data.

I would like to recognize the tremendous efforts of the Dubai FDI team behind the Dubai FDI Annual Results & Rankings Reports and open data services led by Hassan Mohalal, Director of Investment Development Department, Juri Suehrer, the Program Manager and Bhumi Sagar, the Program specialist and coordinator.

Fahad Al Gergawi
CEO, Dubai FDI

About Dubai FDI

Dubai Investment Development Agency (Dubai FDI), an agency of Dubai Economy- Government of Dubai. Dubai FDI develops, promotes and supports Foreign Direct Investment (FDI) opportunities to support investor success, growth and expansion in Dubai and across regional and global markets.

Dubai FDI offers the investor community a host of services to increase the awareness of Dubai's strategic advantages as a city of the future, gateway to regional growth markets and its growing role as a pivotal hub in the global economy and a preferred global FDI destination. Dubai FDI's advisory services and aftercare are offered to potential and existing investors to establish or expand business ventures in Dubai's thriving economy.

Dubai FDI services include as well the provision of specialised information, FDI data and strategic capacity building and readiness programs serving the entire FDI stakeholders in Dubai as well as Dubai FDI strategic partners worldwide.

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



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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

Dubai FDI Monitor Reports

- Annual FDI Results – Highlights Report
- Customized Report

