



DUBAI ANNUAL FDI RESULTS



2016

Highlights Report



Dubai's foreign direct investment (FDI) positive results for the year 2016, is an important milestone as we move forward towards the realization of the UAE National Agenda 2021 and Dubai Plan 2021 goals. Despite an increasingly challenging global and regional economic conditions, Dubai has continued to gain global investors' trust and sustained its leading position among top global cities, ranking 7th in terms of FDI capital inflow. Moreover, Dubai has reaffirmed its leading global position climbing from 4th position in 2016 to rank 3rd globally, in terms of number of FDI projects, a further proof of Dubai's diversified economy and thriving investment ecosystem.

This achievement is a testament of the wise vision 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. It also demonstrates the success of the Dubai's strategic plans, leading initiatives and growing role as a pivotal hub in the global economy.

Wishing you a prosperous and profitable 2017.

H.E. Sami Al Qamzi

Director General
Dubai Economy



In 2016, Dubai has continued to lead the region and sustain its top rankings among leading global cities in foreign direct investment (FDI) performance, thanks to a wise leadership vision and a drive to shape the future. The Dubai FDI Monitor results reflect the positive impact of these strategic enablers as well as the role of the growing pipeline of world class infrastructure projects in Dubai, EXPO 2020 Dubai as well as an increased connectivity and market access to a third of the world's population across the Middle East, Africa and Asia.

The Dubai FDI Monitor results also explain how FDI flows are contributing to a growing investment ecosystem in sub-economic sectors; namely: the knowledge, digital and creative economies. The rise in Research, Development and Innovation projects along with the high-level technology component in most FDI projects is a further testament to Dubai's success in attracting strategic sustainable investments.

Moving forward, Dubai Investment Development Agency (DUBAI FDI), is committed to provide the investors, partners and stakeholders worldwide, with the insights and analysis needed to build their business case and drive future success, growth and expansion in regional and global markets. To this end, Dubai FDI Monitor will add two new features in 2017; the first, an interactive map with updated investment projects in Dubai and the second, a record and analysis of Merger & Acquisition deals.

On behalf of DUBAI FDI, I would like to extend our appreciation to investors in Dubai for their support that has made the Dubai FDI Monitor report possible and wish you all the best in 2017.

Thank you

Fahad AlGergawi
Chief Executive Officer
DUBAI FDI



25.5

AED Billion

7thGlobal
Ranking

Analysis

Dubai has continued to gain global investors' trust in 2016, attracting a total of AED 25.5 Billion in FDI capital, to sustain its leading position among the top global city destinations of FDI capital .

Dubai ranking has moved from 6th in 2015 to 7th in 2016 in total FDI capital inflows, , due to an exponential growth of FDI into Ho Chi Minh and Guangzhou, pushing both cities to rank 2nd and 3rd respectively.

Singapore ranked 1st, followed by London 4th, New York 5th and Shanghai 6th, while Rangoon, Paris and Hong Kong ranked 8th 9th and 10th respectively.

● Source : Financial Times - fDi Markets Data & Dubai FDI Monitor analysis



247

Total No.
of Projects3rdGlobal
Ranking

TYPE OF INVESTMENT PROJECTS



88.5%

Greenfield



10%

Reinvestment



1.5%

*NFI



Analysis

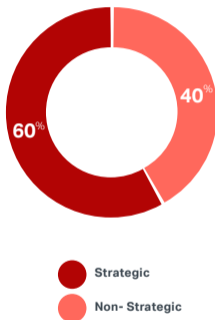
Dubai has firmed its leading global position in terms of number of FDI projects with 247 projects tracked in 2016.

Dubai's position has improved in the global ranking from 4th position in 2015 to rank 3rd in of number of FDI projects after London and Singapore.

*New Forms of Investment (NFI)

Foreign companies may choose New Forms of Investment (NFIs) and non-equity- modes for market entry. Although data tracked remains very limited at this stage, NFIs in Dubai reflect the economic maturity of the domestic economic base. As more small and mid-sized companies grow, they create momentum for NFIs such as : Joint Ventures, strategic partnerships , alliances, sub-contracting, license arrangements and Mergers & Acquisitions .

● Source : Financial Times - fDi Markets Data & Dubai FDI Monitor analysis

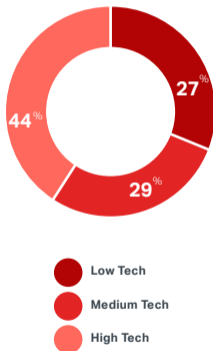
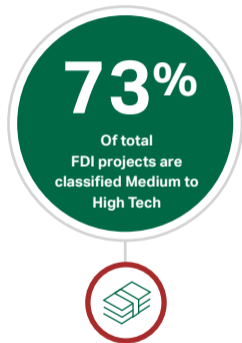


○ Analysis

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



● Source : Financial Times - fDi Markets Data & Dubai FDI Monitor analysis

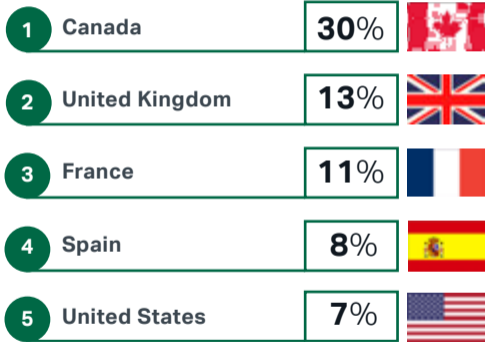


Analysis

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.



Source : Financial Times - fDi Markets Data & Dubai FDI Monitor analysis



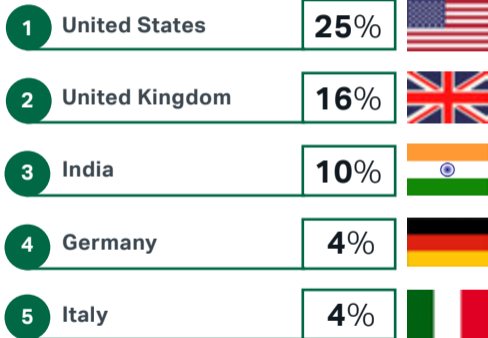
● Source : Dubai FDI Monitor analysis

○ Analysis

Dubai has continued the trend of attracting FDI from leading industrial countries. The largest capital investment in 2016 came from Canada, UK, France, Spain and the US, compared to 2015 where the main source countries were KSA, US, UK, India, and Germany.

69%

The top five FDI capital source countries by Capex account for 69% of total inward investment



● Source : Dubai FDI Monitor analysis

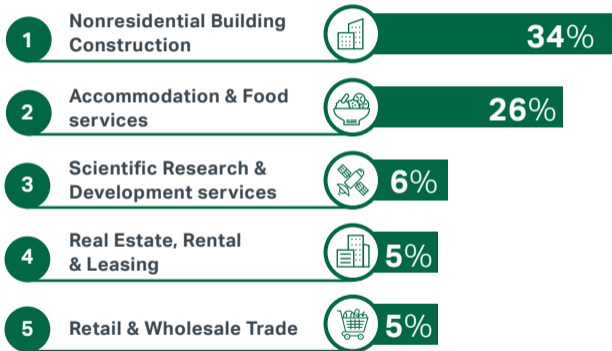
○ Analysis

The largest number of projects in 2016 came predominantly from the same source countries as 2015, including US, UK, India, Germany.

Italy emerged in the top 5 source countries in 2016 to replace Switzerland, with projects representing 4% of the total for the year, compared to 1% in 2015.

59%

The top five FDI projects source countries account for 59% of total projects



● Source : Dubai FDI Monitor analysis

○ Analysis

The top sectors by FDI Capital in 2016 have shifted from Power generation and distribution, Management of companies, Chemical manufacturing to R&D, Real Estate and Trade while Non-residential construction and Accommodation & Food services remained in the top 5 sectors.

76%

Of FDI Capital in 2016 is generated by 8.5% of the total projects



● Source : Dubai FDI Monitor analysis

○ Analysis

Scientific research and development services emerged in the top 5 sectors to replace Management of companies & enterprises

5% Scientific Research & Development Services grew to a 5% share of total FDI projects compared to 1% in 2015

49% Of FDI projects are concentrated in the top 5 sectors



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 percentage and not FDI capital amounts or project numbers of projects 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 sectors and sub-sectors with a technology component.



First Ever FDI Monitor at a City Level



PURPOSE

Accurate and real time reporting on FDI flows , trends and economic impact



BENEFITS

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



KEY FEATURES:

- FDI tracking
- FDI validation
- Investors and projects database



DUBAI FDI MONITOR REPORTS

- Annual FDI Results – Highlights Report
- Quarterly FDI Performance – Trends Report

مؤسسة دبي
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The Dubai FDI Monitor issues an Annual FDI Results – Highlights Report and quarterly FDI Trend Analysis Reports based on Financial Times - fDi Markets data, used by central banks around the world including UAE Central Bank and for Dubai FDI Monitor data and trend analysis.

DUBAI FDI MONITOR data and trend analysis are based international classification standards (NACIS) and 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 on going project qualification and validation process.

The Dubai FDI Monitor provides information and trend analysis reports on FDI capital flows and projects to Dubai. The reports are available on Dubai FDI website (www.dubaifdi.gov.ae) and are free to download. Should you need a customized report , Dubai FDI team will strive to provide you with the information upon receipt of your request. Dubai FDI retain the right at our sole discretion to deny requests that do not comply with internal policies and procedure.

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>).



DUBAI FDI

Dubai Investment Development Agency (DUBAI FDI), is an agency of the Department of Economic Development (DED) – 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.

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