



DUBAI FDI MONITOR



2017

REPORT

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“ DUBAI FDI MONITOR reinforces Dubai’s global leadership as the first city in the world to introduce regular FDI results and trends using state-of-the-art data monitoring and analytics technologies to deliver a smart and reliable service to the global investor community. ”

His Highness Sheikh Hamdan Bin Mohammed Bin Rashid Al Maktoum
Crown Prince of Dubai, Chairman of Dubai Executive Council



H.E. Sami Al Qamzi
Director General
Dubai Economy

Despite the global downturn in foreign direct investment (FDI) flows in 2017, total FDI into Dubai during the year increased by more than 7% compared to 2016. In addition, Dubai has continued to rank among the top 10 global FDI destinations, according to fDi Markets data, ranking 4th in total number of projects, 10th in total capital flows, and 5th in reinvestment in expansion and co-location projects. These remarkable achievements are a true testament to the global investor community's confidence in Dubai's economic sustainability, its thriving business environment, and its growing role as a pivotal hub in the global economy.

We are proud of these achievements that reflect Dubai Economy's successful drive towards a stronger, more diversified, sustainable and competitive economy under the leadership 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. Dubai Economy is on track to reach the targets set out in the UAE National Agenda 2021, and Dubai Plan 2021.

We look forward to further supporting to the investor community in Dubai, as they grow and expand their successful businesses and wish you a prosperous year in 2018 and beyond.

Thank you

**Fahad AlGergawi**

Chief Executive Officer
Dubai Investment Development Agency
(DUBAI FDI)

Dubai continued to attract foreign direct investment (FDI) from leading global businesses across key strategic sectors and growth industries, thanks to our wise leadership's vision and the commitment of the Government of Dubai to realizing the strategic goals of Dubai Plan 2021. Importantly, Dubai has successfully maintained its leading position as a preferred global FDI destination in 2017.

We are proud of the collective efforts that shape the investor experience in Dubai and the investor community confidence, which has sustained Dubai's position among the top 10 cities globally in FDI capital flows, projects and reinvestment as reported in fDi Markets' global rankings. The Dubai FDI Monitor data also reflects the positive impact of strategic FDI projects in Dubai and the growing role of start-ups, new business models, and innovation in increasing the flow of new forms of investments (NFIs) into Dubai, a trend that underlines the increasing market maturity, global connectivity and diversity of investment opportunities in Dubai today.

In 2018, Dubai Investment Development Agency (DUBAI FDI), is proud to introduce to the investors' community and our partners worldwide, new and unprecedented digital services. Both DubaiFDIMonitor.com and Dubai Advantage.com will be launched this year, bringing live data analytics, up to date information, market insights and investment opportunity briefs to your fingertips, as and when you need it. The new services are fully dedicated to make Dubai as the city of the future, the gateway to regional growth markets and the global business hub.

Wishing you another year of outstanding results and success!

Thank you



27.3

AED Billion*

10th

Global Ranking**



Analysis

While global FDI flows experienced a downturn in 2017 the total FDI capital flows into Dubai have increased by more than 7% compared to the previous year, with a total of AED 27.3 Billion of FDI capital flows tracked by Dubai FDI Monitor.

Dubai has also continued to rank among the top 10 global FDI destinations, according to fDi Markets data, greenfield FDI projects only, ranking 10th in total capital flows globally.

Source :

* Dubai FDI Monitor

** fDi Markets Data (captures Greenfield investments only)

** fDi rankings exclude interstate flows



367
Total No.
of Projects*

4th
Global
Ranking**

TYPE OF INVESTMENT PROJECTS



Analysis

In terms of number of FDI projects, Dubai attracted a total of 367 projects, an increase of almost 50% compared to 2016.

Dubai ranked 4th globally and Dubai is especially attractive in terms of Reinvestments. According to the fDi Reinvestment Ranking 2018 by fDi Intelligence, Dubai ranks 5th globally in terms of expansion and co-location reinvestment projects.

5th

in Reinvestments
globally

**Dubai ranked 5th globally for
Expansion and co-location
reinvestments**

Source:

* Dubai FDI Monitor

** fDi Markets Data (captures Greenfield investments only)

** fDi rankings exclude interstate flows



● Source :
* fDi Markets- fDi Reinvestment Ranking 2018 Report
* fDi rankings exclude interstate flows
** Dubai FDI Monitor

Reinvestment Trend**



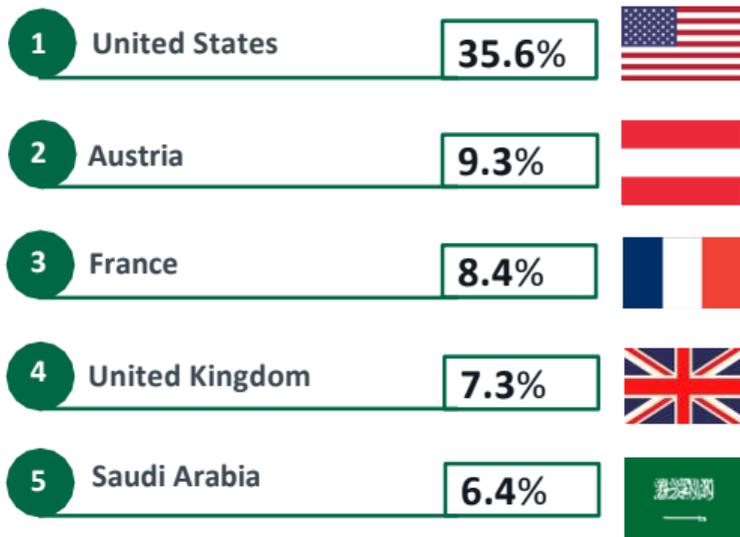
Trend Analysis

In a strong indication of investor confidence in Dubai's business environment, Dubai has ranked 5th globally in terms of expansion and co-location reinvestment projects, according to the fDi Reinvestment Ranking 2018 report by fDi Intelligence.

Compared to 2016, Dubai was able to attract 23.5% more reinvestments projects according to Dubai FDI monitor data.

+23.5%

Dubai attracted almost 25% more reinvestment in 2017 compared to the previous year



Source : Dubai FDI Monitor analysis

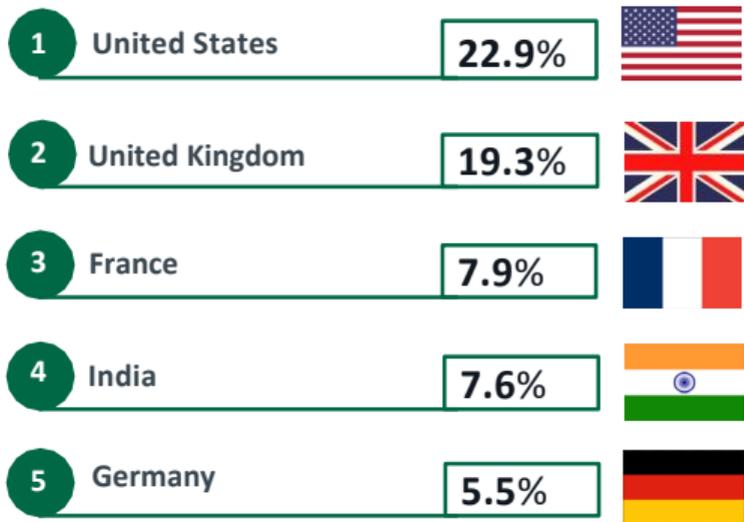
Analysis

The United States has reclaimed the top spot of FDI capital source countries with the highest share of FDI Capital being deployed into Dubai in 2017.

American investors deployed 33.8% of the total US FDI capital flows in construction related projects.

67%

The top five FDI capital source countries account for 67% of all FDI into Dubai and 52.3% of all FDI projects



● Source : Dubai FDI Monitor analysis

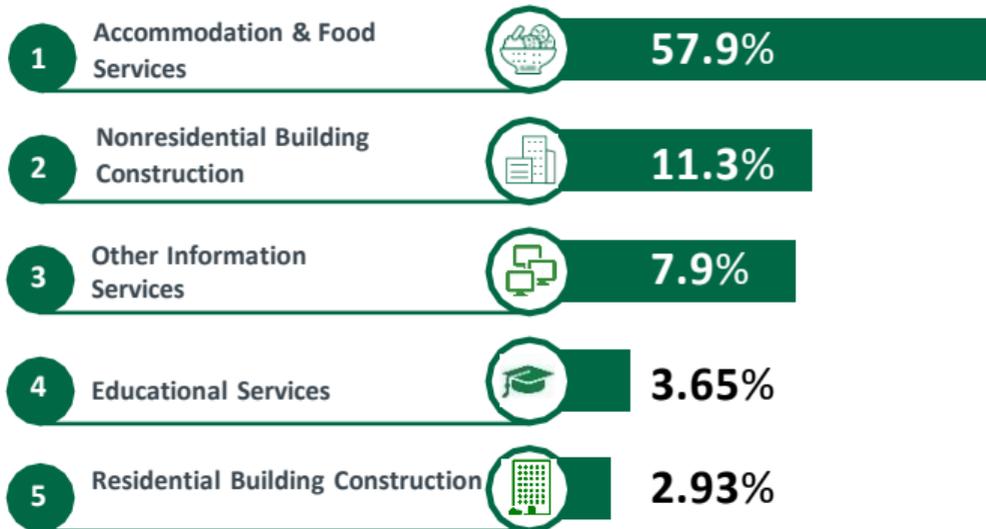
○ Analysis

The top five FDI projects source countries in 2017 remained almost the same compared to last year, with the exception of Italy dropping out of the top five, and France moving into third place.

The top five FDI projects source countries accounted for 40% of all high and medium tech projects coming into Dubai in 2017.

63%

The top five FDI projects source countries account for 63% of all FDI projects and 53.7% of all FDI capital coming into Dubai



Source : Dubai FDI Monitor analysis

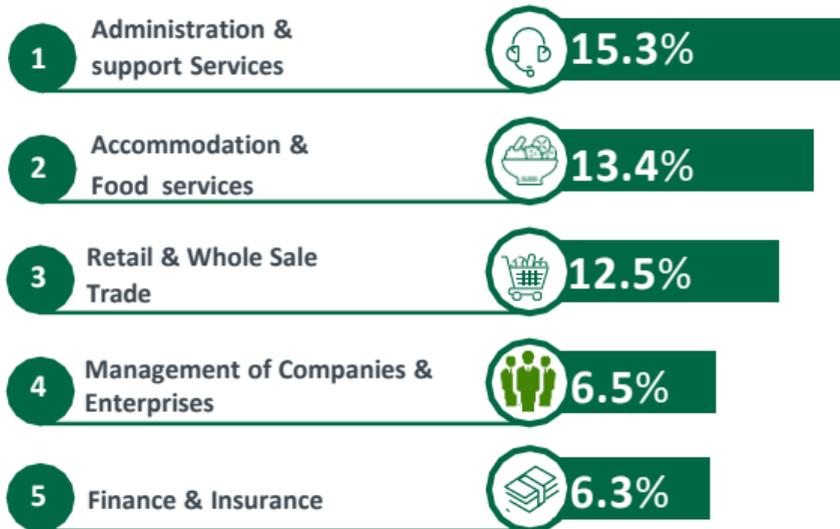
Analysis

The diversity of FDI capital flows into Dubai has increased in 2017 compared to the previous year, despite the clustering of FDI over a few projects, where 76% of FDI capital was generated by only 8.5% of total projects.

The construction industry is the top performing project function for 2017, along with the substantial growth of "other information and educational services" the project function. The two categories combined account for a total of 11.5% (AED 3.15 Bn) of FDI capital flows into Dubai and are primarily focused on the Education & Training facilities and Technical services and testing activities.

84%

The top five FDI sectors in terms of capital account for 84% of all FDI capital into Dubai and 22% of all FDI projects.



Source : Dubai FDI Monitor analysis

Analysis

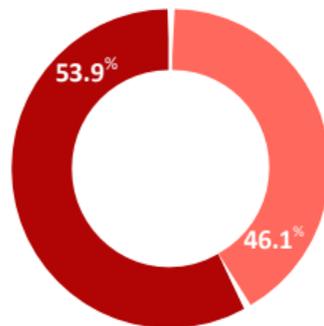
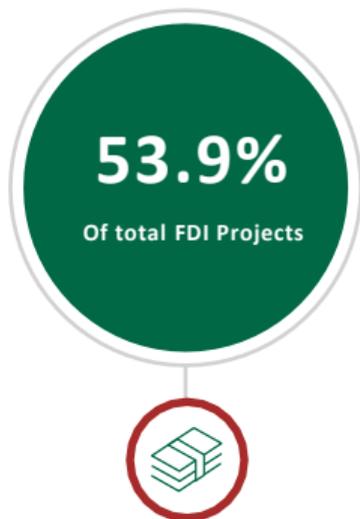
Retailers and service based industries remain optimistic on the future perspective of the region with the majority of companies serving the entire region from Dubai with roughly 6.5% of all FDI projects choosing Dubai also to be their regional or operational Headquarters.

54%

The top five sectors in terms of FDI projects account for 54% of all projects and 63% of all FDI capital coming into Dubai.



Strategic FDI Projects



Source : Dubai FDI Monitor analysis

Analysis

Dubai continued to attract strategic FDI projects in 2017 characterized by large capital deployment from leading global companies with high technology component.

The Dubai FDI Monitor tracking methodology classifies strategic level of FDI projects' based on the size of investment, business turnover and technology level.





2013-2017 fDi Benchmark Study*



**First in FDI Technology Transfer
for AI & Robotics**



Top Location for AI & Robotics

● Source : * fDi Markets Data (fDi Benchmark Study)

 Study Analysis

Dubai ranked third on the Top Location for AI & Robotics After Singapore and Shanghai and outranking leading global tech hubs.

Dubai ranked first in FDI Technology Transfer for AI & Robotics which measures the extent to which FDI brings new technology to a location.

Of all locations in the analysis, Dubai has the highest level of FDI specialization in electronic components, in ICT and electronics, and in architectural, engineering and related services.

Methodology

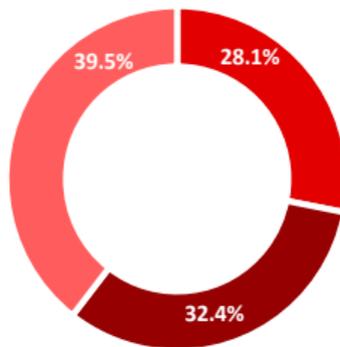
To compile the list of locations for this study, fDi Intelligence, a data division of the Financial Times, looked at the FDI data between January 2013 and December 2017 compiled by fDi Markets. Cities with more than 20 FDI projects in several subsectors were included. Data was then collected from fDi Benchmark for the locations included and added to the weighting model.



Technology Level

60.5%

Of total FDI Projects
are medium or high
tech



Source : Dubai FDI Monitor analysis

Analysis

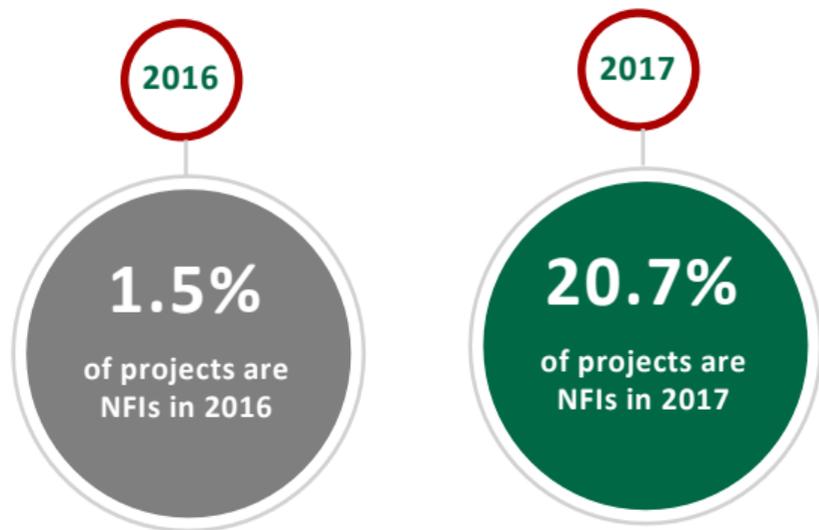
The Dubai FDI Monitor report classifies FDI projects on technology level based on the sector, sub-sector and activities of the projects and in line with OECD, EU and BEA definitions.

21.8%

Total high & medium tech projects
accounted for 21.8% of total FDI
capital coming into Dubai for 2017



New Forms of Investments - Growth Trend



Source : Dubai FDI Monitor analysis

Trend Analysis

Foreign companies may choose New Forms of Investment (NFIs) and non-equity- modes for market entry. NFIs in Dubai reflects 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, licensing agreements and Mergers & Acquisitions.

In 2017, already one out of five projects was a NFI investment, compared to 2016 where only 1.5% of projects were NFI, an increase of 1380%.



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 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 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 the
- Informs policy and strategy formulation process Develops targeted
- Develop 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



For further information

Contact



Juri Suehrer

juri.suehrer@fdidubai.gov.ae



Akil Mirchandani

akil.mirchandani@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.

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 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 retains 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 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.



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 (Sun-Thursday)



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