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The United Arab Emirates— at a glance

The UAE has one of the most diversified economies in the region. Despite holding 10% of the world's supply of oil reserves and the fifth largest natural gas reserve, the government has pursued a comprehensive diversification program to transform the country from a conventional, labor-intensive economy to one based on knowledge, technology and skilled labor. Oil exports now account for about 30% of GDP, with the UAE government also investing heavily in renewable energy, aluminum production, tourism, aviation, telecommunications and advanced technologies.⁴

In 2017, the government launched the Fourth Industrial Revolution Strategy to merge physical, digital and biological technologies in order to deliver unprecedented products and services.⁵ The Vision 2021 and Vision 2030 programs further laid out six areas of national priority to transform the UAE into one of the world's most advanced countries: sustainable environment and infrastructure, world-class healthcare, first-rate education system, competitive knowledge economy, safe public and fair judiciary, and cohesive society. The first set of targets was set to coincide with the 50th anniversary of the UAE's founding, in 2021.⁶

These investments are paying off. This year the UAE posted its strongest growth in more than a decade. Driven by a sharp increase in oil production and a noticeable improvement in non-oil GDP, the economy grew by 8.2% in the first quarter of 2022, with total annual growth projected to exceed 5%, according to the UAE Central Bank and the International Monetary Fund. Inflation is also expected to remain well below the global average.⁷

2022 growth and inflation

Global ● UAE ●

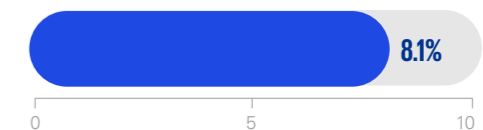
Global forecast real GDP growth



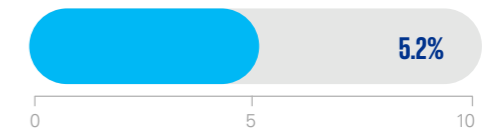
UAE forecast real GDP growth



Global anticipated inflation rate



UAE anticipated inflation rate:



Source: IMF⁸