

DUBAI FDI
MONITOR 

DUBAI FDI Trends Report

Q3

2016

مؤسسة دبي لتنمية الاستثمار

DUBAI FDI



إحدى مؤسسات دائرة التنمية الاقتصادية - حكومة دبي
An Agency of the Department of Economic Development - Government of Dubai

CONTEXT AND APPROACH

DUBAI FDI Trends Analysis Report utilizes qualified and verified data to review FDI performance quarterly in the Emirate of Dubai. The report details the total capital invested as well as the number of projects by sector and country.

Greenfield projects during the third quarter of 2016, have seen an increase of 7% compared to Q2 2016, and a 4% increase compared to Q3 2015, as highlighted by DUBAI FDI MONITOR.

DUBAI FDI MONITOR Trends Analysis Report takes into consideration that quarterly flows and public announcements are subject to revisions and can fluctuate from quarter to quarter. The following trends are based on FT fDi Markets data, and DUBAI FDI MONITOR's qualified and verified data to provide an accurate analysis and insight on FDI flow trends at the time of publishing this report.

DUBAI FDI Trends Analysis | Q3 | 2016

Looking at foreign direct investment more broadly, foreign companies invest in Dubai for many reasons that cover a wide spectrum of both soft and hard infrastructures. Factors such as quality of life, education, healthcare, services and pro-business regulations and government continue to be positive reasons for investment decisions.

The DUBAI FDI Trends Analysis Report is oriented towards the strategic reasons that make Dubai a leading FDI destination globally as highlighted below:

- **The City**

Dubai's opportunities for growth, partnership and innovation

- **The Gateway**

Dubai's advantage as a gateway to regional markets

- **The Global Hub**

Dubai's role as a global platform for trade and investment

DUBAI FDI Results Summary | Q3 | 2016



*** AED 2.1 billion in greenfield foreign direct investment announced in Q3 2016**

* FT – fDi Markets Data – DUBAI FDI Results.

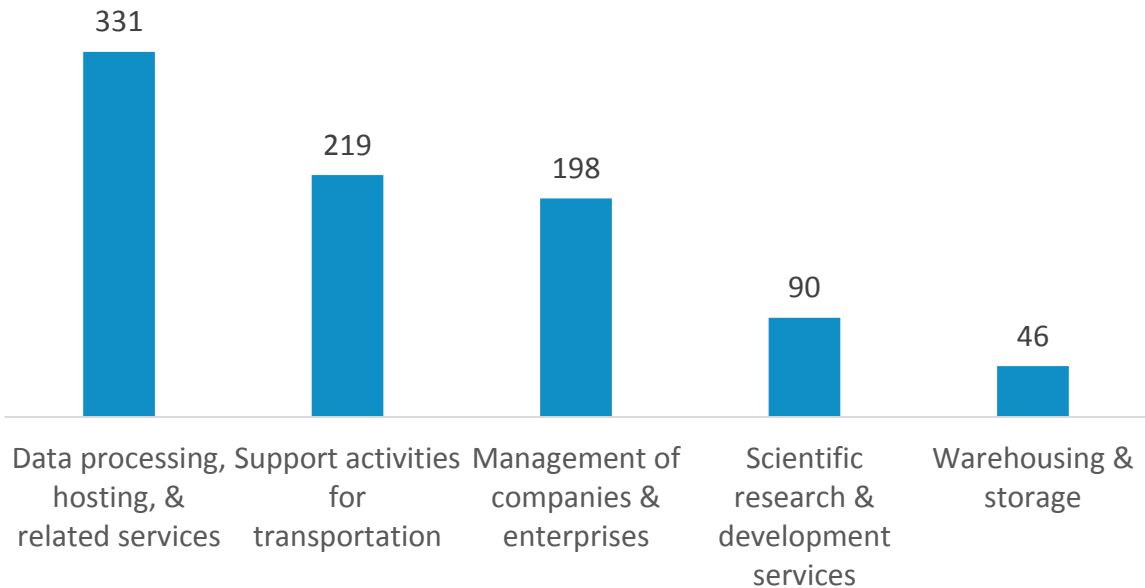
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The quality of investments attracted in Q3 shows more knowledge and technology intensive projects flowing to Dubai. Data centers, innovation and research centers, training centers and technology services projects are topping the list, further solidifying Dubai's diversification from its sectors of strength into Knowledge and Technology-based sectors. Despite the decrease of FDI inflows to Dubai compared to Q3 2015, 40 new projects were announced according to FT (Financial Times) fDi Markets data, attracting over AED 2 billion in greenfield FDI.

DUBAI FDI MONITOR has identified 9 further projects to reach 49 in total, and recorded AED 1 Billion (49% of Capital investments) during that period.

Capital into Dubai by sector | Q3 | 2016

Top sectors by Capital Investment
Q3 2016 (millions AED)



Top Sectors Attract 87% of FDI Inflows

- The top 5 sectors generated AED 884 Million, representing 87% of capital tracked and verified by Dubai FDI MONITOR during the third quarter of 2016.
- The top 5 sectors are Data processing and Hosting, Logistics and Transportation services, Management of companies, R&D, Warehousing and storage.

Capital into Dubai by sector | Q3 | 2016

Data processing, hosting and related services attracted the most capital in Q3 2016, confirming Dubai's readiness to attract High Tech projects.

Investments in **Trade, Logistics and Light manufacturing** come from various industries such as Healthcare, Water and Technology solutions, metal packaging to name a few. Dubai's position as a global gateway linking east and west and preferred destination of choice is further confirmed.

Scientific Research and Development services attracted projects for innovation, training and R&D centers, across industries including Healthcare, IT and Market research, highlighting Dubai's competitive advantage in attracting a more sophisticated category of talent, in line with the Knowledge building plans of the emirate.

Headquarters is still at the top of the list of incoming FDI, further confirming the emirate's position as center of excellence for services targeted at the UAE and the overall MENA region.

Projects into Dubai - by sector | Q3 | 2016

Top sectors by number of projects
Q3 2016

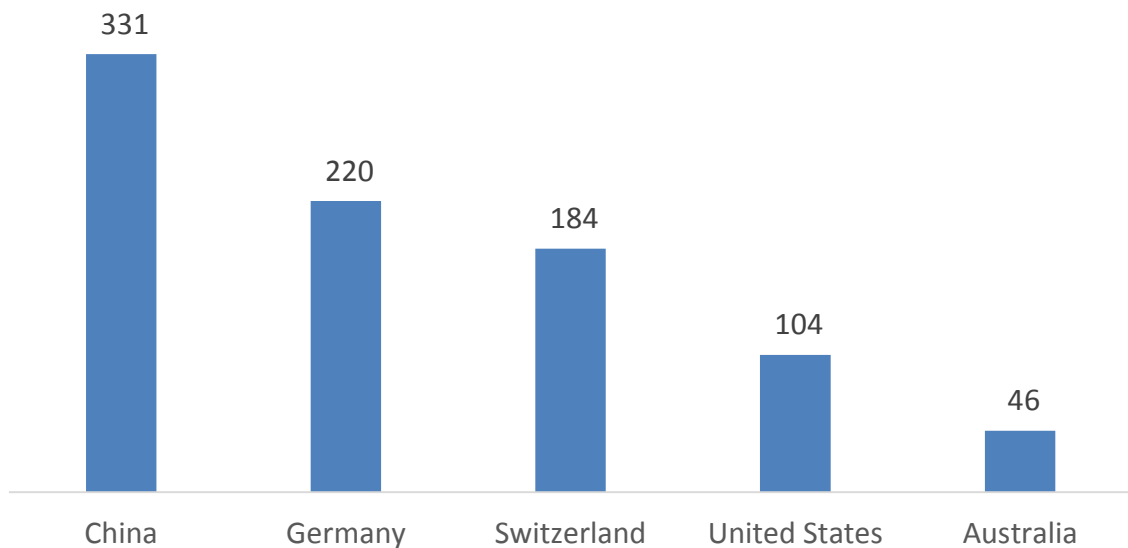


- Top sectors by number of projects in Q3 2016 are Administration and support services, Research and Development, Trade, Financial services and Management of companies including Advertising and PR services activities.
- The top sectors in number of projects attracted had a total number of 25 projects representing 51% of total projects in Q3 2016 and generating 34% of Capital investments as recorded by FDI Monitor.

Dubai has showed a trend in attracting more knowledge intensive rather than capital intensive projects and talent, for sectors including Headquarters, Representative offices, Admin and support services, R&D, Finance and Insurance and Trade activities.

Capital into Dubai by source country | Q3 | 2016

Top source countries by Capital (Millions AED) Q3 2016

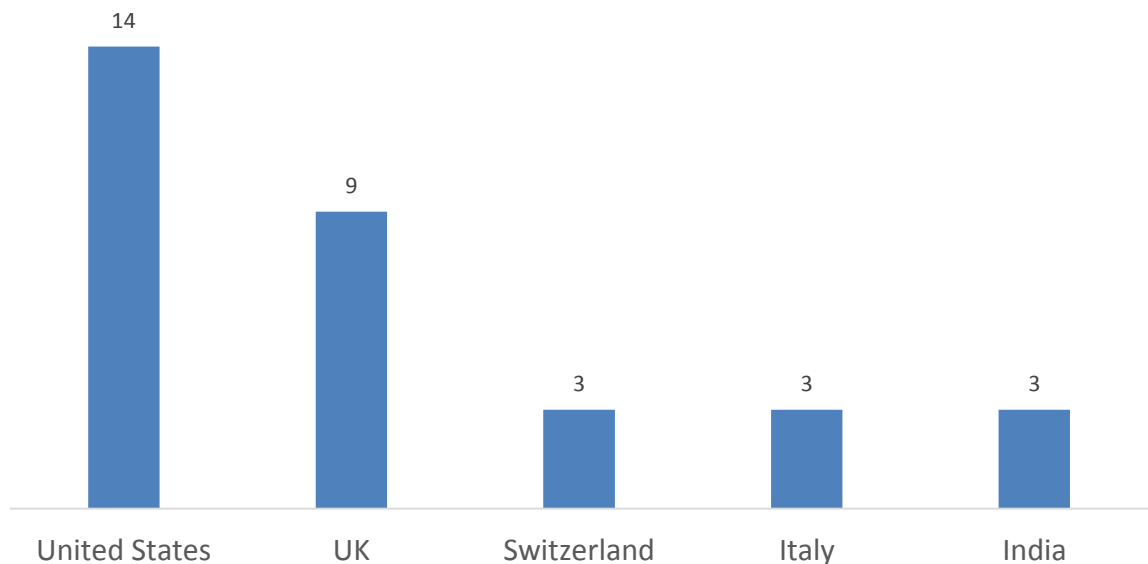


- The largest capital investments in Q3 2016 came from China, Germany, Switzerland, US and Australia generating a combined AED 885 million.
- Capital from the top source countries represents 87% of total recorded FDI in FDI Monitor during the second quarter of 2016.

Q3 has the largest Capex projects come from China in Data Processing and Hosting services, from Germany in Representative Offices, Training centers, warehouses and light assembly plants, from Switzerland in Logistics and warehousing, from US in Innovation centers and R&D, and from Australia in Logistics and warehousing.

Projects into Dubai - by source country | Q3 | 2016

Top source countries by number of projects Q3 2016

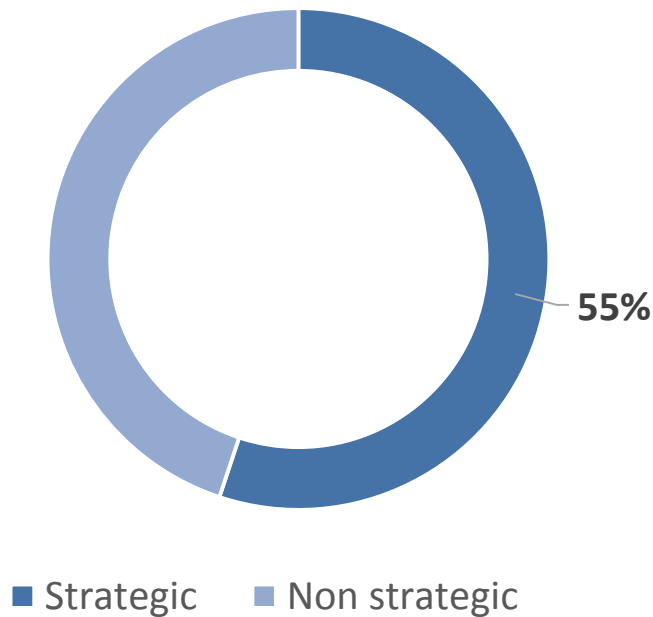


- The top 5 source countries generated a total of 32 projects representing 65% of total foreign projects in Q3 2016. These projects generated 33% of total Capex identified by FDI Monitor.
- The largest number of projects in Q3 2016 came from US, UK, Switzerland, Italy and India.

The results confirm once again well-established and reinforced relationships of Dubai with top trade and investment partners.

Projects into Dubai - Strategic Level | Q3 | 2016

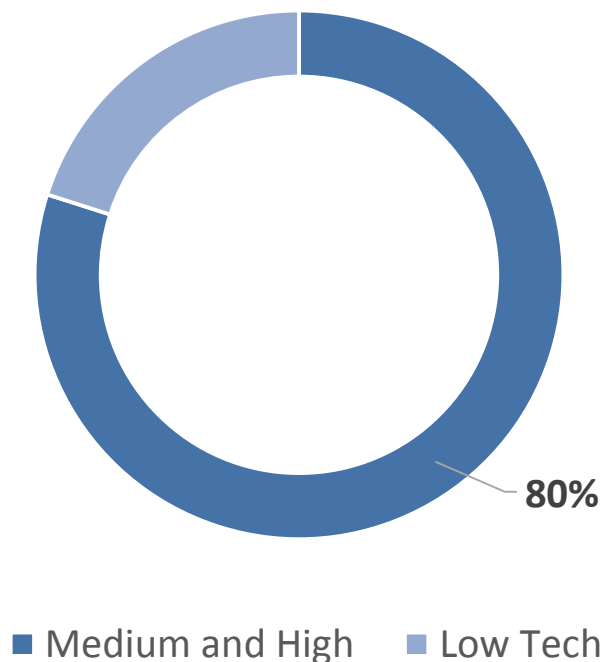
Strategic projects Q3 2016



- 55% of FDI Projects in Q3 2016 were qualified as strategic based on revenue, project size and technology level.
- Strategic projects represent 88% of Capital Investment in Q3 2016.

Dubai has successfully attracted in Q3 projects from large MNCs with a noticeable Technology component.

Projects of High and Medium levels of Technology Q3 2016



- 80% of FDI Projects in Q3 2016 qualified as high and medium tech investments based on OECD, EU and BEA definitions.
- The projects in Dubai in Q3 2016 are across various sectors including Finance and Insurance, Headquarters, Machinery Equipment, Technical consulting, Computer systems services and R&D, to name a few.



PURPOSE

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

LEADERSHIP

DUBAI FDI's initiative to establish an FDI Monitor at a city level sets a precedent among investment promotion agencies (IPAs) globally. DUBAI FDI will facilitate an initiative with global peers to establish a framework for city FDI tracking and evaluation as an international standard.

BENEFITS

- Provide credible insights on FDI results and performance
- Inform the policy and strategy formulation process
- Develop targeted services to investors

KEY FEATURES:

- FDI tracking
- FDI validation protocols
- Investors and projects database

DUBAI FDI MONITOR REPORTS

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

PARTNER :

DUBAI FDI MONITOR was developed in partnership with WAVTEQ, a leading FDI technology and consulting company.



DUBAI FDI MONITOR issues the Annual FDI Results, a Highlights Report and Quarterly Trend Analysis Reports based on Financial Times - FDI Markets data, used by central banks around the world including UAE Central Bank. and WAVTEQ proprietary FDI Accounting system , used by governments around the world, including the US Department of Commerce.

DUBAI FDI MONITOR data are based on proprietary tracking technology, international classification standards (NACIS) and best practices.

FDI projects tracked have 10% or more foreign equity, are categorized into industries following the NAICS classification, recognizing the parent headquarters as the source of investment, and recording direct job creation announced.

Announcements are qualified and verified either by a press release, direct confirmation from the investor, a local mailing address, company registration information, recruitment of staff or signing of a lease.

For further information contact :

Nisrine Salam
nisrine.salam@fdidubai.gov.ae

Hassan Mohalal
hassan.mohalal@fdidubai.gov.ae

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First Ever FDI Monitor at a City Level

A Global Initiative by Dubai Investment Development Agency (DUBAI FDI) an Agency of the Department of Economic Development – Government of Dubai that aims to establish a framework for city FDI tracking and evaluation as an international standard.

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