

DUBAI FDI
MONITOR 

DUBAI FDI Trends Report

Q1

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 is a first of its kind, utilizing 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 and capital flow into Dubai, during the first quarter of 2016, have been consistent with Dubai's remarkable performance in 2015, where Dubai FDI global ranking has improved to 4th in number of greenfield projects and 6th in foreign capital attracted according to Financial Times fDi Markets data..

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 | Q1 | 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

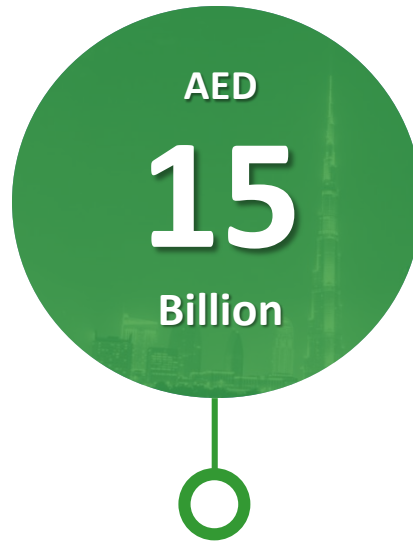
- **The Gateway**

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 | Q1 | 2016



*** AED 15 billion in greenfield foreign direct investment announced in Q1 2016**

* FT – fDi Markets Data – DUBAI FDI Results.

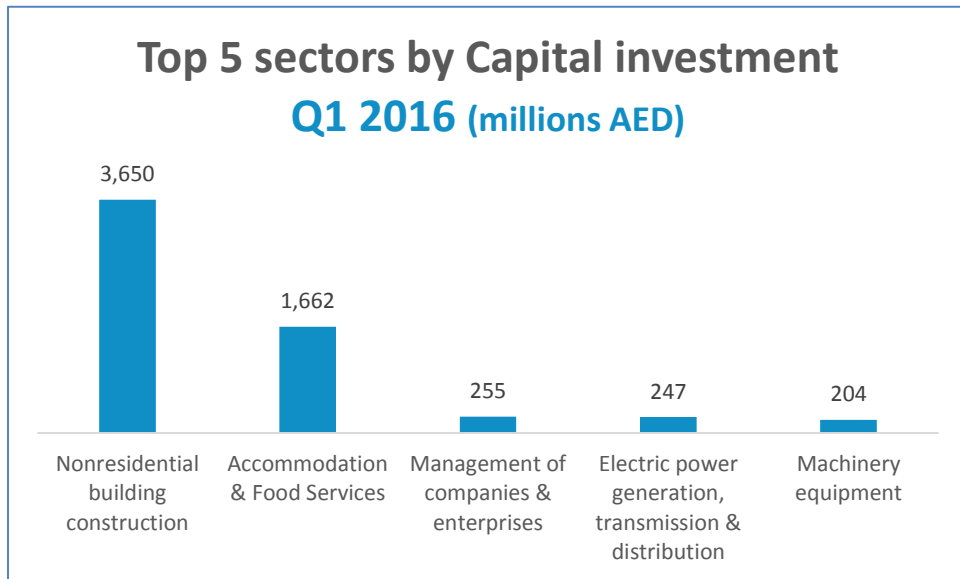


A strong 1st Quarter for Dubai FDI flows in 2016

Dubai FDI results continues to reaffirm Dubai's position as a preferred global FDI destination. According to FT (Financial Times) fDi Markets data, 60 new projects were announced, attracting AED 15 billion in greenfield FDI in Q1 2016.

DUBAI FDI MONITOR has successfully qualified and validated AED 6.67 billion (45%) during that period.

Capital into Dubai by sector | Q1 | 2016



Strategic Sectors Attract 90% of FDI Flows

- The top 5 industries generated AED 6 Billion, representing 90% of capital tracked and verified by Dubai FDI MONITOR during the first quarter of 2016.
- The top 5 industries by capital are Construction, Hotels and Tourism, Headquarters and representative offices, Solar energy and Light manufacturing.

The **Construction** Sector attracted the most capital during the first quarter of 2016, , as new developments are launched across Dubai.

Capital into Dubai by sector | Q1 | 2016

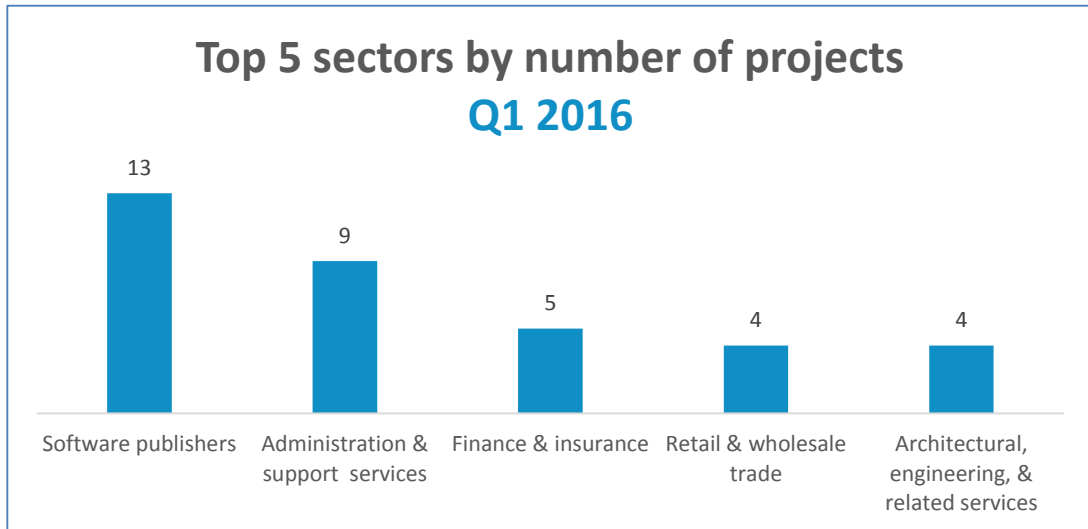
Hotels and Tourism have also seen new launches as Dubai continues to be preferred tourism destination and in anticipation for increased demand.

Investments in **Solar Energy** strengthened in line with Dubai's Strategic Plan 2021 and Clean Energy Strategy targeting 7% renewable energy target in 2020 and reduction in carbon emissions by 16% by 2021.

Dubai has seen further establishment of **headquarters, regional offices** and representative offices from large multinational companies as the city continues to be a preferred place for investors to work and live.

Light manufacturing has also seen expansion in FDI in Q1 2016 enhancing Dubai's position as a global export platform and its role in providing services and connectivity for global supply chains are gaining momentum.

Projects into Dubai - by sector | Q1 | 2016

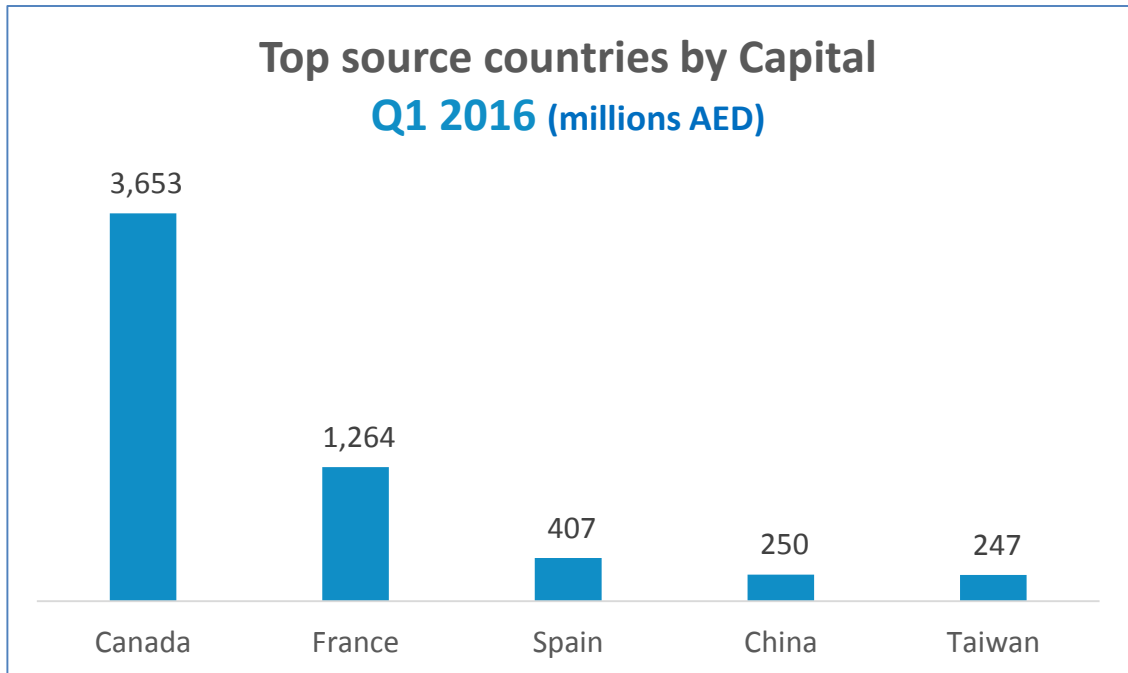


- Top sectors by number of projects in Q1 2016 are IT services, Support services, Finance, Trade and Engineering related services, generating.
- A total of 35 projects representing 52% of total projects in Q1 2016.

The results are in line with Dubai's drive towards Smart Services and the increased demand for Smart City and IoT (Internet of Things) related solutions.

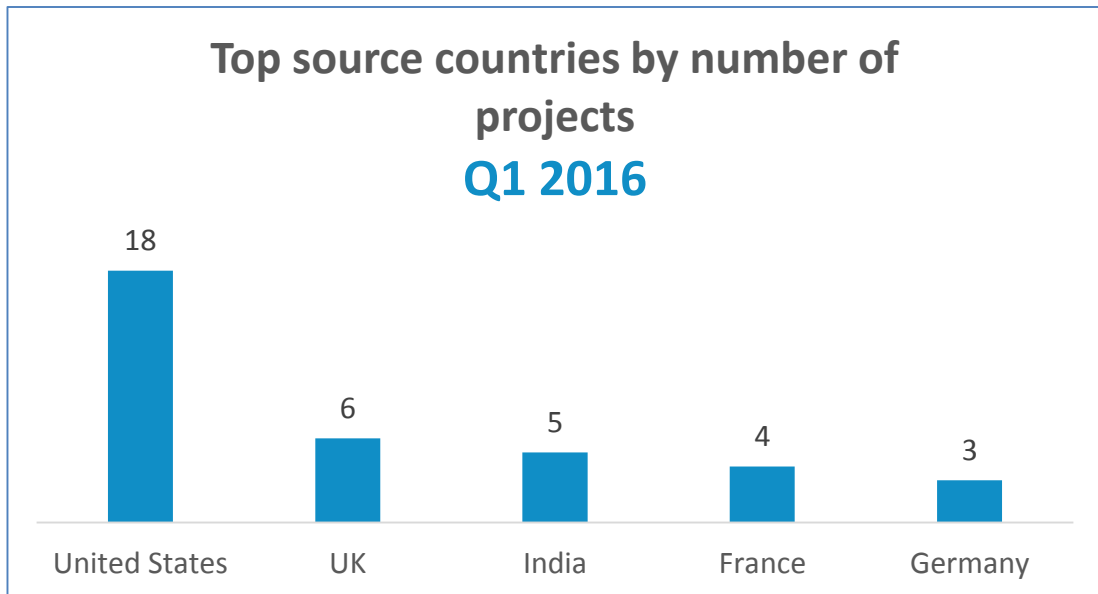
Support services, Finance, Trade and construction related projects also confirm the reported capital FDI results confirming the sectors of strength and Dubai's position as a Global HQ for businesses

Capital into Dubai by source country | Q1 | 2016



- The largest capital investment in Q1 2016 came from Canada, France, Spain, China and Taiwan generating together AED 6 billion (USD 1,595 million).
- Capital from the top source countries represents 86% of total recorded FDI in during the first quarter of 2016.

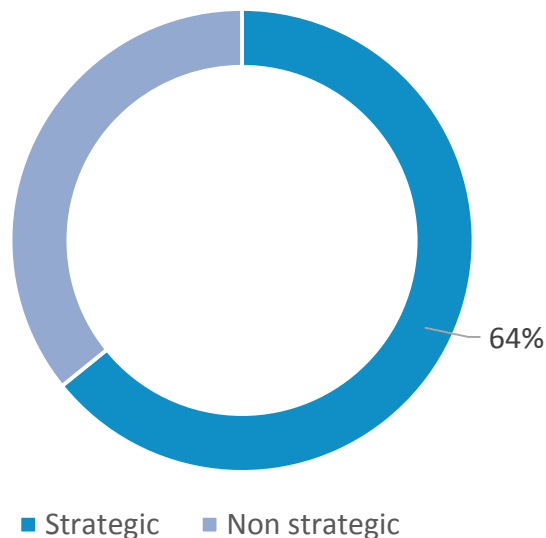
Non- traditional FDI capital source countries are leading the DUBAI FDI results during the first quarter of 2016 proving that Dubai's diversified economy and offerings are catering to global strategic investors.



- The top 5 source countries generated a total of 36 projects representing 54% of total foreign projects in Q1 2016.
- The largest number of projects in Q1 2016 came from US, UK, India, France and Germany.

The results are in line with historical trends and well-established relationships of Dubai with top trade and investment partners.

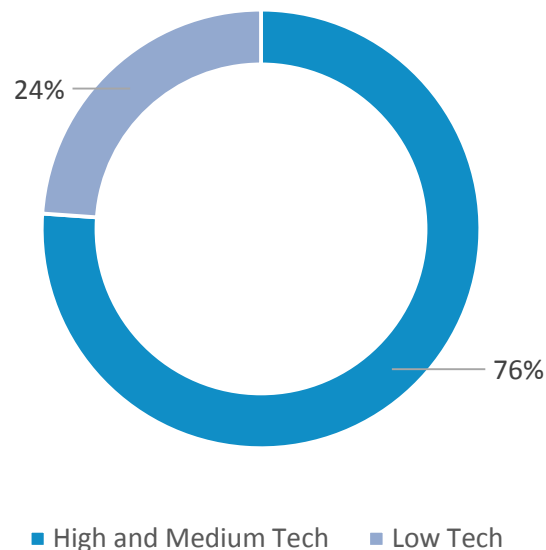
Strategic projects in Q1 2016



- 64% of FDI Projects in Q1 2016 were qualified as strategic based on revenue, project size and technology level.
- Strategic projects represent 93% of Capital Investment in Q1 2016.

Dubai has established itself as a center for strategic investments and is successfully attracting considerable investments from large scale companies, with a noticeable technology component.

Projects of High and Medium levels of Technology Q1 2016



- 76% of FDI Projects in Q1 2016 qualified as high and medium tech investments based on OECD, EU and BEA definitions.

Green technology and ICT related investments are driving the results in terms of technology components of the projects incoming to Dubai.



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.

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DUBAI FDI
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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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