

DUBAI FDI
MONITOR 

DUBAI FDI Trends Report

Q4

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 fourth quarter of 2016, have seen an increase of 65% compared to Q3 2016, and a 13% decrease compared to Q4 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 | Q4 | 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 | Q4 | 2016



*** AED 4.4 billion in greenfield foreign direct investment announced in Q4 2016**

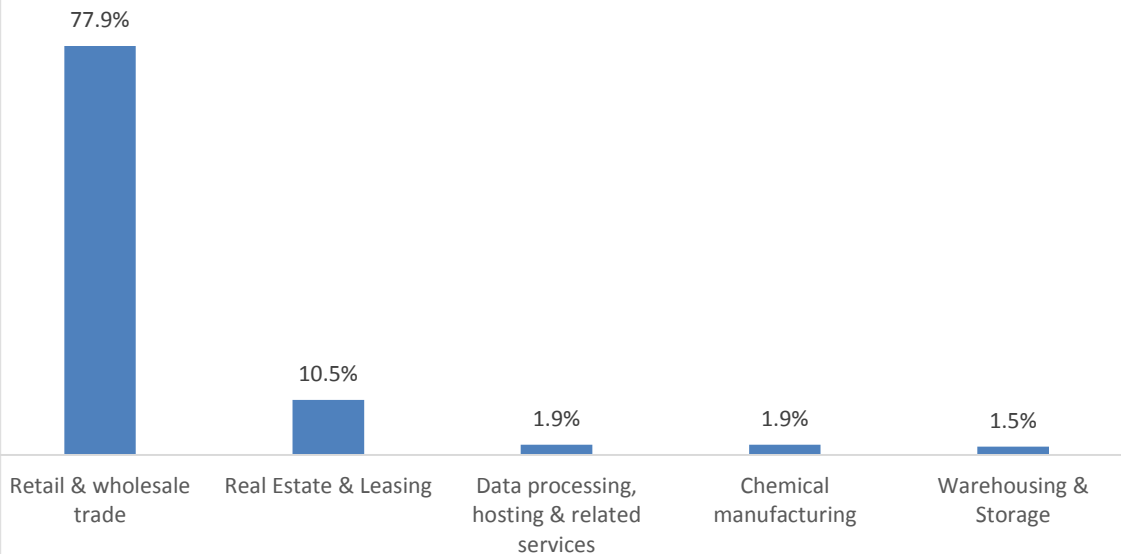
* FT – fDi Markets Data – DUBAI FDI Results.



FDI flows into Dubai in Q4 has been steady and reflects the attractiveness of the city as a preferred global FDI destination. The type of FDI attracted reinforces Dubai's standing as a gateway to regional and global markets, especially in the business services category.

Capital into Dubai by sector | Q4 | 2016

Top Sectors by Capital Investment
Q4 2016 (millions AED)



Top Sectors Attract 94% of FDI Flows

- The top 5 sectors generated 94% of capital tracked and verified by Dubai FDI MONITOR during the fourth quarter of 2016.
- The top 5 sectors are Retail & Wholesale trade, Real Estate & Leasing, Data processing, hosting & related services, Chemical manufacturing & Warehousing and storage

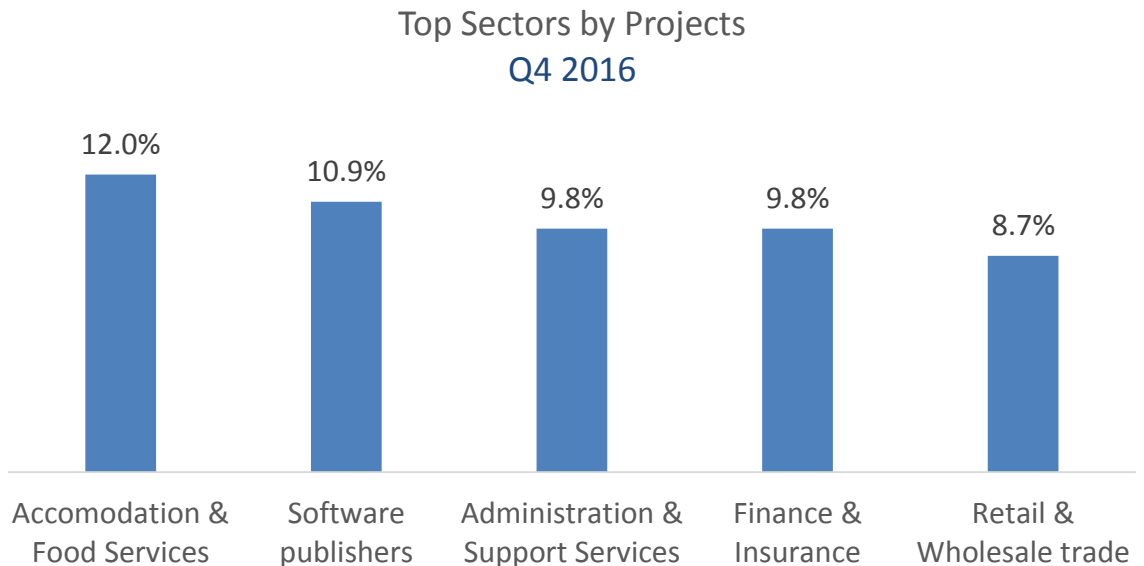
Capital into Dubai by sector | Q4 | 2016

Retail & wholesale trade attracted the most capital in Q4 2016, with the main investment coming in from Amazon's expansion into the region. This re-affirms Dubai's readiness and commitment in attracting Strategic & High Tech projects.

Real Estate and Leasing continues to be a sector of strength to cater to demand for quality infrastructure for Dubai.

Data Processing, Hosting & Related Services continues to be part of the top five sectors. The investments into the digital infrastructure of Dubai is representative of Dubai's drive towards a competitive knowledge economy.

Projects into Dubai - by sector | Q4 | 2016

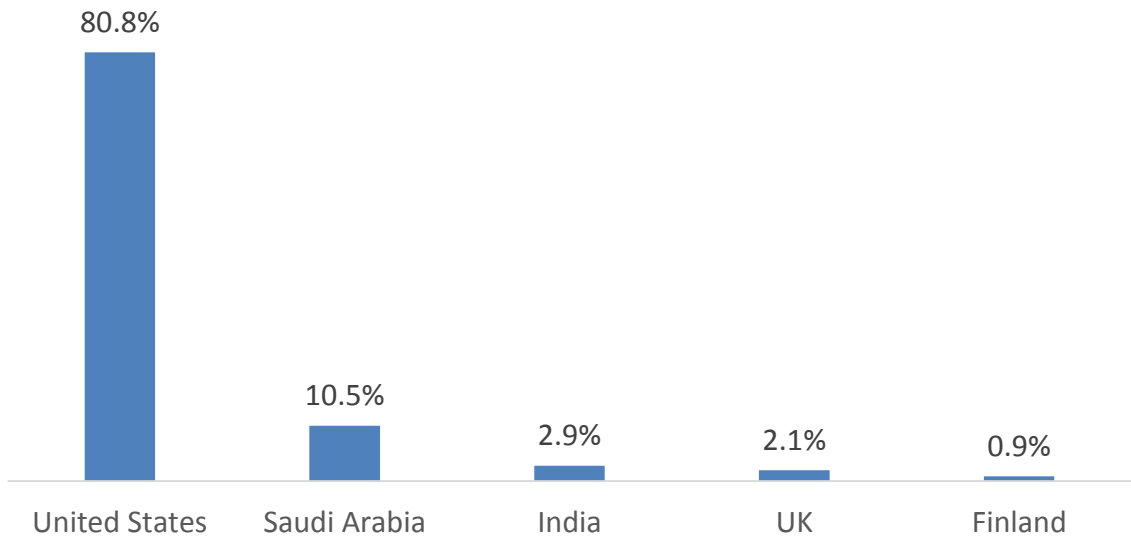


- Top sectors by number of projects in Q4 2016 are Accommodation & Food Services, Software Publishers, Administration & Support Services, Finance & Insurance and Retail & Wholesale trade
- The top sectors in number of projects represent 51% of total projects in Q4 2016

Dubai's value proposition and readiness continues to attract service oriented projects to cater to increased demand in regional and global markets. The bulk of services are split between the top three categories of business services, sales & marketing and retail.

Capital into Dubai by source country | Q4 | 2016

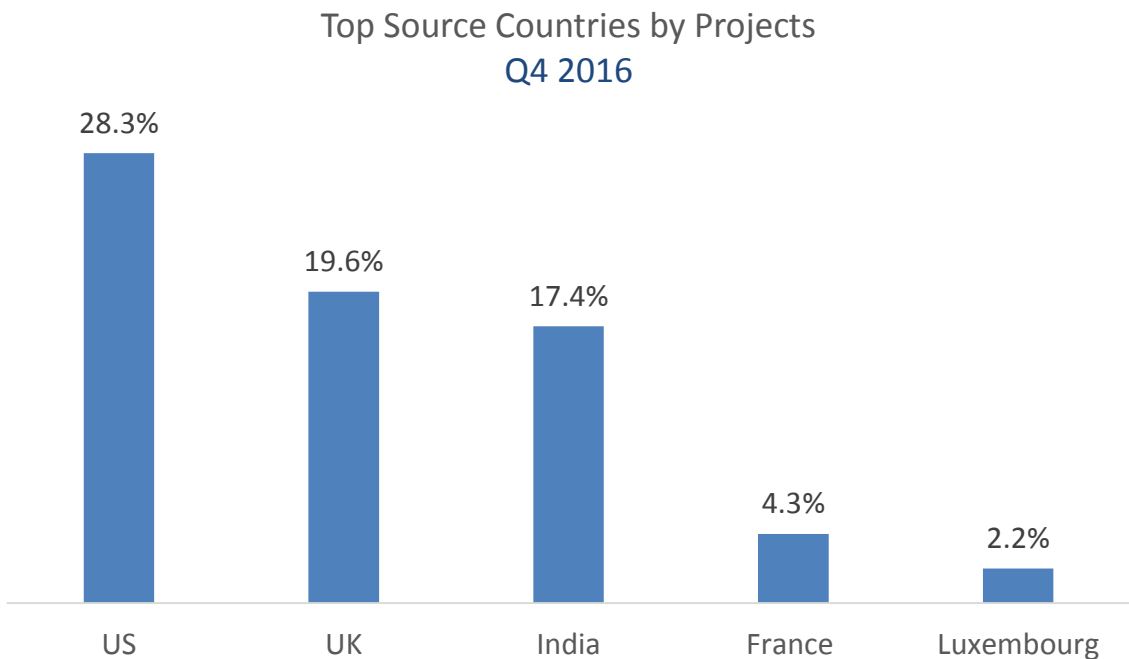
Top Source Countries by Capital
Q4 2016



- The largest capital investments in Q4 2016 came from US, Saudi Arabia, India, UK and Finland.
- Capital from the top source countries represents 97% of total recorded FDI in FDI Monitor for that period.

Q4 has the largest Capex projects coming from US in Retail & Wholesale, from Saudi Arabia in Real Estate & Leasing, from India in Chemical Manufacturing, from UK in Warehousing & Storage and from Finland in Scientific Research & Development Services

Projects into Dubai - by source country | Q4 | 2016

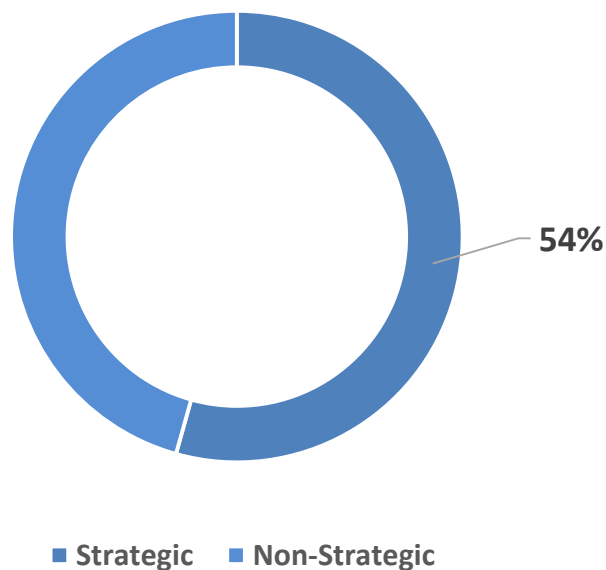


- The top 5 source countries generated 87% of total foreign projects in Q4 2016.
- The largest number of projects in Q4 2016 came from US, UK, India, France and Luxembourg.

Dubai's top three trading partners continue to be part of the top five FDI source countries.

France and Luxembourg round up the top five, with particular focus on services by both countries, from retail to education.

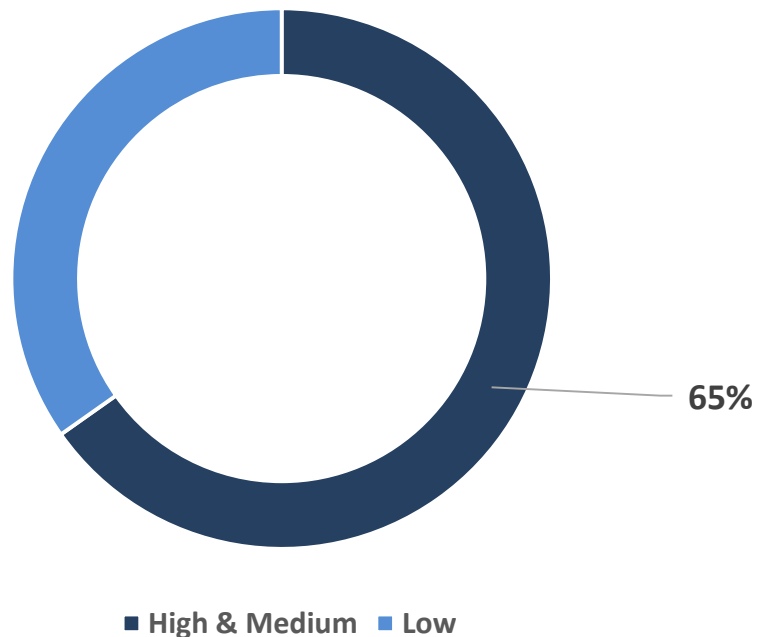
Strategic projects Q4 2016



- 54% of FDI Projects in Q4 2016 were qualified as strategic projects based on revenue, project size and technology level.
- Strategic projects represent 97% of Capital Investment in Q4 2016.

Dubai has successfully attracted key strategic projects to enhance its digital infrastructure, such as Amazon Web Services.

Projects of High and Medium levels of Technology Q4 2016



- 65% of FDI Projects in Q4 2016 qualified as high and medium tech investments based on OECD, EU and BEA definitions.
- The FDI projects in Dubai in Q4 2016 are across various sectors including Software Publishing, Architectural, engineering & related services, Management of companies & services and Finance & Insurance.



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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