

COUNTRY PROFILE



United Arab Emirates

GLOBAL RANK: 28th of 104



The United Arab Emirates ranks at 28th, sandwiched in our Index between Chile and Malaysia. The Emirates' Comparative Liveability (20th) rank is higher than Economic Competitiveness (39th), buoyed by excellent scores on indicators such as health and freedom of choice.

● BACKGROUND

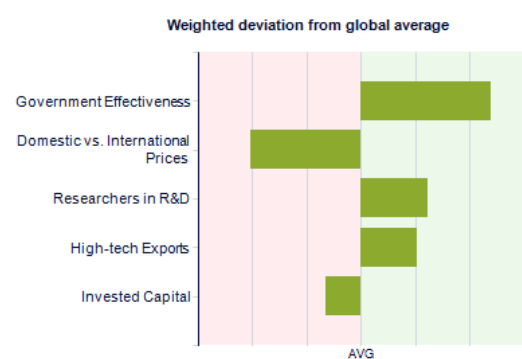
This federation of seven Middle Eastern emirates has large reserves of natural gas and oil and is currently one of the fastest-growing economies in the world. Its largest cities, Dubai and Abu Dhabi, are diversifying away from energy to become major tourist destinations and financial centres, and are also experiencing a construction boom. However, rising rent, fuel, and food prices contributed to inflation of around 11% in 2007, and in the last two years there have been strikes among Dubai's immigrant workers over poor pay and conditions.

FAST FACTS

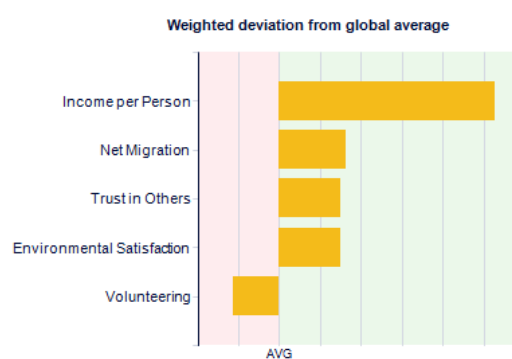
Population:	4.6 million (2008 est.)	FDI (net inflow):	No data
Life Today	6.7 (2006 est.)	Exports	85.34% (2006 est.)
GDP (PPP)	\$167.3 billion (2007 est.)	Imports	57.97% (2006 est.)
GDP (Growth)	7.4% (2007 est.)	Unemployment:	2.4% (2001)
GDP (per Capita)	\$37,300 (2007 est.)	Life Expectancy	75.89 years (2008 est.)
Political System:	Federation with specified powers delegated to the UAE Federal Government and other powers reserved to member emirates		
Foreign Aid:	0.01% (2004 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Much as in neighbouring Kuwait and Saudi Arabia, oil wealth has transformed this consortium of desert principalities into a modern state with a high standard of living. Economic diversification has reduced dependence and dampened the shocks of oil price fluctuations, yet nearly 40% of GDP is still directly based on oil and gas output.

Abu Dhabi accounts for about 90% of UAE oil production, while Dubai has developed into the UAE's foremost centre of finance, commerce, and tourism. A generous fiscal regime has drawn large numbers of skilled immigrants to add to the already-sizeable South Asian population that make up much of the service and construction

The people of the UAE generally enjoy a high standard of living because of oil wealth. Incomes are high and unemployment is relatively low. However, migrant construction workers from Asia (whose conditions are not assessed by the Index, which addresses the circumstances of UAE nationals) are reportedly exposed to poor labour conditions on building sites.

The hot and arid climate, particularly in the summer months, mean that most activities are conducted indoors during the heat of the day and there is little abundance of nature, although, according to the Gallup World Poll, Emiratis consider the environment to be well-preserved. Public healthcare is extensive, and satisfaction with

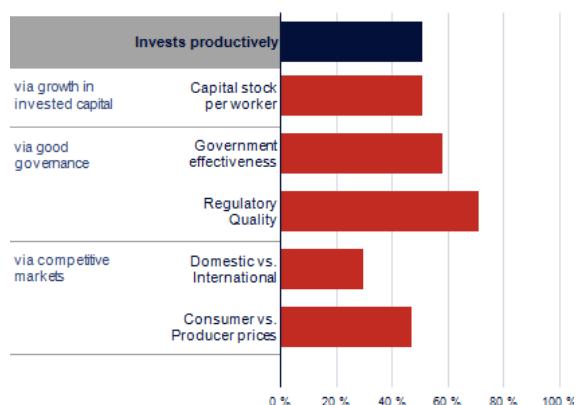
labour force. Governance in the Emirates is highly effective and efficient, with a high quality of regulation. The government has increased spending on job creation and infrastructure expansion and is opening up utilities to greater private sector involvement.

The country's Free-Trade Zones, offering greater opportunities for foreign ownership and zero taxes, are helping to attract foreign investors, and the economy is benefiting significantly from high levels of capital investment. A massive construction boom has also driven economic growth. However, the boom has led to a surge in prices which, along with high oil revenue, cheap credit and strong liquidity, has led to rising inflation, resulting in worrying scores on indicators of market competition.

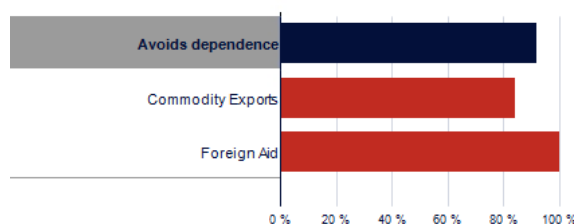
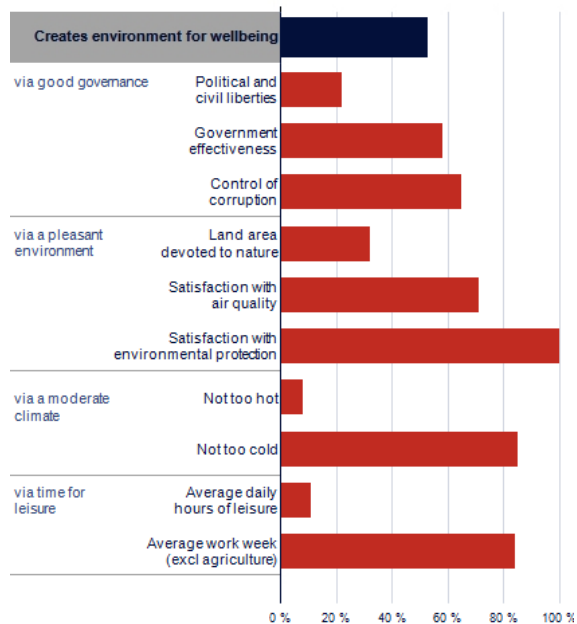
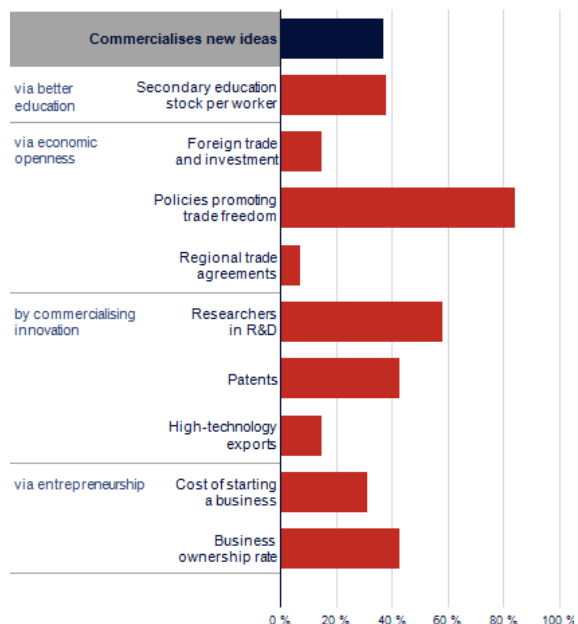
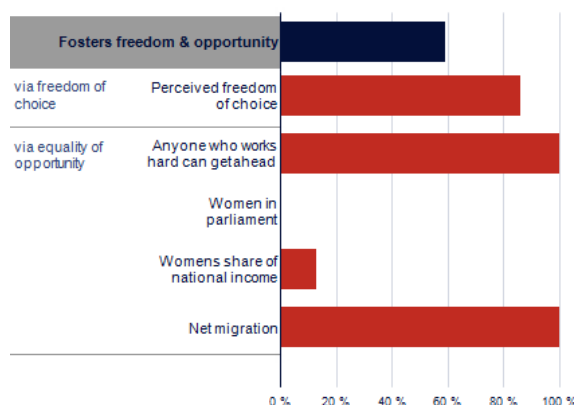
personal health is high -- even higher than long health-adjusted life expectancies would suggest.

Immigration, reflecting the extraordinary opportunities the UAE has created, has produced one of the most diverse populations in the Middle East. The UAE is also one of the most tolerant countries in the region. However, in common with most other Gulf states, women do not benefit from equal rights throughout much of society, and discrimination in the workplace is a particularly serious issue. Good governance contrasts with badly protected civil liberties and political rights, although a high level of satisfaction with freedom of choice is perceived by respondents to the Gallup World Poll.

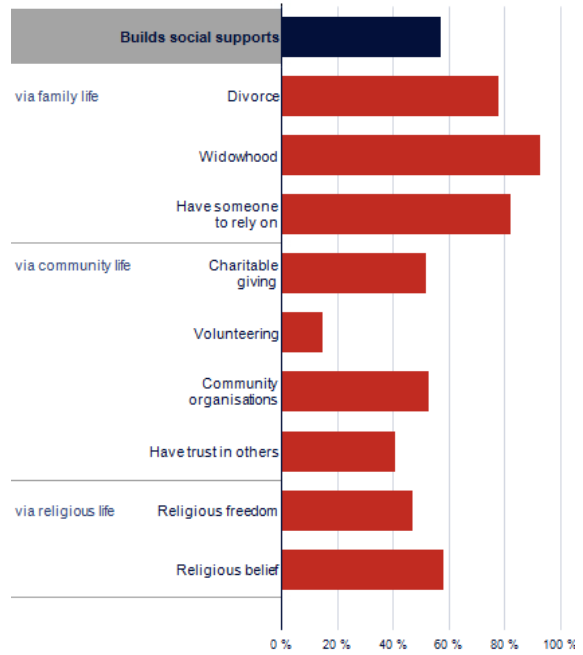
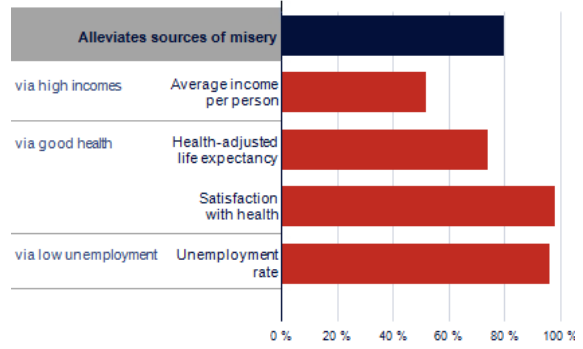
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.