



United Arab Emirates has the seventh largest available oil and gas resources in the world. However, on the contrary to the widespread stereotypes in the world, UAE's economy is not based solely on fossil fuels. Thanks to successive diversification, the mineral resources currently account for approx. 50% of the entire country's GDP. The share of other sectors in the economy has been consistently strengthening for many years, and the economic growth is already based mostly on non-raw materials sectors, such as transport and logistics, tourism (business and leisure), real estate, financial services and industrial production. How to deal with the UAE market, what we should remember about?

United Arab Emirates is located at the southeast end of the Arabian Peninsula on the Persian Gulf, adjacent to Saudi Arabia and Oman, and through the territorial waters from the west it borders with Qatar and on the north with Iran.

The country is a federation of seven emirates: Abu Dhabi (capital), Dubai, Sharjah, Ajman, Ras Al-Khaimah, Fujairah, and Umm Al-Quwain. Each of the emirates is ruled in an absolute monarchy under the head of the family ruling a given territory for generations. The rulers of these seven emirates form the federal power of the country. The law in the UAE is primarily based on the Sharia. Federal law is superior throughout the country, while every emirate has an autonomous legal system. The legalization of business operations in one emirate does not automatically mean full entitlement in others, although there is of course far-reaching integration. In terms of life in the country, the regulations form a system of piling up federal regulations and those in force in specific emirates, and additionally, in particular economic zones (free zone). The official language is Arabic, although in practice most of the subtitles, information boards and proper names are also given in English.

United Arab Emirates has the seventh largest available oil and gas resources in the world. These resources are estimated at 97.8 million barrels and over 6 trillion cubic meters of gas, which is successively 4% and 3.5% of all available global resources. On the contrary to the widespread stereotypes in the world, UAE's economy is not based solely on natural resources (such as oil and gas). Thanks to the successive economic diversification, the mineral resources currently account for approx. 50% of the entire country's GDP (less than 2% of the Dubai emirate). The share of other sectors has been increasing for many years and economic growth is based mainly on other sectors, such as transport and logistics, tourism (business and leisure), real estate, financial services and production. Undoubtedly, in the last three years, the slowdown in economic development was affected by the limitations of government investment in infrastructure and construction, caused by the low oil prices and intense war industry expenses. Persistent inflation, unstable political situation in the region, as well as the introduction of 5% VAT at the beginning of 2018 may have an impact on decisions regarding short-term investments.

Over the next few years, a gradual increase in the share of the non-raw materials sectors in the UAE economy is predicted, mainly in previously described areas, which for several years have been the engines of economic development. Oil and gas production can be expected to remain stable. The latest trend in the development of the economy is the initiation of modern solutions and facilitating the adaptation of the latest technologies, which include the planned mission to Mars, transport of the future in the form of Hyperloop, the autonomous and

unmanned vehicles and drones used by governmental institutions, as well as support for various technology start-ups. These are the areas in which developed Western countries may be delayed in adapting due to the local legislative restrictions, and which have been dynamically adjusted by the government in UAE.

The United Arab Emirates has been the largest economic and trade partner for Poland in the Arab world for a decade (mutual trade turnover for 2015 is approx.

USD 905 million). Poland enjoys an export surplus in the ratio of 5: 1. It should be kept in mind that the UAE makes a good use of its geographical location for the efficient servicing of international trade by the sea between East and West, therefore about 75% of imported goods are further re-exported. Hence, the significant part of imported goods from Poland to UAE goes also to the neighboring countries in the region.

Positive trends allow to forecast existing mechanisms through legal and official institutions, including:

Polish-Emirati Joint Commission for Economic Cooperation lead by ministers of both countries (its first assembly took place in February 2013 in Warsaw), Joint Committee for Cooperation established based on governmental accord of both countries, broad basis of agreements for economic cooperation and since April 2014, Poland having its representative at IRENA in Abu Dhabi.

In addition, Poland's National Chamber of Commerce and Polish Tourist Organization, which actively participate in sector-specific exhibitions and organize business forums,

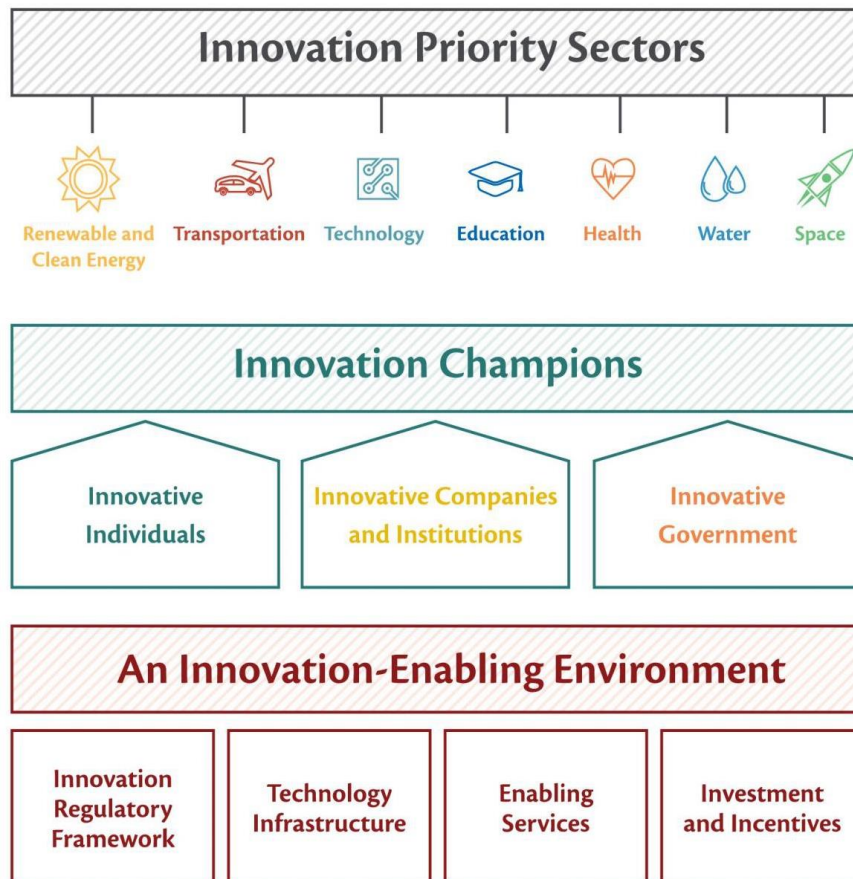
as well as Export Credit Insurance Corporation JSC that supports Polish exporters on the UAE market through financial risk insurance on commercial basis. Also, information and organizational support continuously comes from the Polish Business Group, founded in March 2006 under auspices of Abu Dhabi Chamber of Commerce and Industry. Further support to bilateral cooperation and tourist exchange comes from direct flight connections of Emirates Airlines and Wizzair, while visa regulations introduced in May 2015 have added significant convenience for UAE nationals to enter the Schengen Zone without prior visa application and conversely Polish nationals may stay in the UAE for 90 days within consecutive 180 calendar days without a visa application.

United Arab Emirates is considered as once of the most innovative countries in the Middle East and North African (MENA) region. According to the yearly Global Innovation Index, in 2016 UAE was hailed the most innovative Arab country and being ranked on the 41st position (Poland is ranked 39th)*.

By end of 2014 UAE government announced its National Innovation Strategy, aimed at shaping the country into becoming the world's most innovative country over a 7-year period. The program involves seven prioritized innovation sectors, considered as key areas to aspire to become ideal – they include: Renewable and Clean Energy, Transportation, Technology, Education, Health, Water, and Space.

Each of these seven innovation sectors are described as follows:*

1. **Renewable and Clean Energy:** promote innovation in renewable and clean energy by developing relevant energy industries within the UAE, furthering applied research in renewable and clean energy technology, enhancing the efficiency of energy networks and storage, as well as shifting towards decentralized energy generation through feed-in tariff programs.
2. **Transportation:** promote innovation in transportation by achieving leadership in air and sea transport services and technology, as well as developing and utilizing unmanned vehicles such as drones and unmanned cars and trains.
3. **Technology:** promote innovation in technology development and research in this field.
4. **Education:** ensure an advanced learning infrastructure supported by the establishment of innovation labs in schools and universities, introducing creative teaching methods and techniques for enhanced critical thinking, problem-solving, creativity, and develop skills to changing environment.
5. **Health:** delivery of health and therapeutic services using advanced technologies. It is supposed to stimulate fields of biotechnology and pharmaceuticals, as well as supporting collaboration to advance medical research.
6. **Water:** development of innovative solutions for scarce fresh water sources.
7. **Space:** enhancing space exploration, satellite communication and specialized research for on-ground applications.



Source: UAE Ministry of Cabinet Affairs, *UAE National Innovation*