

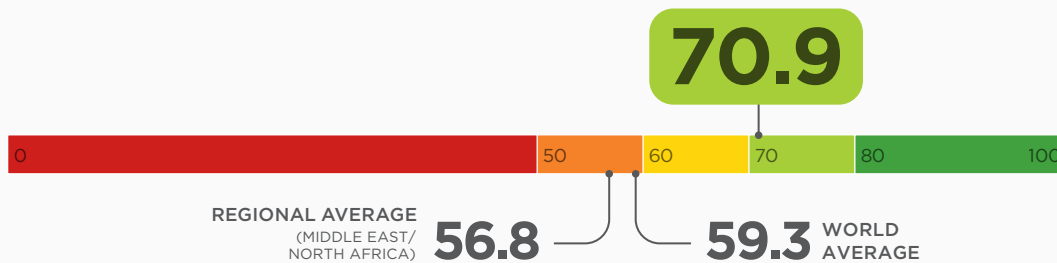
UNITED ARAB EMIRATES



The United Arab Emirates' economic freedom score is 70.9, making its economy the 24th freest in the 2023 *Index*. Its score is 0.7 point higher than last year. The UAE is ranked 1st out of 14 countries in the Middle East/North Africa region, and its overall score is higher than the world and regional averages.

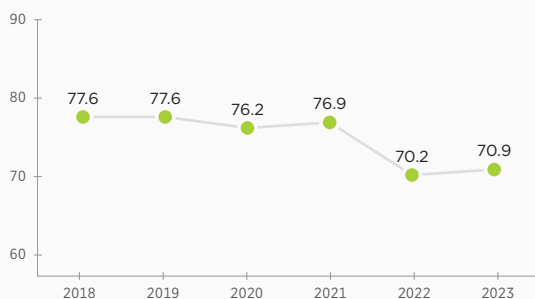
Economic restructuring has been underpinned by efforts to strengthen the business climate, boost investment, and foster the emergence of a more vibrant private sector. The generally open trade regime helps to sustain momentum for growth. The banking sector handled the recent financial turmoil comparatively well.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -0.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
10.0 million

GDP (PPP):
\$703.4 billion
2.3% growth in 2021
5-year compound annual growth 0.6%
\$73,575 per capita

UNEMPLOYMENT:
2.3%

INFLATION (CPI):
0.2%

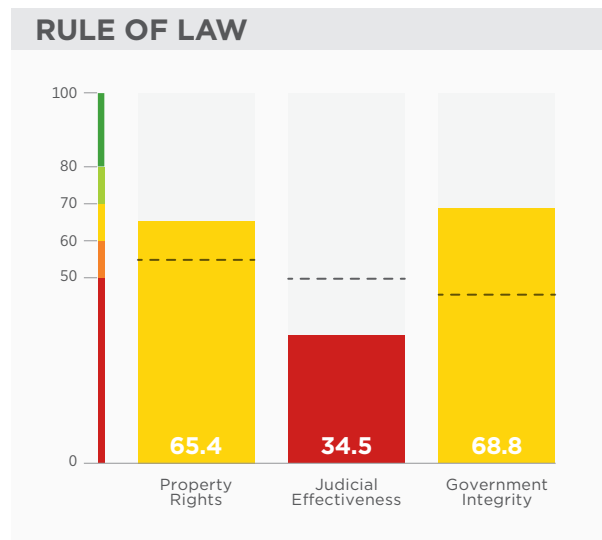
FDI INFLOW:
\$20.7 billion

PUBLIC DEBT:
34.7% of GDP

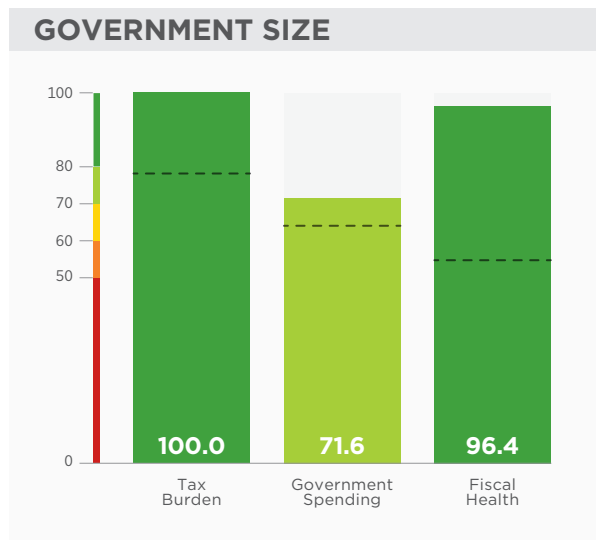
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: The United Arab Emirates is a federation of seven monarchies: Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al-Khaimah, Sharjah, and Umm al-Qaiwain. The Federal Supreme Council selects the president and vice president for five-year terms. Abu Dhabi's ruler, Sheikh Mohamed bin Zayed al-Nahyan, became the UAE's third president in May 2022. The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Oil and gas account for approximately 30 percent of GDP. A September 2020 peace agreement with Israel should lead to increased bilateral trade, investment, technological cooperation, tourism, and strategic cooperation against Iran.

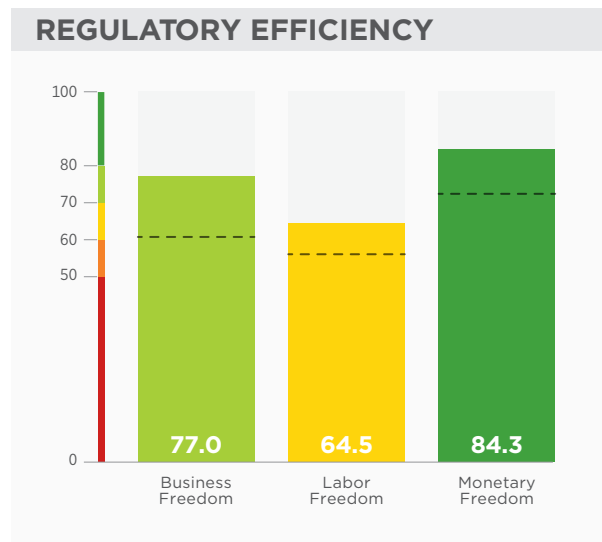
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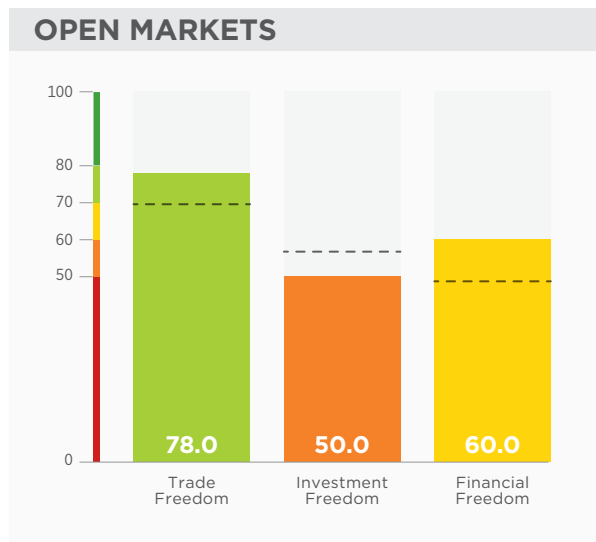
The overall rule of law is relatively well respected in the United Arab Emirates. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 0 percent. The tax burden equals 0.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.8 percent and -0.9 percent of GDP. Public debt equals 34.7 percent of GDP.



No minimum capital is required to establish a business, and licensing has been streamlined and made less costly. Employment regulations are relatively flexible, and the non-salary cost of employing a worker is moderate. Monetary stability has been maintained, and inflationary pressure is under control.



The trade-weighted average tariff rate is 3.5 percent, but nontariff barriers add to the cost of trade. The overall investment framework has been made more streamlined and open. The financial sector provides a full range of services, but the state's presence is considerable.