



An Review of the Enabling Environment, Human Capital, Market and Innovation Ecosystem, in Montevideo, Porto Alegre, Buenos Aires, Dubai, Mumbai Lahore, Porto Lagos, Bulawayo & Tunis

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Introduction.

1. A Competitiveness Overview, of

<u>South America</u>	<u>Asia</u>	<u>Africa</u>
Porto Alegre (Brazil)	Lahore (Pakistan)	Lagos (Nigeria)
Montevideo (Uruguay)	Mumbai (India)	Bulawayo (Zimbabwe)
Buenos Aires (Argentina)	Dubai (UAE)	Tunis (Tunisia)

2. The innovation management standard ISO56000 by location.

3. Conclusion

4. References

A Competitiveness Overview.

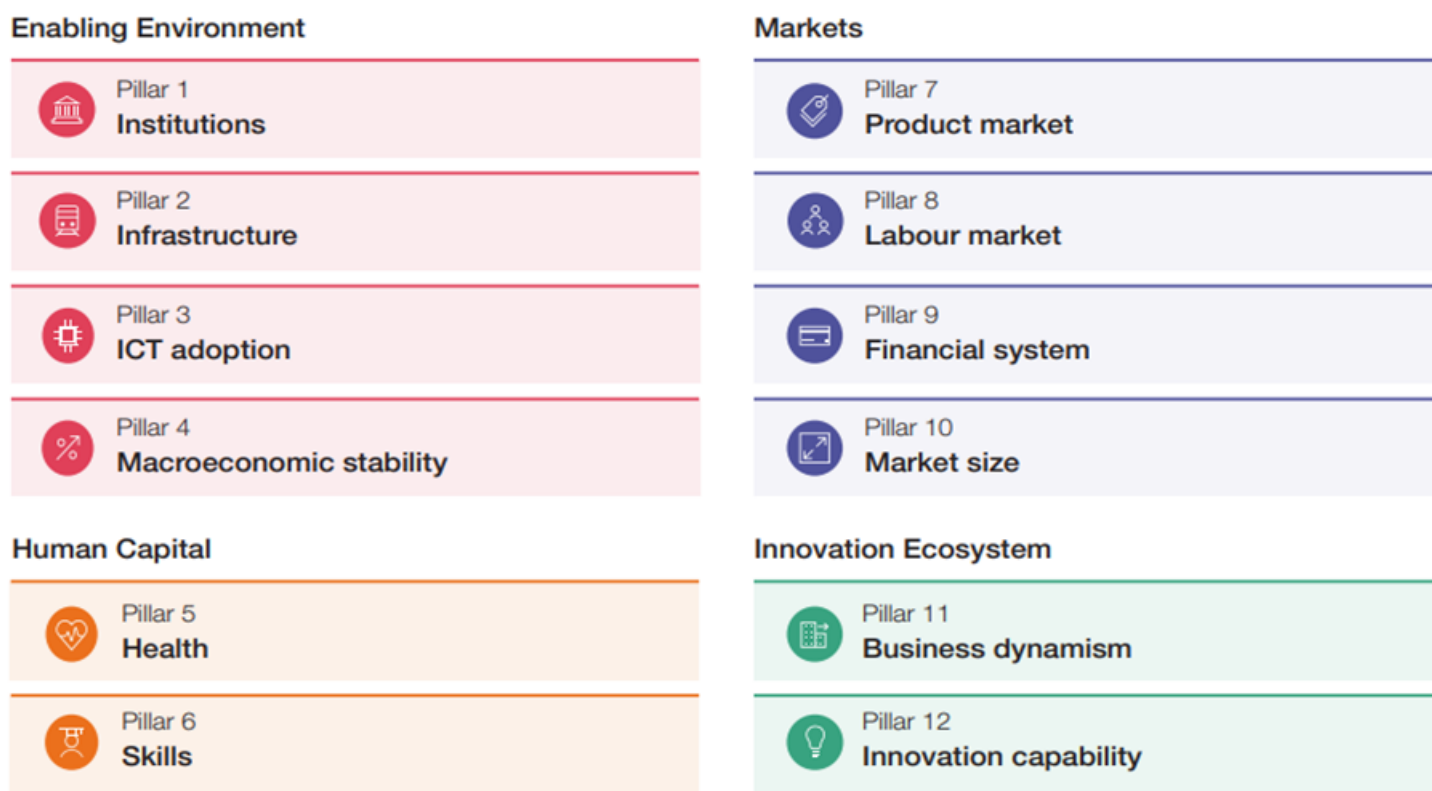
The strategic locations shortlisted within this overview were selected by Griffiths & Hughes, for investigation and consideration in terms of suitability for manufacture, marketing, and distribution of their products on a global scale.

This report will assess the countries stability and their competitiveness.

Competitiveness can be defined as a combination of the general country attributes as seen in Figure 1, and reviewed using industry specific attributes as shown in the country's 12 pillars of Global Competitiveness, using the (GCI 4.0) Global Competitiveness Index 4.0.

The GCI 4.0 is a compass for policy-makers and other stakeholders, it provides guidance on what matters for long-term growth. It can aid policy choices, and assist in decision making on economic strategies and enable countries to monitor progress their over time

(Figure 1.)The Global Competitiveness Index 4.0 Pillars.



Introduced in 2018, the GCI 4.0 provides a detailed map of the factors and attributes that drive productivity, growth and human development in the era of the Fourth Industrial Revolution. The 2019 edition covers 141 economies, which account for 99% of the world's GDP, this is still the latest edition due to the global Covid pandemic of 2020 & 2021 and the stagnation of growth globally. However the World Economic Forum have produced in support of the 2019 edition, a Global Risks 2023 Insight report which can be found here <https://www.weforum.org/reports/>

The Economy Profiles for each reviewed country and their performance can be seen in Figure 2, this chart details the economy's performance on the main components of the Global Competitiveness Index 4.0 (GCI). The chart in this section presents an economy's score on the overall GCI and on each of its twelve pillars. The economy's rank (out of 141 economies) on each pillar is displayed at the bottom of the chart and

presents a three-page profile for each of the 141 economies covered in The Global Competitiveness Report 2019.

In addition to the Global Competitiveness chart, further details on each of the economy's performance detailing the 103 indicators that compose the GCI chart as seen in Figure 3. Indicators are organized by pillar, and follow the format displayed in Figure 2. Downloadable datasets, are available at <http://gcr.weforum.org>

(Figure 2)

Index Component	Value	Score *	Rank/141	Best Performer
1st pillar: Institutions 0–100	-	77.5 ↑	6	Finland
Security 0–100	-	93.8 ↑	5	Finland
1.01 Organized crime 1–7 (best)	6.1	84.8 ↑	8	Finland
1.02 Homicide rate per 100,000 pop.	0.5	100.0 ↑	9	Multiple (14)
1.03 Terrorism incidence 0 (very high) -100 (no incidence)	100.0	100.0 =	37	Multiple (25)
1.04 Reliability of police services 1–7 (best)	6.4	90.5 ↓	3	Finland

(Figure 3)

Locations	Montevideo	Porto Alegre	Buenos Aires	UAE	Mumbai	Lahore	Lagos	Bulawayo	Tunis
Global Rank for Competitiveness	54	71	83	25	68	110	116	127	87
Enabling Environment									
Institutions	62	48	50	73	59	46	41	42	53
Infrastructure	69	65	68	88	60	56	40	40	63
ICT adoption	80	58	58	92	32	25	33	37	51
Macroeconomic stability	86	69	34	100	90	69	60	73	124
Human Capital									
Health	85	79	84	72	61	56	47	41	66
Skills	67	56	72	71	50	41	40	49	60
Markets									
Product market	55	46	47	72	50	45	52	38	52
Labour market	59	53	52	66	54	51	60	52	46
Financial system	58	65	53	74	69	55	44	48	56
Market size	46	81	69	70	94	71	30	38	53
Innovation Ecosystem									
Business dynamism	58	60	58	69	60	63	59	46	59
Innovation capability	38	40	42	52	51	36	32	27	33

(Figure 3.)

* Scores are on a 0 to 100 scale, where 100 represents the optimal situation or 'frontier'. Arrows indicate the direction of the change in score from the previous year, where available.

Enabling Environment:

Country	Institutions	Political Stability	Education	Infrastructure	ICT adoption	Macro-economic stability
Montevideo	Excellent	Good	Excellent	Excellent	Excellent	Good
Porto Alegre	Excellent	Uncertain	Excellent	Excellent	Good	Caution
Buenos Aires	Caution	Caution	Good	Excellent	Good	Uncertain
Mumbai	Good	Good	Good	Caution	Good	Good
Lahore	Caution	Caution	Caution	Uncertain	Uncertain	Uncertain
Lagos	Uncertain	Uncertain	Uncertain	Uncertain	Uncertain	Uncertain
Dubai	Excellent	Good	Excellent	Good	Excellent	Excellent
Bulawayo	Uncertain	Uncertain	Uncertain	Uncertain	Uncertain	Uncertain
Tunis	Uncertain	Uncertain	Uncertain	Caution	Uncertain	Uncertain

(Figure 4.)

Sources.

Institutions: International Monetary fund (2023)

Political Stability: Global Economy (2022)

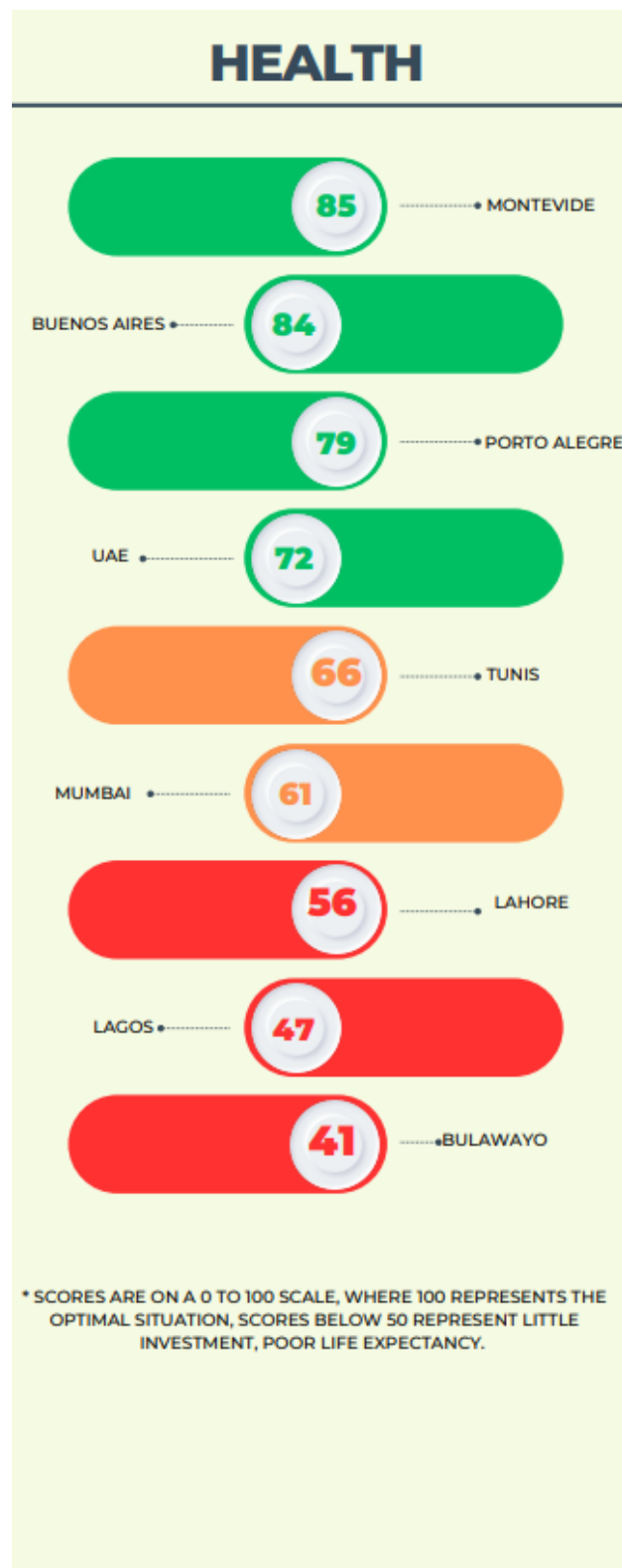
Education: <https://ourworldindata.org/global-education>

Infrastructure: <https://www.worldbank.org/en/home>

ICT adoption: <https://www.statista.com/>

Macro-economic stability: <https://www.globaldata.com/data/>

Human Capital:



During the research of the following countries, four demonstrated both strong financial government and private investment. One nation for its relative small size, Uruguay entitles everyone to quality medical care via the national health care system... and this includes foreign residents. There are no restrictions on this system, and even known non-resident visitors who've used it.

Uruguay's healthcare system is classed to be among the best because it employs 5.08 physicians per 1,000 people, which makes it one of the most well-staffed systems in the world.

Uruguay's expenditure in healthcare is approximately nine percent of GDP, with the public sector representing 71 percent of these expenditures, and imports almost all its medical equipment, as there is little local industry producing these products.

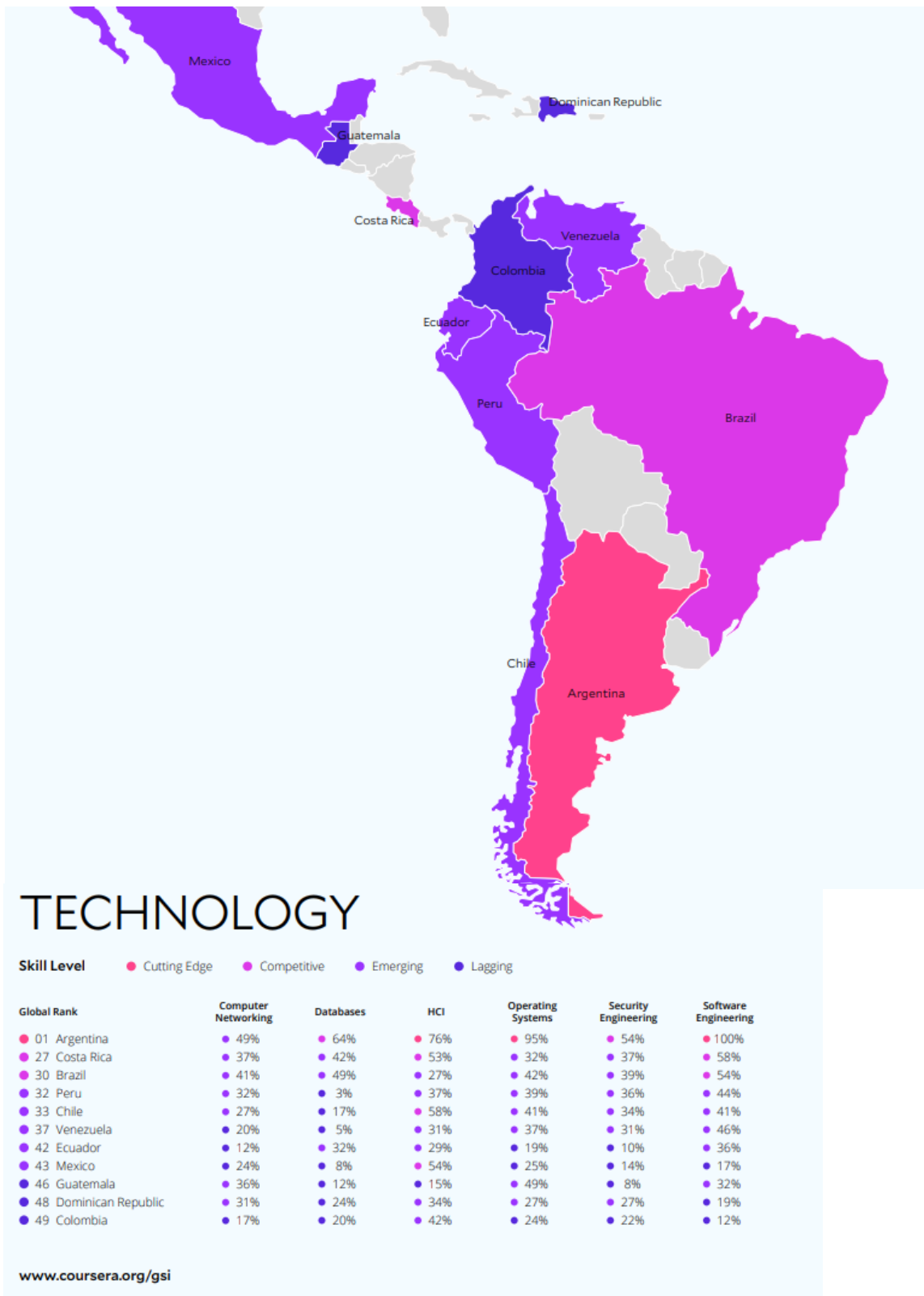
This offers Griffiths & Hughes a market opportunity to engage with the government and private medical care providers for new, technologically advanced supplies and equipment.

(Figure 5.)

- Skills South America

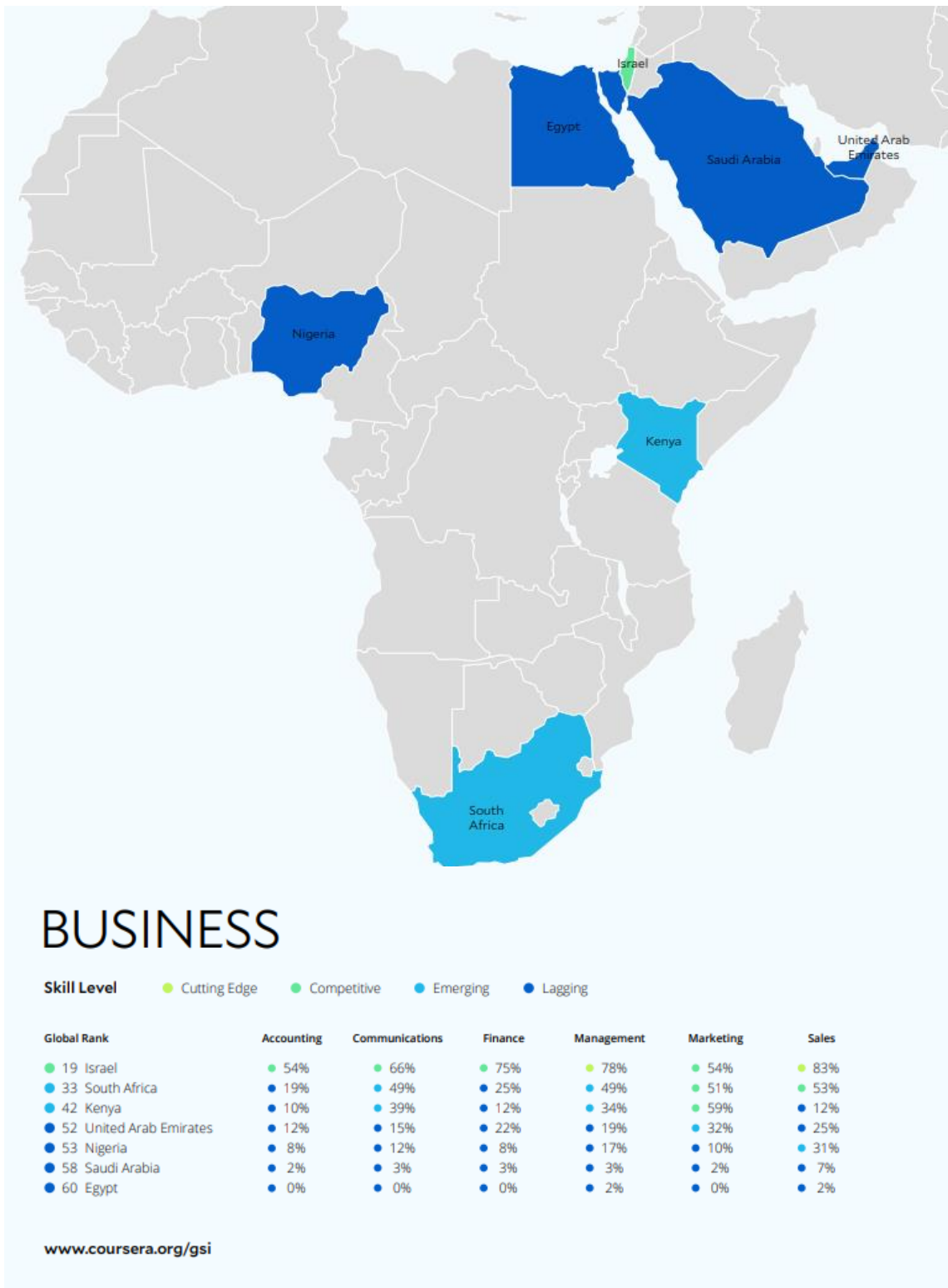


(Figure 6.)

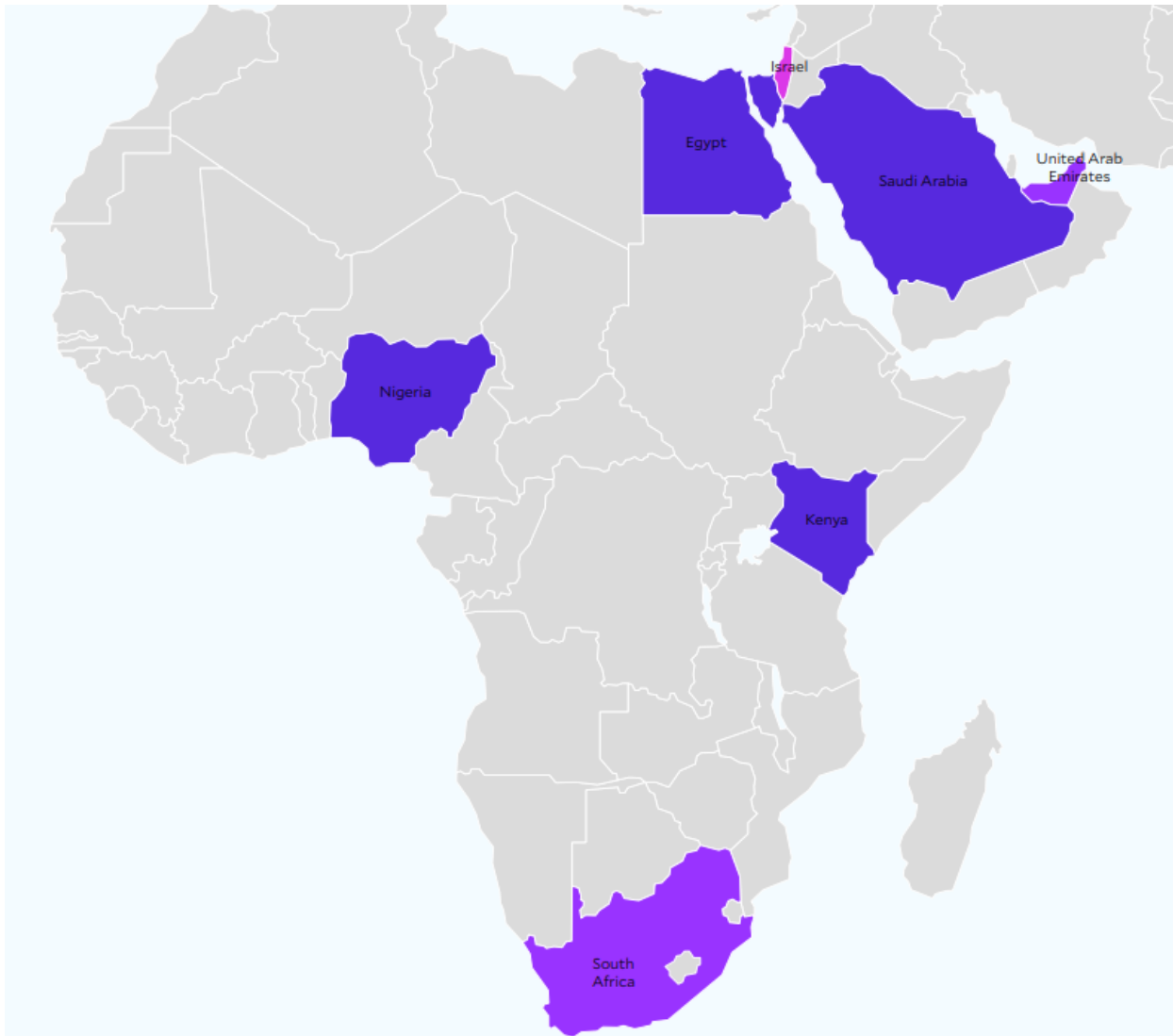


(Figure 7.)

- Skills Asia & Africa



(Figure 8.)



TECHNOLOGY

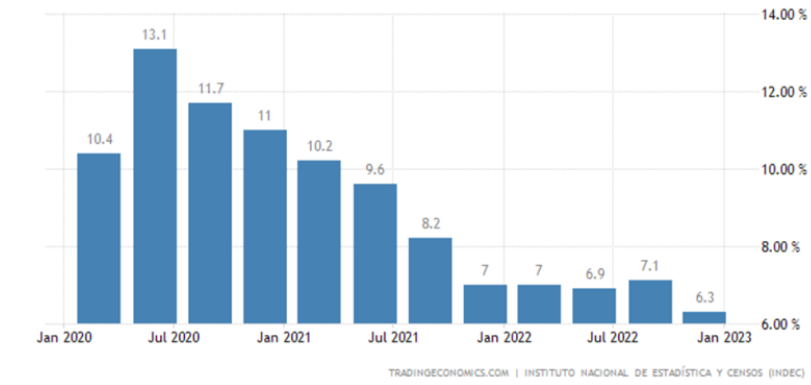
Skill Level ● Cutting Edge ● Competitive ● Emerging ● Lagging

Global Rank	Computer Networking	Databases	HCI	Operating Systems	Security Engineering	Software Engineering
● 19 Israel	● 86%	● 78%	● 78%	● 80%	● 90%	● 71%
● 39 South Africa	● 51%	● 46%	● 44%	● 29%	● 49%	● 29%
● 40 United Arab Emirates	● 42%	● 31%	● 25%	● 53%	● 46%	● 22%
● 50 Saudi Arabia	● 14%	● 34%	● 92%	● 12%	● 5%	● 27%
● 57 Egypt	● 7%	● 14%	● 3%	● 10%	● 24%	● 5%
● 58 Kenya	● 5%	● 44%	● 19%	● 3%	● 20%	● 3%
● 60 Nigeria	● 15%	● 0%	● 2%	● 0%	● 7%	● 0%

www.coursera.org/gsi

(Figure 9.)

- Labour Market

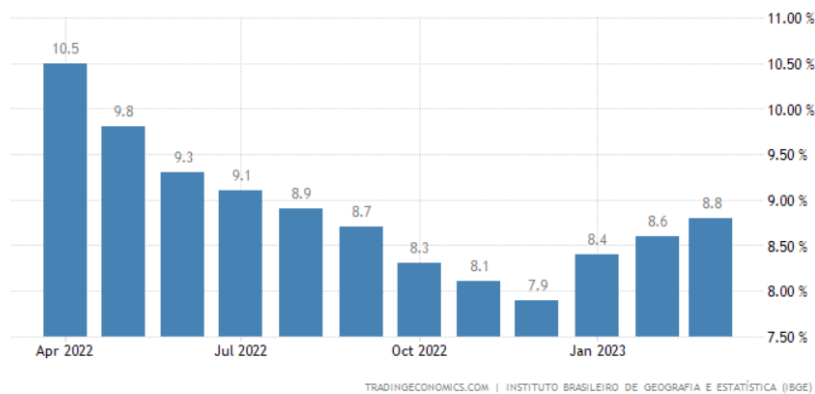


Buenos Aires

(Argentina) The

unemployment rate in Argentina came at 6.9 percent in the second quarter of 2022, the lowest rate since the third quarter of 2015 (5.9 percent).

(Figure 10.) source: trading economics 2023.



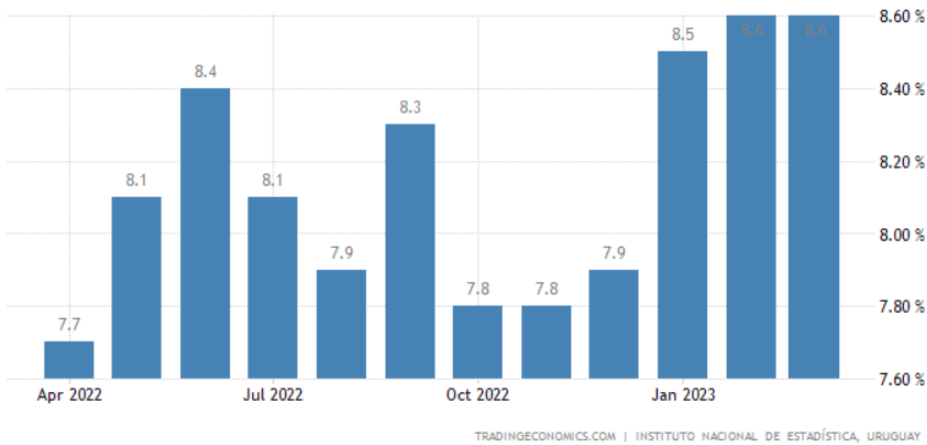
Porto Alegre (Brazil):

Unemployment rate in Brazil rose to 8.8 percent in the three months through March 2023, up from 7.9 percent in the October to December period of 2022.

(Figure 11.) source: trading economics 2023.

Montevideo (Uruguay)

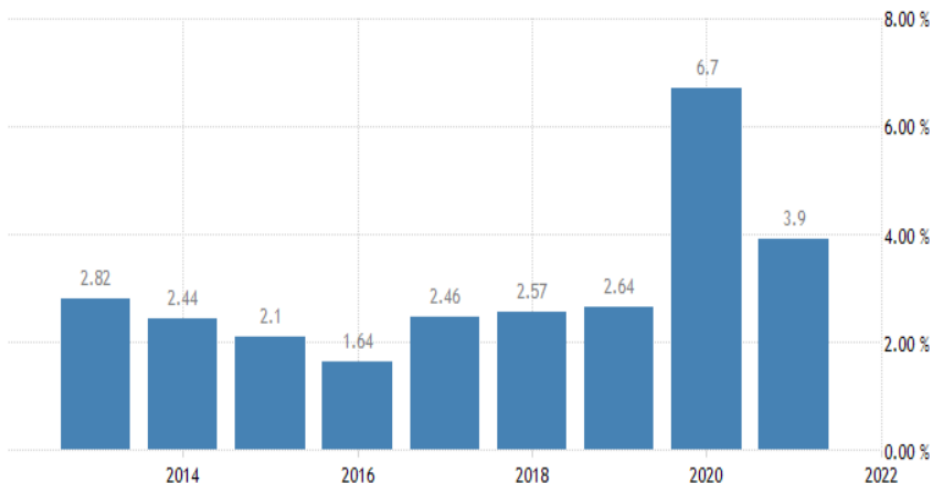
Unemployment rate in Uruguay rose to 8.6 percent in March of 2023 from 7.3 percent in the corresponding month of the previous year, marking the highest figure since September 2021..



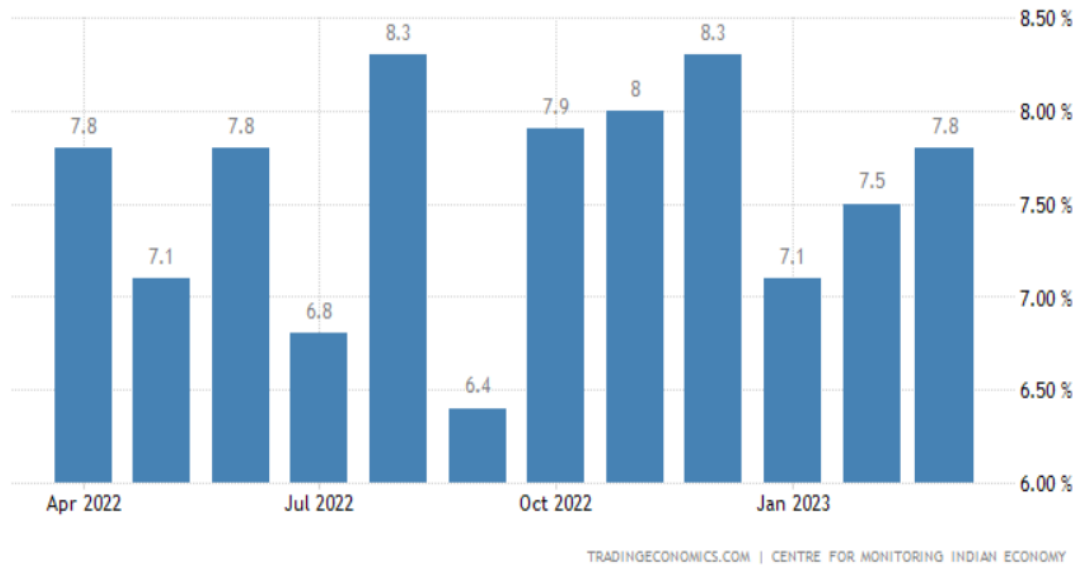
(Figure 12.) source: trading economics 2023.

United Arab Emirates (Dubai)

Unemployment Rate in the United Arab Emirates reached 3.50 percent by the end of 2022, and is expected to trend around 3.00 percent in 2023, according to our econometric models.

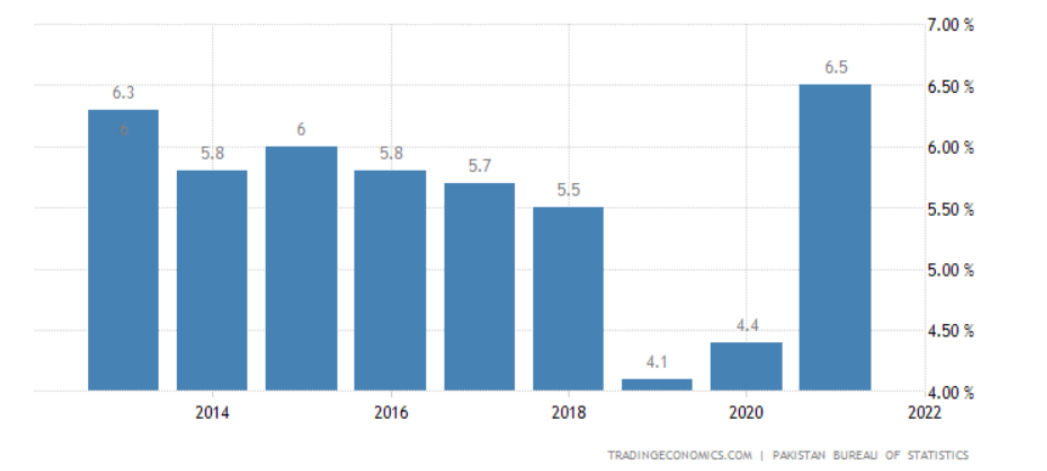


(Figure 13.) source: trading economics 2023.



(Figure 14.) source: trading economics 2023.

Mumbai Unemployment rate is estimated by directly interviewing a large sample of randomly selected households, this increased to 7.80 percent in March from 7.50 percent in February of 2023. source: Centre for Monitoring Indian Economy.

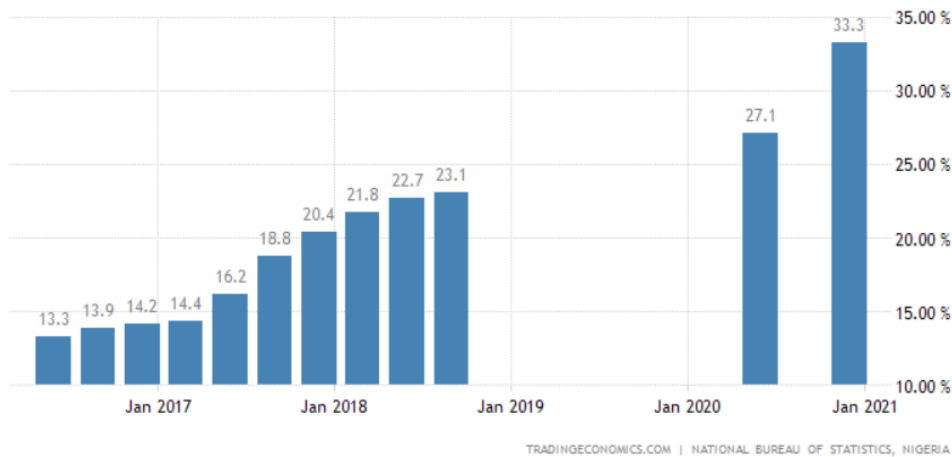


(Figure 15.) source: trading economics 2023.

Lahore (Pakistan) Unemployment increased to 6.50 percent in 2021 from 4.40 percent in 2020. source: Pakistan Bureau of Statistics

Lagos (Nigeria)

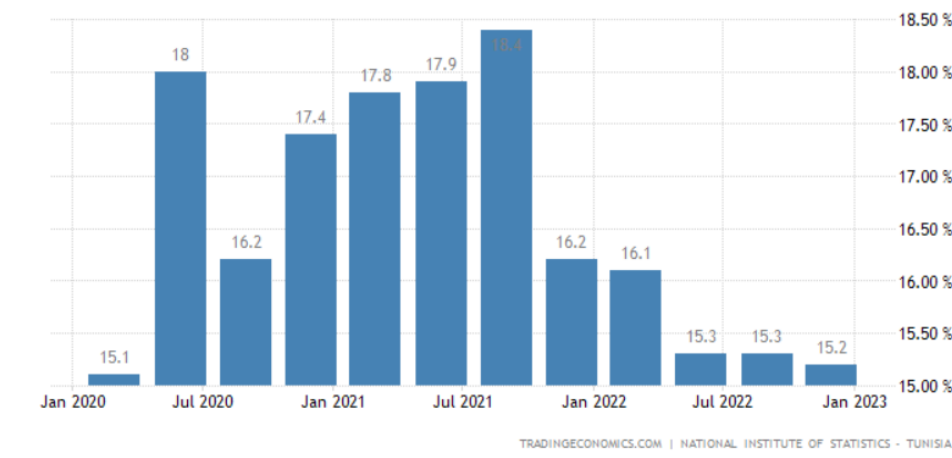
As in Nigeria the Zimbabwean the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force.



(Figure 16.) source: trading economics 2023.

Tunis (Tunisia)

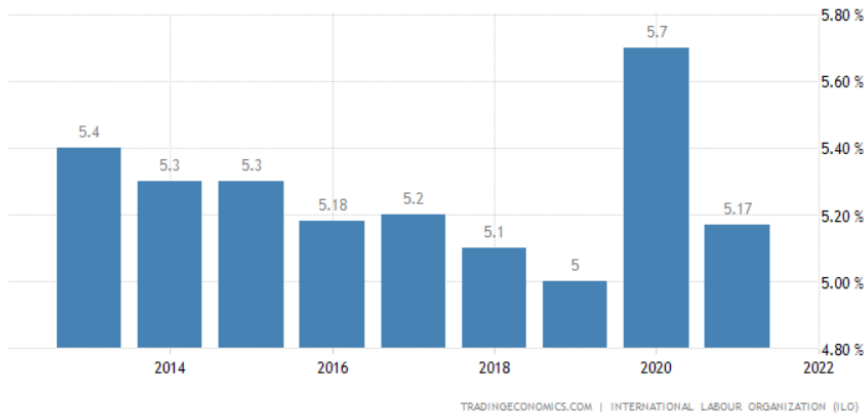
In Tunisia, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force



(Figure 17.) source: trading economics 2023.

Bulawayo (Zimbabwe)

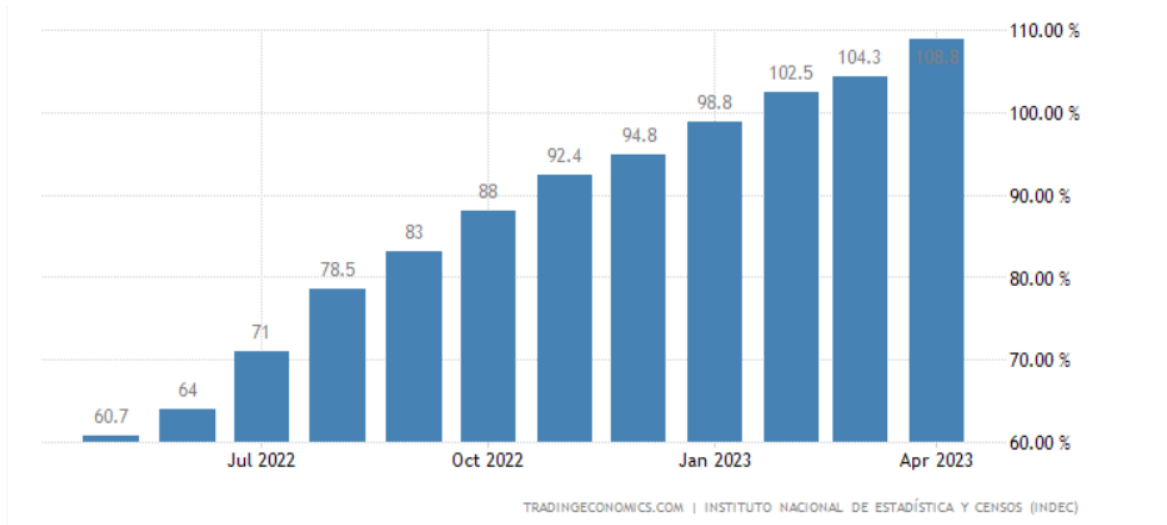
The unemployment rate measures the number of people actively looking for a job as a percentage of the labour force



(Figure 18.) source: trading economics 2023.

- Financial System

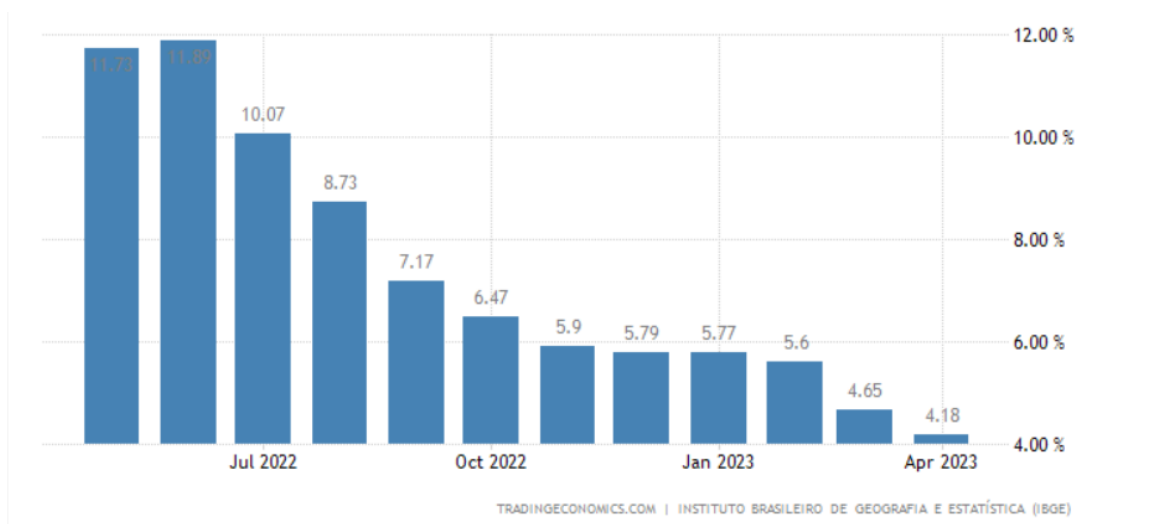
Argentina



(Figure 19) source: trading economics 2023.

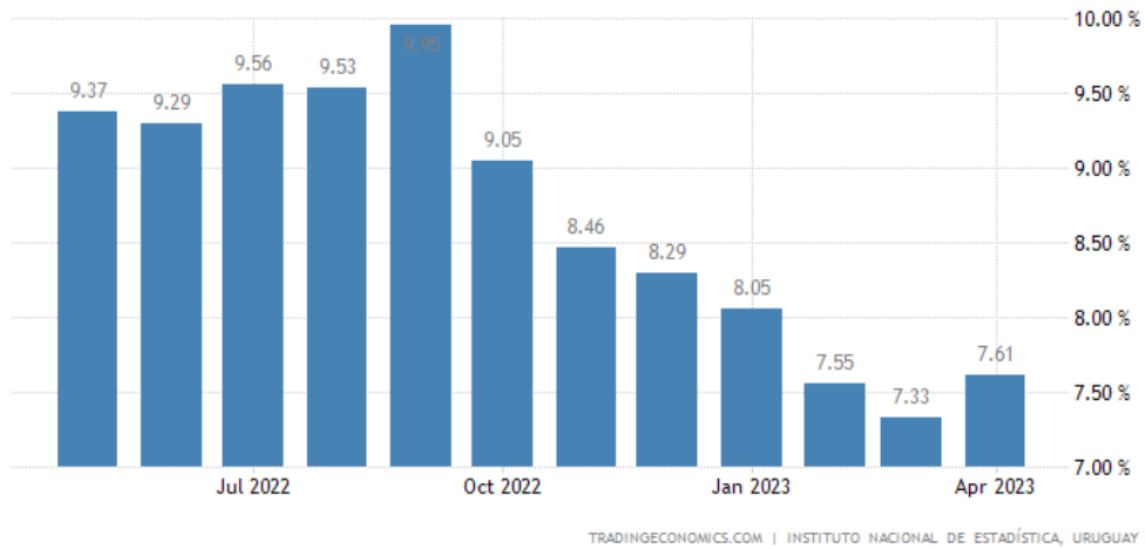
Argentinian inflation soared 108.8% year-on-year in April 2023, remaining at the highest level since 1991 and after rising 104.3% in March (source: Instituto Nacional de Estadística y Censos (INDEC))

Brazil



(Figure 20.) source: trading economics 2023. The annual inflation rate in Brazil fell to 4.18% in April of 2023 from 4.65% in the previous month, the lowest since October 2020

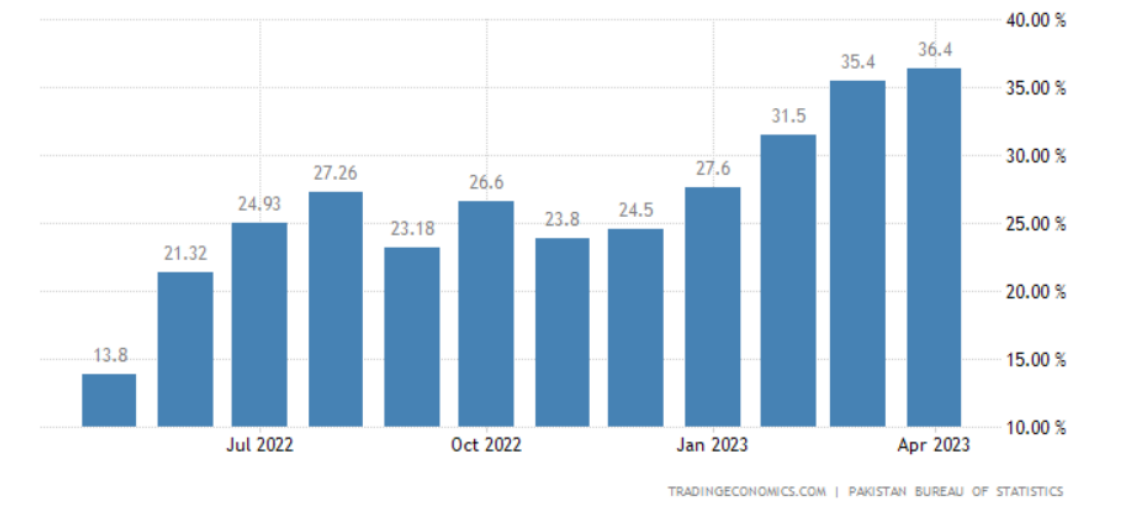
Uruguay



(Figure 21.) source: trading economics 2023.

The annual inflation rate in Uruguay picked up to 7.61 percent in April 2023, the highest in three months, from 7.33 percent in March.

Pakistan



(Figure 22.) source: trading economics 2023.

Pakistan inflation rate accelerated to 36.4% in April of 2023 from 35.4% in March. It was the highest reading since December of 1973. source: Pakistan Bureau of Statistics. New system of digital banking has been approved in January 2023, with full role out expected in 2024.

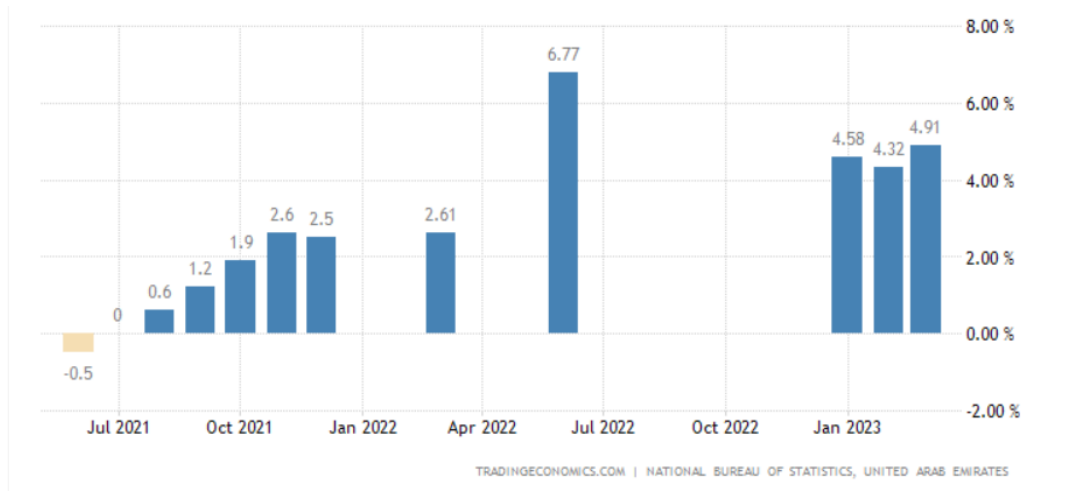
Mumbai (India)



(Figure 23.) source: trading economics 2023.

Inflation rate in India slowed sharply to 4.7% in April of 2023, the lowest since October of 2021, from 5.7% in March, and slightly below forecasts of 4.8% source: Ministry of Statistics and Programme Implementation (MOSPI)

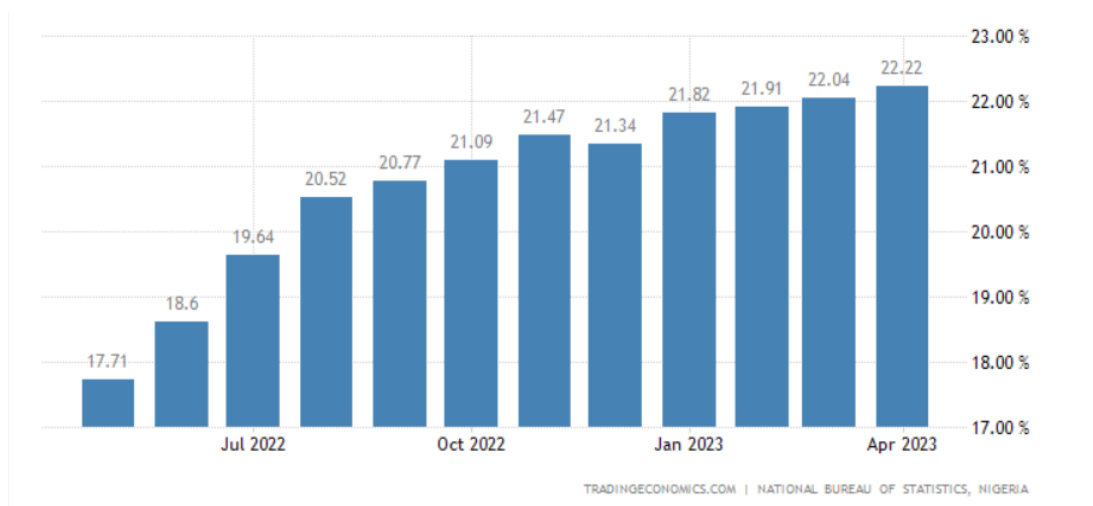
Dubai (UAE)



(Figure 24.) source: trading economics 2023.

Inflation Rate increased to 4.91 percent in March of 2023 from 4.3 percent in February. source: National Bureau of Statistics, United Arab Emirates. Access to safe and sustainable digital is excellent and investment and funding is available as competitive rates.

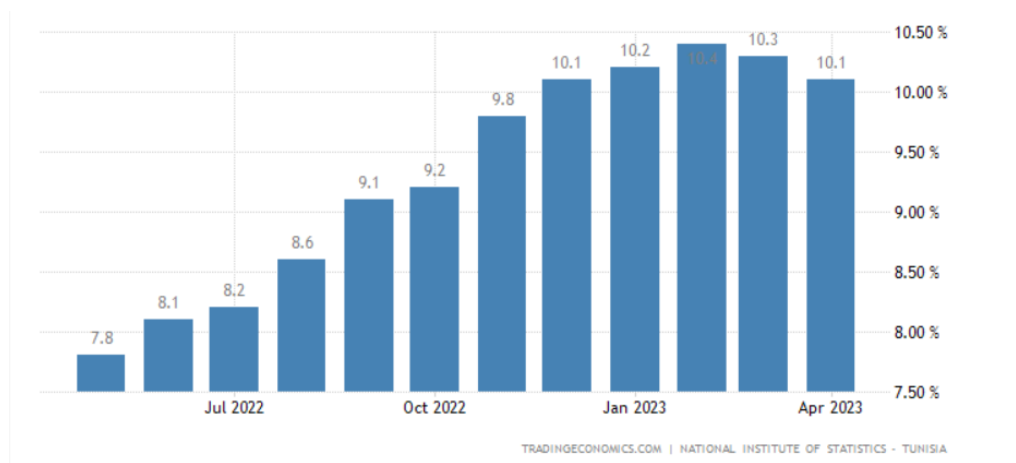
Nigeria



(Figure 25.) source: trading economics 2023.

The annual inflation rate in Nigeria accelerated for the fifth month to 22.22% in April 2023, reaching a nearly 18-year high and following 22.04% in the prior month. There are no safe digital banking availability and access to additional local funding is not available.

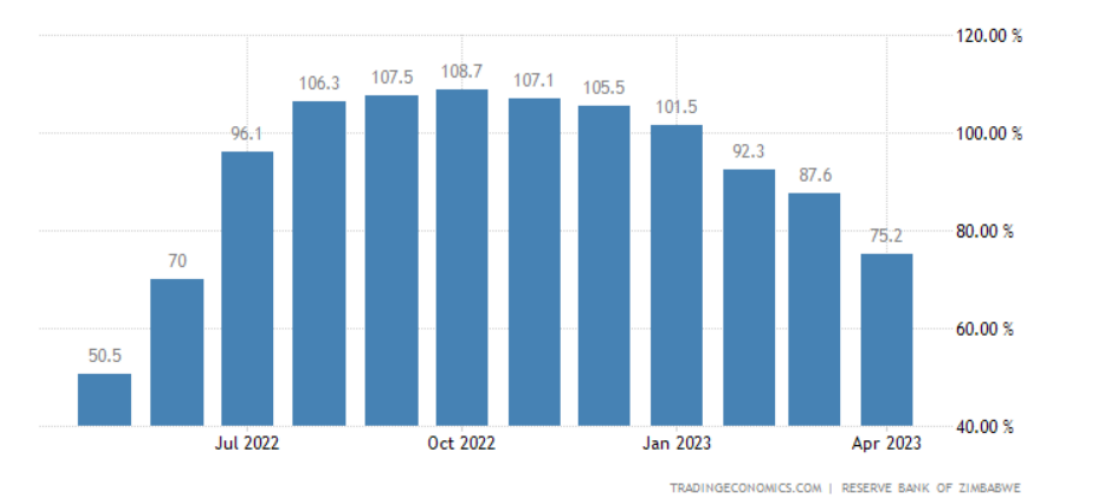
Tunisia



(Figure 26.) source: trading economics 2023.

Inflation rate in Tunisia eased slightly for the second month to 10.1% in April 2023, from 10.3% in the prior month, There is little access to digital banking and access to funding is difficult.

Zimbabwe



(Figure 27.) source: trading economics 2023.

Zimbabwe's annual consumer price inflation eased again to a ten-month low of 75.2% in April 2023 from 87.6% in the prior month, There is no digital smart banking, sustainability is uncertain and access to funding poor.

- Industrial Production Market

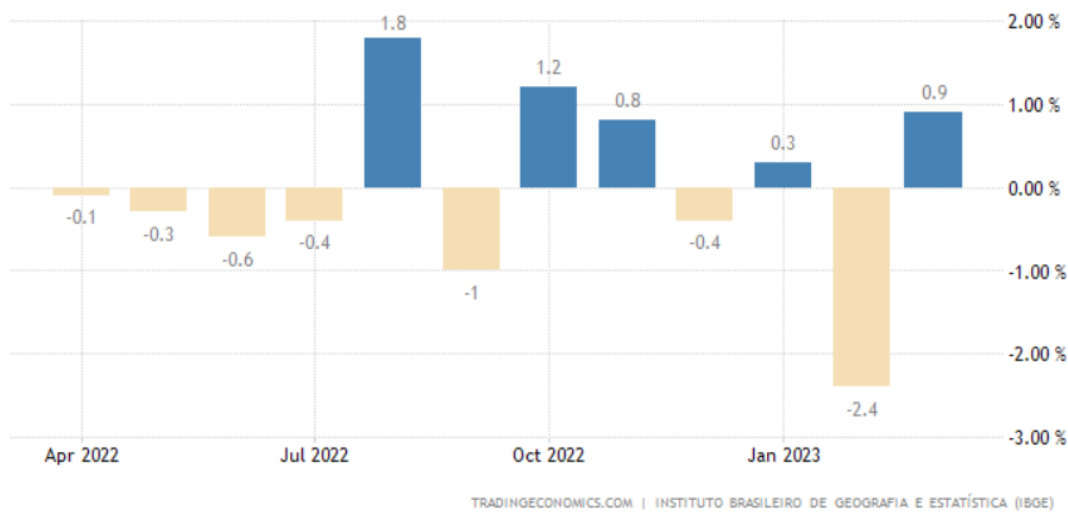
Argentina



(Figure 28.) source: trading economics 2023.

Argentina Industrial Output Swings to Expansion in March Industrial production in Argentina rose 3.1 percent from a year earlier in March of 2023

Brazil

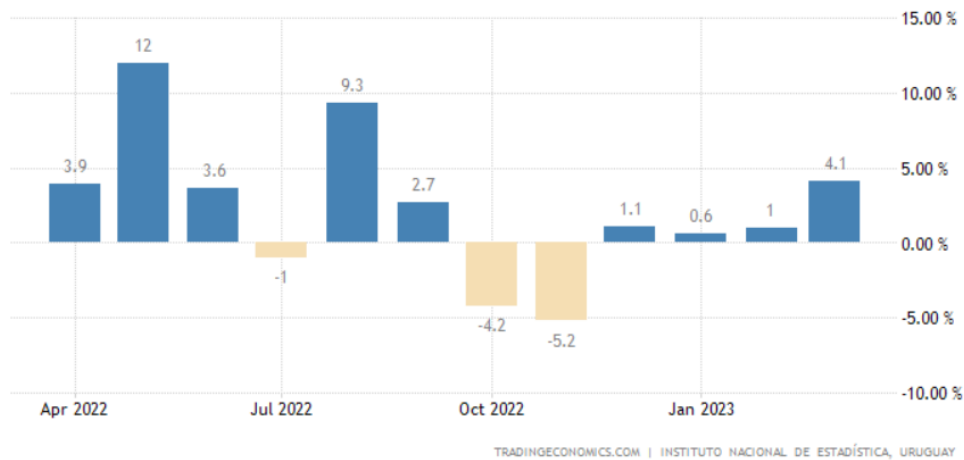


(Figure 29.) source: trading economics 2023.

Industrial production in Brazil rose by 1.1% from the previous month in March 2023, compared with market forecasts of a 0.8% increase and following a 0.2% fall in the prior month Year-to-date, Brazilian industrial activity shrank 0.4%.

source: Instituto Brasileiro de Geografia e Estatística (IBGE)

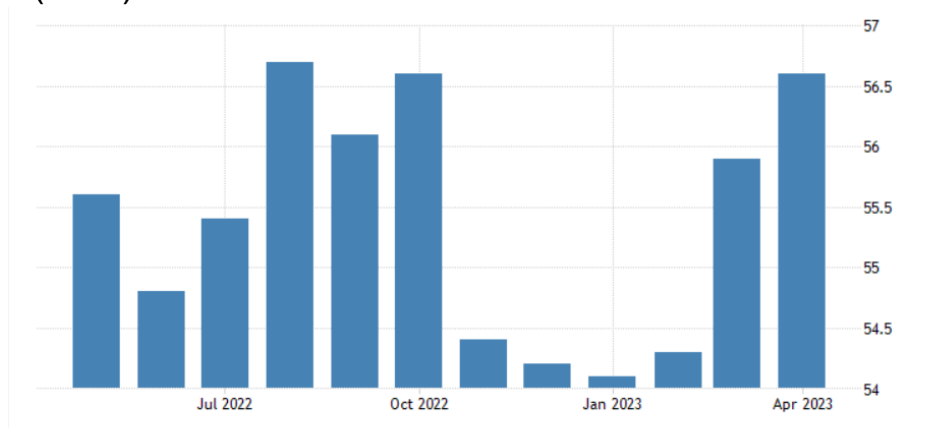
Uruguay



(Figure 30.) source: trading economics 2023.

Manufacturing production in Uruguay rose 4.1 percent from a year earlier in March 2023, accelerating from a 1 percent increase in the previous month. It pointed to the sharpest gain in factory output since August 2022 delivering a Factory Output at 7 Month High.

Dubai (UAE) Non-Oil Private Sector PMI



(Figure 31.) source: trading economics 2023.

UAE use the Purchasing Managers' Index to measure the performance of companies in non-oil private sector, this is derived from a survey of 400 companies, including manufacturing, services, construction and retail. A reading above 50 indicates an expansion of the non-oil private sector compared to the previous month; below 50 represents a contraction; while 50 indicates no change. 56.5% indicating a 6.5% growth.

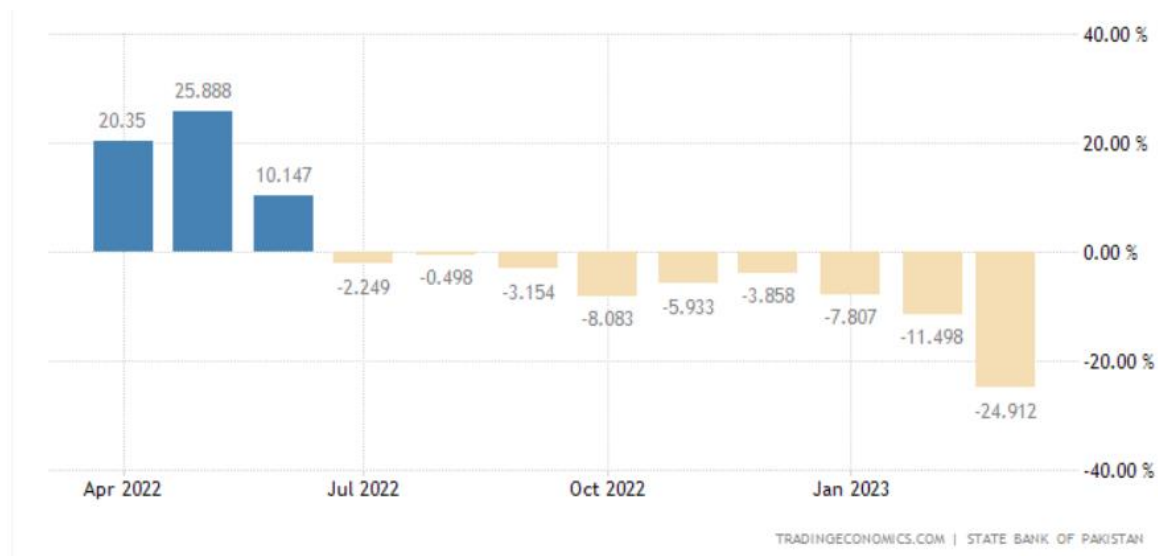
India



(Figure 32.) source: trading economics 2023.

Industrial production in India went up 1.1 percent year-on-year in March 2023, missing market expectations of a 3.3 percent rise and easing from a 5.6 percent increase in the previous month. It was the lowest growth in industrial activity since October 2022

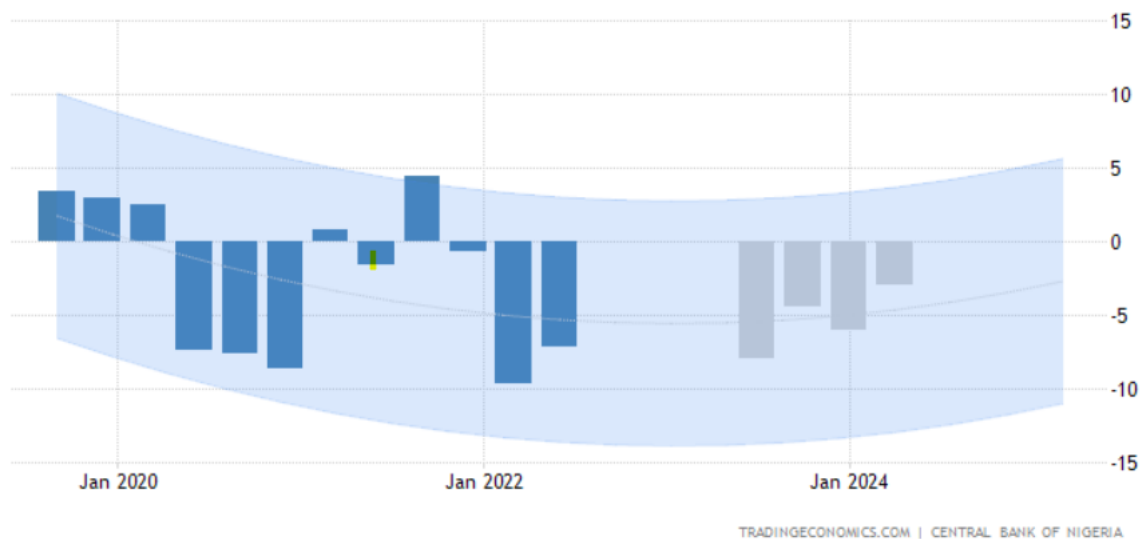
Pakistan



(Figure 33.) source: trading economics 2023.

Industrial Production in Pakistan decreased 24.91 percent in March of 2023 over the same month in the previous year. (source: State Bank of Pakistan 2023)

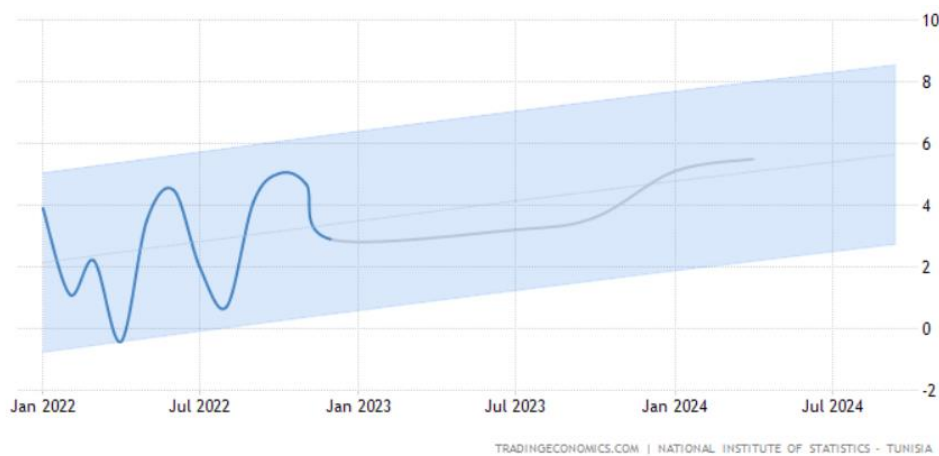
Nigeria



(Figure 34.) source: trading economics 2023.

Industrial Production in Nigeria is expected to be -5.40 percent by the end of this quarter, according to Trading Economics global macro models and analysts expectations. In the long-term, the Nigeria Industrial Production is projected to trend around 1.70 percent in 2024 and 3.00 percent in 2025.

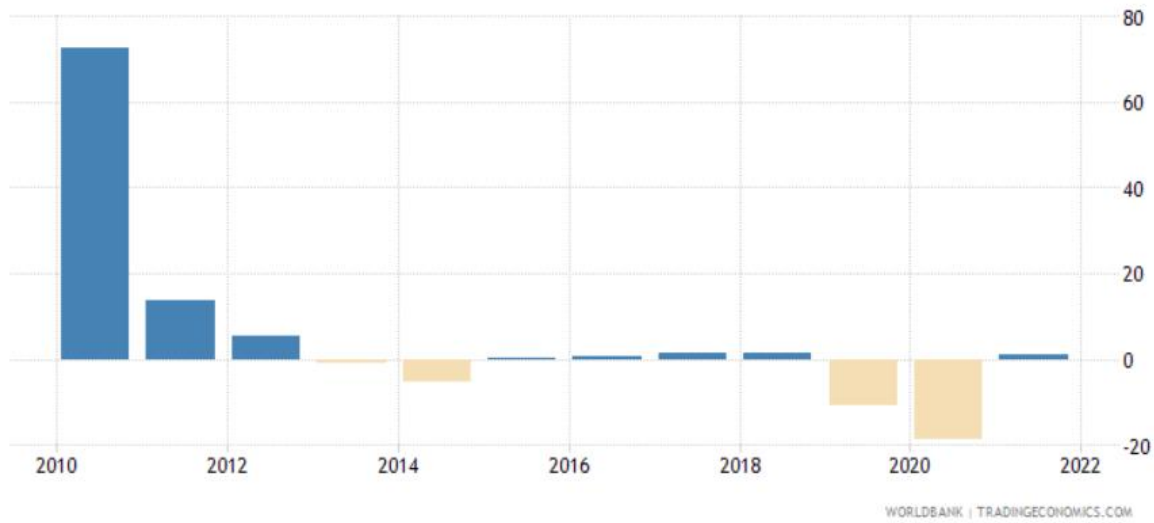
Tunis



(Figure 35.) source: trading economics 2023.

Industrial Production in Tunisia is expected to be 4.40 percent by the end of 2023 and with expectations of long-term, trend around 8.40 percent in 2024 and 6.00 percent in 2025.

Zimbabwe



(Figure 36.) source: trading economics 2023.

Zimbabwe's economy, once one of the strongest in Africa, has one of the lowest GDP per capita in the world. Years of mismanagement and endemic corruption has completely destroyed the country. Manufacturing, value added (annual % growth) in Zimbabwe was reported at 1.1987 % in 2021, and due to political issues data is not available for 2022 or 2023

Innovation Ecosystem:

The framework used in Figures 37, 38 and 39 was designed to create a more complete analysis, comprising of 81 indicators across seven of the following categories to calculate a country's score:

 Business Sophistication

 Market Sophistication

 Infrastructure Road,

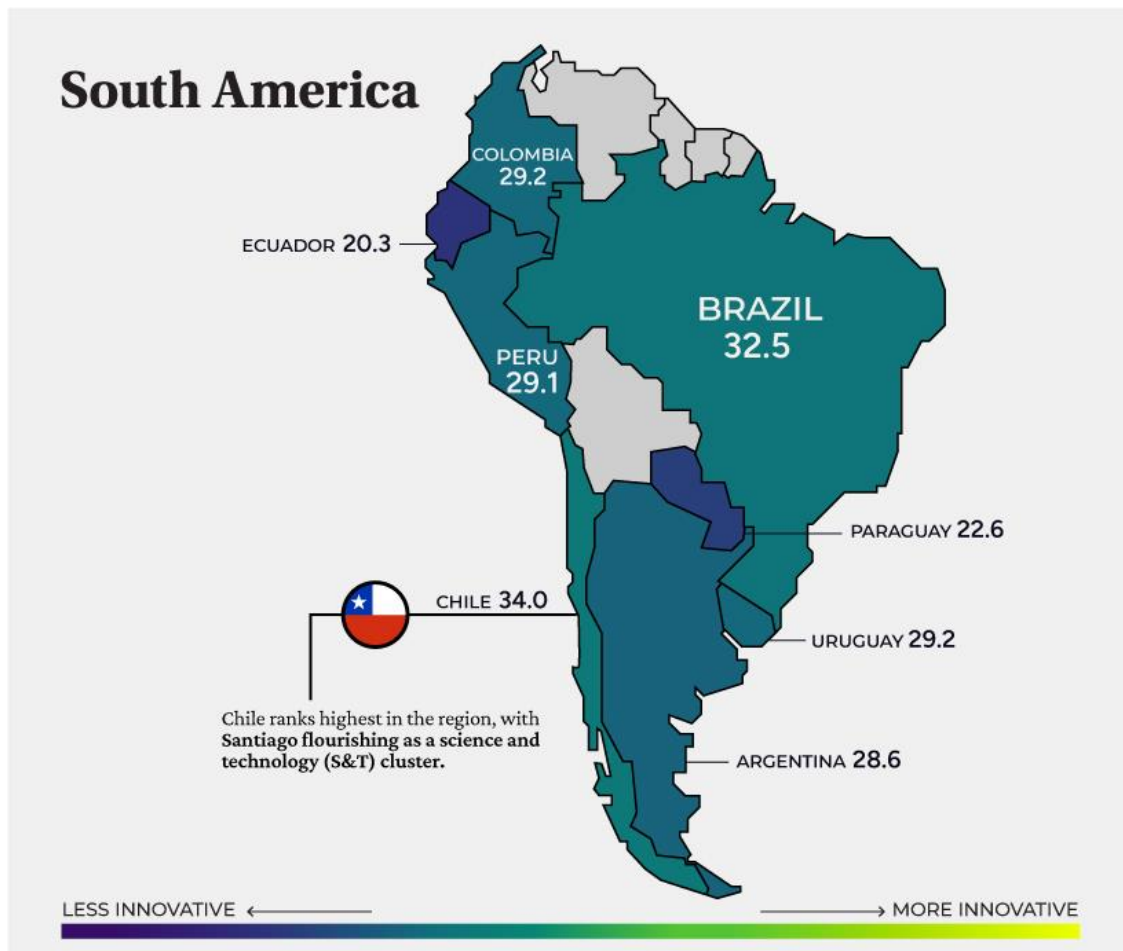
 Human Capital & Research

 Institutions

 Creative Outputs

 Knowledge and Technology Outputs

In depth review of the world's most innovative economies using data from the UN's (WIPO Global Innovation 2023). More detailed data can be reviewed at World's most innovative economies using data from the UN's [WIPO Global Innovation Index](#).



(Figure 37.) **Source:** The Most Innovative Countries in the World in (2022)

Uruguay:

Uruguay has a culture of trying new things. A rather permissive country and there is few regulations and legislative obstacles to new concepts.. The tax system favours international companies and is situated next to two economic giants Brazil and Argentina.

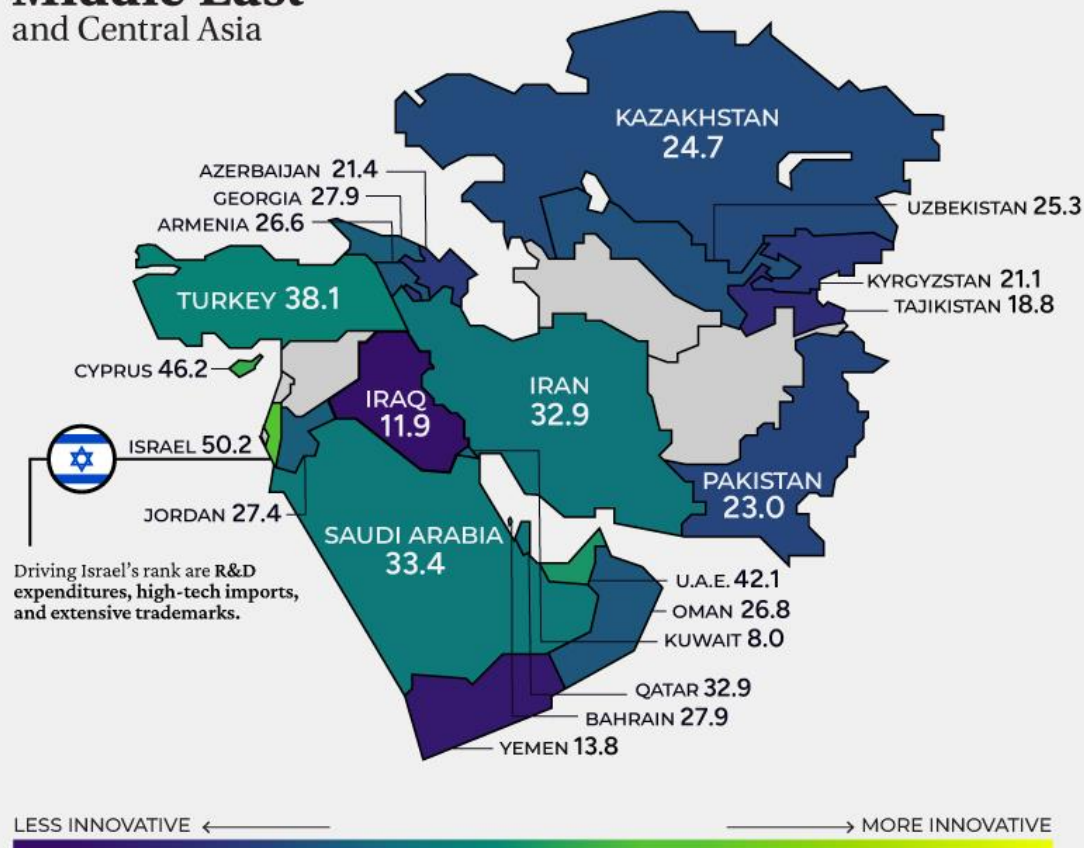
Brazil :

Brazil is one of the top three economic regions in South America and, workers are groomed with similar mindsets to American workers and tasked with focusing on creativity and innovation.

Argentina:

The government has been making efforts to promote the development of the technology industry in the country, with very Strong government led programmes to provide equity-free funds, office space, and mentoring from experienced entrepreneurs and investors to the selected startups.

Middle East and Central Asia



(Figure 38) **Source:** The Most Innovative Countries in the World in (2022)

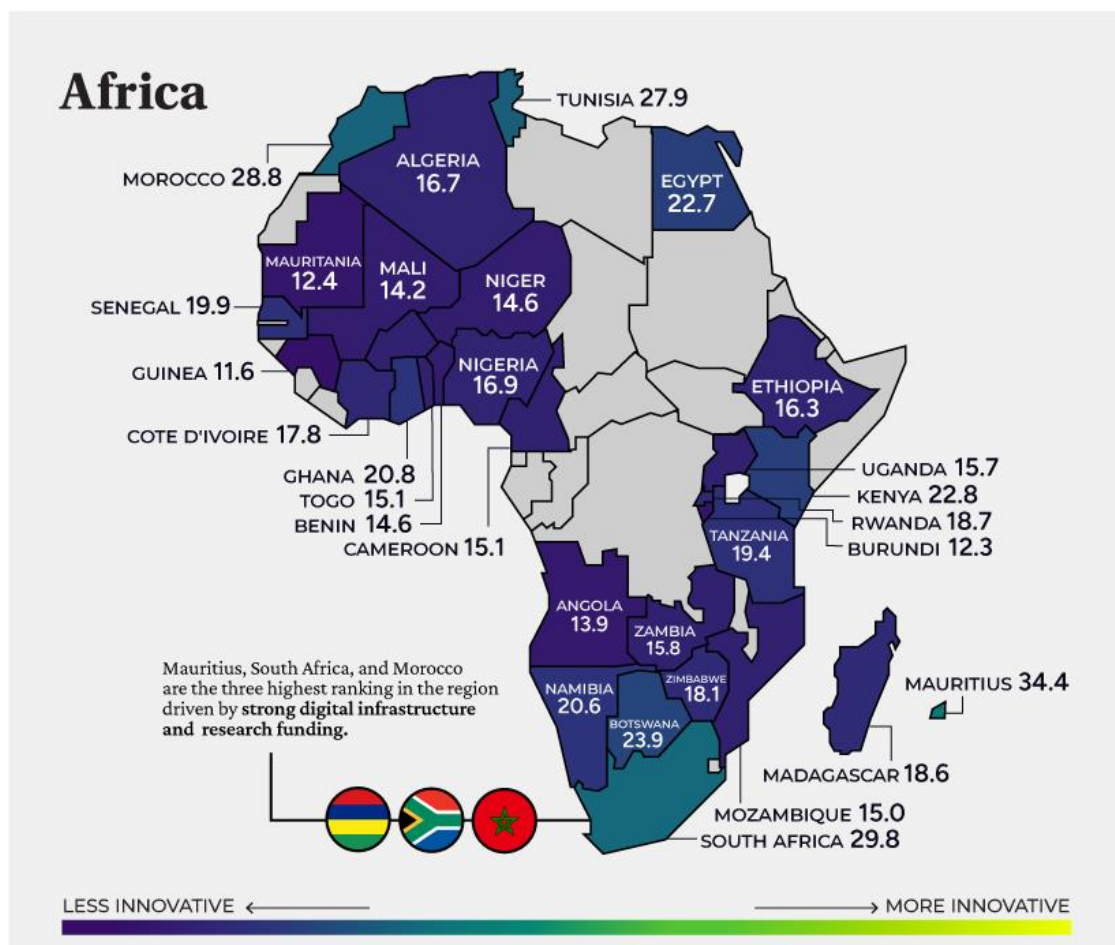
Dubai (UAE)

UAE Recognizes that innovation is cornerstone of their social and economic development, and have develop national innovation strategies and framework. Leading to the appointed National Innovation champions in all industry sectors Source. UAE Innovation (2023)

India (Mumbai)

The country is poised to improve its Global Innovation Index rankings by 41 places from a mere 81st rank in 2015 to 40th rank in (World Intellectual Property Organisation).

Pakistan (Lahore) There's a rocky road ahead for Pakistan's start-up ecosystem. They face several acute challenges, such as dwindling foreign exchange reserves, security issues, blackouts and severe flood risks causing many young Pakistanis to leave.



(Figure 39) **Source:** The Most Innovative Countries in the World in (2022)

Nigeria (Lagos):

Nigeria is the most popular investment destination on the continent, and 2015-2022 they have raised a total of US\$ 2,068,709,445. Industry sectors such as Fintech, Ecommerce, Retail Tech and E-health being the biggest benefactors.

Tunis:

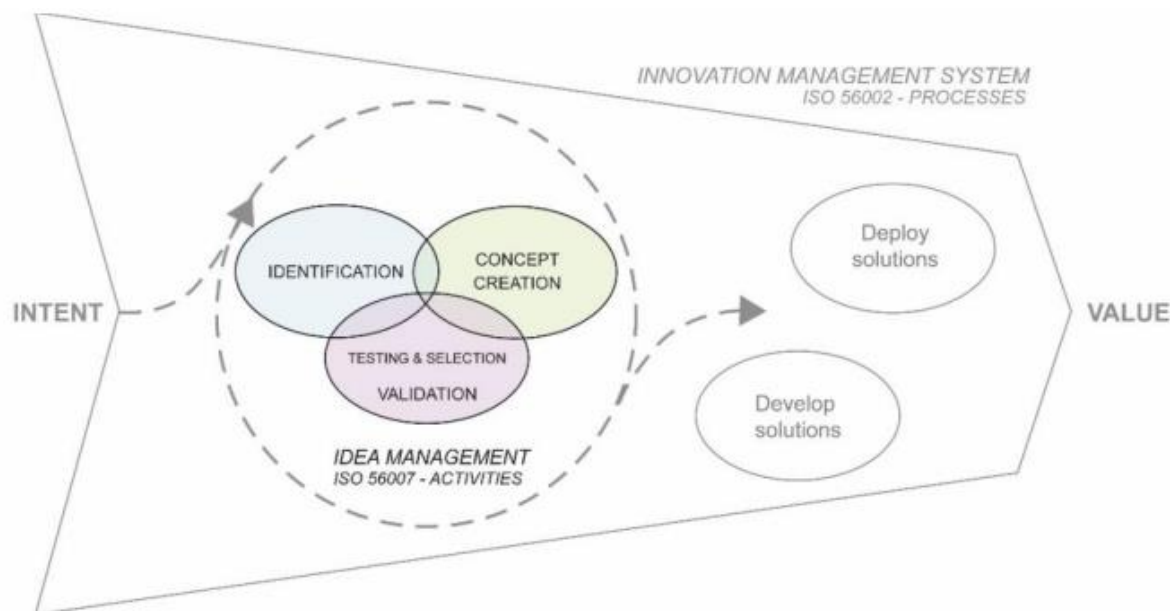
Tunisian government is encouraging start-ups to explore artificial intelligence and cybersecurity, as well as solutions in robotics. Delivering an increase in fintech, education, logistics and health tech solutions due to the COVID-19 lockdown

Zimbabwe (Bulawayo) :

After more than two decades of stagnation, the innovation ecosystem is still in its infancy and will depend on Political stability. There is a vibrant environment around food innovation.

2. The benefits of implementing of ISO56000 innovation management systems.

The ability to innovate is central to any organization's growth, viability, and impact within society and its market place. ISO56000 is a management framework for managing the front end of innovation, utilizing tools, delivering methods for identifying opportunities, creating concepts, solutions or products, and assisting the organisation in validating them for consideration in their future development and deployment. This journey is demonstrated below in (Figure 40.)



(Figure 40.) source: Idea management framework in relation to 56002 IMS Operation processes

When organisations grow and expand their geographical foot print, this brings both opportunities such as increased financial revenue, but also issues such as culture, language barriers and a different or conflicting approach with their innovation journey and understanding.

However the implementation of an ISO56000 innovation management system, can aid an organisation to overcome these barriers by enabling every location to share the same process and method when reviewing sustainable innovation, by establishing the following key leadership and management actions.

1. Ensure each person and team understands the key terms of innovation to create a common language,
2. Understand which questions to ask to enable learning,
3. Consider and implement specific innovation drivers
4. Establish and gain a clear view of idea and opportunity progression
5. Set an understanding of learning how different methods can be applied.

2. Conclusion

While reviewing the locations provided, I discovered that there are many facets to expanding a business into locations around the world, all will have their challenges and their positive highlights. However the first fundamental question that should be asked when making the decision to expand into a different country should be, are they politically stable and financially responsible.

To this end I suggest the UEA and Uruguay require a further in depth review, along with a visit to both countries. To assist I have attached the latest HSBC International Business Guide, offering an detailed overview of both countries.

Uruguay is a model of professionalism, transparency and egalitarianism in South America. It is small, both in terms of geography and population, but it packs a powerful punch as it plays a vital role as a business centre and a free no barrier trading port, between the two giant economies of Brazil and Argentina.

Essentials

Capital city
Montevideo

Other major cities
Salto, Colonia, Punta del Este

Population
3,544,000¹

Size
**175,020 square km
(67,576 squared miles)**

GDP
US\$15,438 per capita²

Main languages
Uruguayan Spanish

Currency
Uruguayan peso (\$U)

Time zone
GMT -3 hours



Emergency numbers
911 (police), 105 (medical assistance), 104 (fire brigade)

Top exports
Beef, wood, oil seeds, dairy, eggs and honey, cereals

Top imports
Mineral fuels including oil, machinery including computers, vehicles, electrical machinery, plastics and plastic products

Typical office hours
9am – 5pm (Monday to Friday)

Unemployment rate
9.4%³

Corporation tax
25%⁴

Dialling code
+598

Uruguay: Latin America's vital business hub

Small country, powerful outlook

On a map, Uruguay appears tiny, surrounded by its much larger neighbours, Brazil and Argentina. But Uruguay has five times more land than the Netherlands with five times fewer people. Low population density combined with open space has afforded Uruguay immense economic opportunity.

Educational free thinkers

With a 98.7% literacy rate, Uruguay has one of the most literate populations in Latin America, equal to that of the United States. Education is free at all levels, with the nation boasting seven universities.

Winning the war against Covid

Thanks to swift action by the government, innovations in testing and strict adherence to WHO recommendations, Uruguay was able to keep a lid on the Covid-19 pandemic, providing positive lessons for the region and the world.

Digital ambitions

Due to community, government and stakeholder investment, over the past decade Uruguay has been committed to the widespread rollout of mobile and internet services. The nation's Digital Agenda has been one of the great tech success stories in Latin America.

It's easy being green

Uruguay generates 98% of its energy from renewable sources, making it one of the leading countries globally in renewable energy generation. Uruguay may be South America's second smallest country, but its use of sun, water and wind makes it a major player in the sustainability space.

5 reasons to do business in Uruguay

01 Pro-investment policies

The government is continually developing policies to make investing in Uruguay simple. Attractive legal and tax incentives make doing business highly appealing, as does a stable political system.

02 A great business climate

The nation's sustained economic growth over the past 15 years is the second highest growth in the region. The country boasts world-class infrastructure with fast, modern highways and reliable, broadband internet.

03 The gateway to Latin America

Uruguay is a regional hub with a strategic location. Its founding membership of Mercosur and a trade agreement with Mexico mean Uruguay opens the door to a market of more than 400 million people.

04 Talent

Due to a high level of education, technological training and the proven willingness and ability to be flexible, the nation's human resources are of high quality.

05 Quality of life

Montevideo is the city with the best quality of life in Latin America, according to the Mercer 2019 index. Outside of the urban centre, the landscape is characterised by open spaces and clean beaches, making it a scenically desirable place to live.

5 key challenges when doing business in Uruguay

01 Getting construction permits

Obtaining construction permits can be frustrating. It takes more than 230 days and requires a long series of inspections and registrations.

02 Registering property

Ranked 164th in the world (out of 185 economies) by the World Bank for ease of registering a property, it can be a bureaucratic challenge.

03 Small Market

Uruguay's population of around 3.5 million, with more than half residing in Montevideo, makes it a limited market on its own.

04 Trading across borders

Overseas trading is bureaucratic and costly. Uruguay was ranked 150th of 190 countries for trading across borders, due to the high costs associated with international trade.

05 Paying taxes

There are more 33 corporate tax payments to be made annually. Many employee levies, such as social security and worker's insurance, are slow to process.

Source. (International business.hsbc 2022)

The United Arab Emirates (UAE) continues to top the Arab nations in global competitiveness. Home to one of the most advanced infrastructures in the region and highest quality road networks in the world.

Essentials

Capital city
Abu Dhabi

Other major cities
**Dubai, Sharjah,
Al Ain, Ajman**

Population
9.9 million¹

Size
83,600 sq km

GDP
\$37,497 per capita²

Main languages
Arabic

Currency
Dirham (AED)



Unemployment rate
5%³

Top exports
**Crude petroleum, gold, refined
petroleum, broadcasting
equipment and diamonds⁴**

Top imports
**Gold, broadcasting equipment,
refined petroleum, diamonds
and cars⁵**

3. Trading Economics, 2022

4. The Observatory of Economic
Complexity, 2021

5. The Observatory of Economic
Complexity, 2021

Typical office hours

**For government entities,
Monday to Friday lunch-
time, with Saturday and
Sunday the official weekend.
Corporates are encouraged to
follow this model, but working
times can vary.**

Time zone
UTC +4

Corporation tax
**No federal corporate income
tax regime (but some emirates
can apply a sliding scale up
to 55%)⁶**

Dialling code
+971

Emergency numbers
**999 (police),
998 (ambulance) and
997 (fire)**

6. PwC, 2019

United Arab Emirates: Gateway to the Middle East

Positive outlook

In 2016, the UAE government famously appointed a Minister of Happiness to boost wellbeing, supported by a 'national programme for happiness and positivity'. For many, the hot climate, tax-free earnings policy and lavish leisure opportunities are part of what make this such a good place to be.

A cultural crossroads

Fewer than a fifth of the UAE population are nationals. The remainder are expats from over 200 countries, the majority from South and Southeast Asia – creating a unique cultural meeting-point. The population is predominantly youthful – a fifth are under 14 – with males making up the majority of overseas workers.

More than oil

The UAE has successfully invested to diversify away from its dependence on the oil industry, with the aim of building a 'knowledge economy'.

Each emirate is establishing its own sectoral niches. Non-oil sectors now contribute around 70% of GDP.

Sound prospects

Thanks in part to diversification, the International Monetary Fund (IMF) expects the UAE's GDP growth to return to 3% over the next few years, as the current fiscal consolidation eases, global trade regains momentum, and investment accelerates.

Beyond Dubai

While attention often focuses on the country's megacities, lesser-known emirates such as Sharjah offer cultural riches, manufacturing bases and a more affordable alternative to Dubai.

Race for space

The UAE's innovation drive is symbolised by the fact that it successfully sent a space probe into Mars' orbit in 2021 in order to explore space agriculture and establish a colony on the red planet.

5 reasons to do business in the UAE

01 Easy trading

The UAE is consistently seen as one of the top Arab countries for ease of doing business, reflecting the government's efforts to compete on a global scale.

02 Superb infrastructure

Infrastructure investment to serve a growing population has produced excellent road, rail, air and sea links, with many further significant developments underway.

03 A prime position

The UAE's strategic location – next to the southern lines of the Strait of Hormuz – makes it an obvious gateway to other Gulf economies, as well as a strong market for re-export across the world.

04 Favourable tax regime

The UAE imposes no tax on personal income. Corporate tax is generally applied only to oil, gas and petrochemical businesses.

05 Liberal regime

Free zones established in each emirate, some of them dedicated to specific sectors, can allow 100% foreign business ownership.

5 key challenges when doing business in the UAE

01 Restrictions on ownership

Outside the free zones, limitations on company ownership apply: a national sponsor must own 51% of the business if it is in an industry of 'strategic impact'. Otherwise, new rules permit 100% foreign ownership outside of free zones.

02 Conservative approach

While it's among the most liberal of the Gulf countries, the UAE remains conservative. Some media publications do practice self-censorship. Harsh penalties also exist for breaching laws on drugs, alcohol and decency.

03 Multiple bureaucracies

The mix of federal legislation, Emirates' individual regulatory powers and free zone laws can be complex and potentially confusing.

04 Limited stay

The 'kafala' system, which consists of laws governing migrant workers' immigration to and legal residence in countries in the Middle East, can lead to an over-dependence on employers. Changes introduced with The New Law in February 2022 mean that employees will be required to enter into fixed-term employment contracts for a maximum period of three years.

05 Costly living

The UAE is one of the most expensive places to live in the Gulf, according to Numbeo's global Cost of Living Index 2021.

Source (International business.hsbc 2022)

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