The UAE’s competitiveness strategy
The use of international benchmarks to guide policy
The UAE is a federation of 7 emirates
Abu Dhabi (capital) and Dubai (biz hub) are the preeminent emirates/cities

- **Name:** United Arab Emirates (UAE) – ISO3: “ARE”
- **Govt type:** Federation of 7 emirates; absolute rule
- **Population:** 9.3 million
- **GDP (BN):** $325; $670 (PPP)
- **GDP/cap:** $35k; $72k (PPP)
- **Capital:** Abu Dhabi
- **Largest city:** Dubai (3.2m)
- **Life expectancy:** 76.8 yrs
- **Land area:** 83,600 km²
- **Founding date:** 02/12/1971
- **Legal system:** Mixed system of Islamic and civil laws
- **Expatriate population:** 88%
- **Literacy rate:** 94%
- **Oil share of GDP:** 25%
- **External debt (BN):** $172
- **Language:** Arabic, English

**Exports:** $324 BN: Japan (14.8%), Iran (11.4%), India (9.6%), Korea (5.7%), China (5.5%), Singapore (5.4%), Thailand (4.5%)

**Imports:** $248 BN: China (15.7%), India (13.4%), USA (8.9%), Germany (5.3%), Japan (4.2%)
Local rulers form the highest level of government.

Executive branch led by sheikhs from Abu Dhabi (president) and Dubai (PM).

1. Federal Supreme Council
2. President and vice-president
3. Cabinet
4. Federal National Council
5. Federal Judicial Authority

Executive branch

- **Head of state:** H.H. President *Sheikh Khalifa bin Zayed Al-Nahyan* (ruler of Abu Dhabi)
- **Head of government:** H.H. Prime Minister and Vice President *Sheikh Mohammed bin Rashid Al-Maktoum* (ruler of Dubai)
- **Cabinet:** Council of Ministers (appointed by the president) – currently with 25 members (5 female; 20 male)

Legislative branch

- **Federal National Council (FNC):** Unicameral body with 40 representatives (20 appointed by the rulers of the 7 emirates) – currently with 9 female members
  - **Appointed:** 8 female; 12 male
  - **Elected (advisory):** 1 female; 19 male
- **Seat distribution:** Abu Dhabi (8), Dubai (8), Sharjah (6), RAK (6), Ajman (4), Umm Al Quwain (4), Fujairah (4)

Judicial branch

- **Highest court:** Federal Supreme Court (court president + 4 judges) – Dubai and RAK courts not subject to the federal Supreme Court
- **Lower courts:** Federal Court of Cassation; federal level courts of first instance and appeals courts; emirate-level court systems (outside of federal mandate)
It is the Arab World’s leading nation
It bridges East and West, as well as being a gateway to the MENA region

The UAE is a prosperous nation, led by its two premier cities Abu Dhabi and Dubai.

<table>
<thead>
<tr>
<th>WEF GLOBAL COMPETITIVENESS INDEX</th>
<th>2004-05</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Finland</td>
<td>Switzerland</td>
<td></td>
</tr>
<tr>
<td>• USA</td>
<td>Singapore</td>
<td></td>
</tr>
<tr>
<td>• Sweden</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>• Taiwan</td>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td>• Denmark</td>
<td>Netherlands</td>
<td></td>
</tr>
<tr>
<td>• Norway</td>
<td>Japan</td>
<td></td>
</tr>
<tr>
<td>• Singapore</td>
<td>Hong Kong</td>
<td></td>
</tr>
<tr>
<td>• Switzerland</td>
<td>Finland</td>
<td></td>
</tr>
<tr>
<td>• Japan</td>
<td>Sweden</td>
<td></td>
</tr>
<tr>
<td>• Iceland</td>
<td>UK</td>
<td></td>
</tr>
<tr>
<td>• UAE (16)</td>
<td>UAE (15)</td>
<td></td>
</tr>
</tbody>
</table>

Sources: GaWC, WEF.

<table>
<thead>
<tr>
<th>WORLD CITY (GaWC) CLASSIFICATION (2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha++</td>
</tr>
<tr>
<td>• London</td>
</tr>
<tr>
<td>• New York</td>
</tr>
<tr>
<td>Alpha+</td>
</tr>
<tr>
<td>• Hong Kong</td>
</tr>
<tr>
<td>• Paris</td>
</tr>
<tr>
<td>• Singapore</td>
</tr>
<tr>
<td>• Shanghai</td>
</tr>
<tr>
<td>• Tokyo</td>
</tr>
<tr>
<td>• Beijing</td>
</tr>
<tr>
<td>• Sydney</td>
</tr>
<tr>
<td>• Dubai</td>
</tr>
</tbody>
</table>
But take a step back...
The UAE is in the heart of the MENA region (Middle East & North Africa)

- Women in Saudi Arabia cannot drive
- Syria is in a civil war
- Proxy war in Yemen
- Iraq is a failed state
- Egypt experienced a military coup
- Turkey is creeping towards a dictatorship
Yet somehow over there...

A nation has emerged with a diverse and tolerant population
But it was not always this way
In fact, the UAE was only established in 1971

Although present-day UAE has been inhabited since around 1095 AD, the UAE was established only in 1971, led by the leadership of Sheikh Zayed bin Sultan Al Nahyan. By 1975 its population was still less than 500k and did not surpass 3m until after the current ruler of Dubai took power in 2006.
Transformation was meteoric

The UAE used its oil surplus to develop large-scale infrastructure projects.

With (immense) hydrocarbon wealth limited to Abu Dhabi, the fate of the union was uncertain. Yet, what Dubai lacked in oil riches it made up in ambition. It became the gateway city for MENA and welcomed the world with open arms becoming the Arab World’s (first and only) global city.

“Prediction is very difficult, especially about the future.”
Neils Bohr (1922 physics Nobel laureate)
So how did the UAE manage to achieve this?

Hydrocarbon wealth, though important, is only part of the story

Although abundant in hydrocarbons, its reserves are concentrated in the emirate of Abu Dhabi (where it accounts for half of economic output). Dubai (and the other emirates) was able to develop with only limited natural resources. Instead, Dubai leveraged its geography and politics to serve as the entrepôt city for the MENA’s hydrocarbon wealth (even though it has little of its own).

Other countries (especially within MENA) suffered the “resource curse” or succumbed to the “Dutch disease”. *A priori*, how to avoid these fates was neither obvious nor easy. It required intelligent policymaking and a respect for good governance.

Sources: Dubai Statistics Centre, National Bureau of Statistics.
The UAE chose a unique development path
It borrowed a page from East Asia and downplayed its hydrocarbon roots

Some of the great development success stories have seen countries ignore the advice of “experts” who pushed countries to pursue growth in areas where they had a comparative advantage. (E.g. Korea was advised by IMF/WB to specialise in wigs and ginseng, two sectors for which they had a comparative advantage in the 1950s – at the time its GDP/cap was $100.)

- Abu Dhabi capitalised on its oil wealth, but Dubai had to be bold to be relevant
- Most sane advisers would have advised against most (if not all) of Dubai’s hallmarks: Aviation hub/Emirates; tallest building; largest mall; indoor ski resort; man-made islands; etc.
- Dubai chose the HKG/Singapore model
- Limited legacy infrastructure allowed country to leapfrog some traditional steps of development
1. Benchmarking against leading economies

Borrow & localise policies that worked elsewhere (esp. Singapore & HKG)

Singapore transformed itself from a poor former British colony into a dynamic global economic powerhouse in just two generations. Like Dubai/UAE, it has large expatriate and Muslim populations, and is a major oil player even w/o it.

Hong Kong is arguably the freest and most dynamic economy in the world. It is also the gateway to the Chinese market. Both Singapore and Hong Kong are world cities, w/ English an official and working language (a competitive advantage)*

* See Power Language Index (Chan, 2016) – English is ranked 1st, Kazakh is ranked 34th and Russian 5th
2. Leveraging its strategic location

At the crossroad between old & new, and mature & emerging markets

Strategically occupying the middle time zone between London and Hong Kong, UAE lies at the crossroad of Europe, Asia, and Africa. British influence has made English the lingua franca in the country.

One third of the world’s population within a 4-hour flight of UAE; two-thirds within an 8-hour flight. A natural gateway to Middle East, North Africa and South Asia (MENASA), as well as Africa.
3. Connecting to the world

Geography alone is not sufficient without an openness to the world.

The UAE lies at the crossroads of Europe, Africa and Asia. Its sea ports connect it to world trade, and its position b/w Europe and Asia makes it a natural aviation hub.

- Jebel Ali Port is the world’s 9th busiest container port (TEU); Sharjah hosts strategic bunker services.
- DXB is the busiest airport by inter-national passenger traffic and the most connected airport;* AUH has plans to triple capacity by 2030.

* From Dubai there are non-stop flights at least three times a week to 93% of global cities outside of its home region.
4. Channelling petro-$ into long-term prosperity

Convert petro-dollars into real assets

“The Stone Age did not end for lack of stone, and the oil age will end long before the world runs out of oil.”
Sheikh Ahmed Zaki Yamani

- ADIA
- ADNOC
- Arabtec
- DP World
- du
- EMAL
- Etisalat
- First Gulf Bank
- Investment Corp. of Dubai
  - Emirates Airline
  - Jumeirah Group
  - Emaar
  - DWTC
  - DUBAL
  - Emirates NBD
  - ENOC
- Masdar City
- Mubadala
  - ATIC
- RAK Ceramics
5. Business-friendly and sociable environment

To attract businesses and talent UAE hanged an “open for business” sign

- Low-tax environment (for businesses and households)
- Fixed exchange rate to USD provides macro stability and confidence to investors (esp. traders)
- Open society (200+ nationalities) with attractive lifestyle
- Widespread use of English and efficient political governance
Bold government policy behind the UAE’s ascent
Ambition to make the UAE amongst the world’s best nations

The UAE federation allows each emirate to pursue its own development path, but within a national framework – namely the National Agenda (Vision 2021).

The emirates of Abu Dhabi and Dubai ("Abu Dubai") chose complementary development paths. Abu Dhabi is the resource-rich political capital; Dubai is the brash open international city. Their symbiotic relationship allows the country to leverage its wealth to join the global market on terms favourable to them.

The government structure allows for decisive actions that can be swiftly & efficiently executed. Thus political hurdles are not an issue in executing on growth plans.*

*Thus it is imperative that the leadership have the correct vision/path in mind!
Government policy as a maximisation problem
Maximise social welfare choosing policy variables that achieve KPIs

The UAE government places great priority (and its legitimacy of rule) on delivering a high quality of life to its citizens. The UAE government accomplishes this through three primary means:

1. **Placing key performance indicators on government bodies to ensure transparent policymaking that works to improve the country**

2. Attracting expats to the country to help make the country prosperous

3. Creating conditions favourable to its citizens and offering them employment through the public and semi-public sectors

![Graph showing maximisation problem](image)

\[
\text{max} \quad W = \sum_{i=1}^{N} \omega_i W_i(\kappa; V)
\]

\[
\text{s.t.} \quad V = \sum_{j=1}^{M} \vartheta_j V_j \geq \bar{V} \quad \text{and} \quad M = \min\{M\}
\]

\[
\text{s.t.} \quad C(\kappa(\pi)) \leq B \quad \text{and} \quad \kappa_{t|0} \rightarrow \kappa_{t|T}
\]

where \( W_i'(\kappa; \cdot) \geq 0 \) and \( W_i'(\cdot; V) \geq 0 \) and \( g(\kappa; \cdot) \geq 0 \); and \( \kappa \) a set of KPIs and \( \kappa = \kappa(\pi_1, \pi_2, \pi_3, ..., \pi_L) = \kappa(\pi) \)
Competitiveness department to support policies
Competitiveness (benchmarking & KPIs) embedded in government

The PMO sets policy by mandating government departments to enact policies that will be reflected in international reports (e.g. WEF-GCR)

Dedicated gov’t unit to drive/manage KPI-driven policies
KPIs assigned to all government entities
They incentive entities to enact policies aligned with development goals

The PMO assigns KPIs (indicators, indices, etc.) to every Ministry/Minister based on 3rd-party metrics – encouragement also in place for the private sector. Quantifiable targets give entities clarity on how to set policies and incentivise parties to enact legislation aligned with the UAE’s strategic development goals.
Policies are chosen to achieve KPIs

Policies that target KPIs will improve the competitiveness of country

- How to choose policies amongst an infinite set of possibilities?
- Choose policies so as to fulfill 3rd-party KPIs based on international reports (e.g. WB-DBR, WEF-GCR, UNDP-HDR, etc.)
- International reports have inputs that are related to competitiveness; performing well on these indicators means to perform well on competitiveness
Vision 2021: “National Agenda” indicators

The UAE has laid out a clear strategic roadmap for development

Sources: UAE Vision 2021.

But how to measure success of these goals?...
Use international reports to gauge success

An index score is like a GPA; its components show where to improve

Source: WEF-GCR.
The UAE in international rankings
Build “Brand UAE” with 3rd-party recognition; prioritise National Agenda goals

Sources: Earth Institute, IMD, INSEAD, Legatum Institute, Transparency International, UNDP, WEF, World Bank, Y/Zen
WEF Global Competitiveness Report (GCR)

The GCR is the commonly accepted flagship report on competitiveness

Competitiveness pertains to the ability & performance of a firm, sub-sector or country to sell and supply goods & services in a given market, in relation to the ability & performance of other firms, subsectors or countries in the same mkt.

Source: WEF-GCR.
Report ranks countries on their competitiveness
Index computes a final score based on 110 indicators

\[
s(x) = \begin{cases} 
6 \frac{(x - \min)(\max - \min)}{\max - \min} + 1 & \text{if } x \in G \\
-6 \frac{(x - \min)(\max - \min)}{\max - \min} + 7 & \text{if } x \in B 
\end{cases}
\]

\[S(x) = \sum_{k=1}^{K} \omega_k s_k(x)\]

The UAE has set itself a goal to be top-10 globally by 2021 (currently 17)

Source: WEF-GCR.

www.KaiLChan.ca
Competitiveness strategy: Diversification

Targeted sectors of economy can be mapped to international reports
Low oil price ➔ transition to knowledge economy

Global Innovation Index indicators provide framework for policies

The Global Innovation Index 2016
Winning with Global Innovation

Target set for reducing UAE reliance on hydrocarbons

Grow knowledge sectors of economy by targeting GII indicators

Engage experts to help design policies to improve in areas identified

- Non-oil GDP to be 36% of economy by 2030 (Abu Dhabi)
- R&D % of GDP
- PISA scores
- Patents
- Sponsor fund
- Education reform
- Reduce fees
Leveraging Dubai Expo 2020 to pivot economy

“Connecting minds; creating the future” ➔ evolve into knowledge economy

25 million visits to the Expo site, of which over 2/3 are expected to come from abroad

Expo budget of €5.2 BN capex and €1.3 BN opex; opex offset by oprev (€1.3 BN)

Creation of 250-280k jobs (every direct Expo job ➔ ~45-50 additional jobs created)

Economic impact:
- Direct: 15.7 BN
- Indirect: 6.0 BN
- Induced: 4.2 BN
- Total: 25.9 BN

Sources: DTCM, Dubai Expo 2020, DWTC

www.KaiLChan.ca
Next phase of development: knowledge economy

“Intelligence capital” is the key that will unlock the knowledge economy

National Agenda has goal to transform UAE into a knowledge economy. This will require improving its “intelligence capital” (Chan, 2016).

Sources: Kai L. Chan (2016) – NB: Kazakhstan places 52nd on the Intelligence Capital Index

Kai L. Chan, PhD
INTELLIGENCE CAPITAL INDEX

NATIONAL KEY PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th>INDEX</th>
<th>INDIATOR</th>
<th>DESCRIPTION</th>
<th>SOURCE</th>
<th>2019 MEASURES</th>
<th>2021 TARGETS</th>
<th>KEY SPONSOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Real GDP Growth</td>
<td>An indicator that measures the real annual change in the GDP. It includes the value of all goods and services produced in a country.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Gross Domestic Save as % of GDP</td>
<td>An indicator that measures the percentage of GDP saved in a country.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Global Competitiveness</td>
<td>An indicator that measures the competitiveness of countries based on various factors such as institutions, infrastructure, and business environment.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Share of Value Added in the Economy</td>
<td>An indicator that measures the contribution of a specific sector to the GDP.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Ease of Doing Business Index</td>
<td>An indicator that measures the ease of conducting business in a country.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Corruption Rate in the Private Sector</td>
<td>An indicator that measures the level of corruption in the private sector.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>R&amp;D Expenditure as % of GDP</td>
<td>An indicator that measures the level of investment in research and development.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Share of Knowledge Workers in the Labor Force</td>
<td>An indicator that measures the share of knowledge workers in the labor force.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Global Entrepreneurship Index</td>
<td>An indicator that measures the level of entrepreneurship in a country.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Global Innovation Index</td>
<td>An indicator that measures the level of innovation in a country.</td>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Thank you!

Best wishes to Kazakhstan in achieving its “2050 Strategy”

Пақмет сізге спасибо

Рақмет сізге спасибо
APPENDIX: Historical performance of the UAE
WEF-GCR, WB-DBR, UNDP-HDR, LI-LPI

Sources: Legatum Institute, UNDP-HDR, WEF-GCR, World Bank DBR.
# APPENDIX: Overview of MENA region

Dependency on oil and youth unemployment biggest challenges

## Population, GDP, GDP/capita for 2015. Crude revenues (gross) and unemployment rates for 2013. Oil share of exports for 2012. Literacy rate for most recent available year.

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>POP. (MM)</th>
<th>GDP ($BN)</th>
<th>GDP / CAPITA</th>
<th>GVT TYPE</th>
<th>GROSS CRUDE REV. ($BN)</th>
<th>OIL SHARE EXPORTS (%)</th>
<th>MAJOR ENDEMIC RELIGION(S)</th>
<th>ARMED CONFL.</th>
<th>U3 RATE (%)</th>
<th>YOUTH U3 RATE (%)</th>
<th>LIT. RATE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>39.5</td>
<td>227.8</td>
<td>$5,767</td>
<td>Republic</td>
<td>69.8</td>
<td>96.3</td>
<td>Sunni</td>
<td>✓</td>
<td>9.8</td>
<td>24.0</td>
<td>72.6</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1.3</td>
<td>34.0</td>
<td>$25,860</td>
<td>Monarchy</td>
<td>2.4</td>
<td>72.4</td>
<td>Shia, Sunni</td>
<td>✓</td>
<td>7.4</td>
<td>27.9</td>
<td>94.6</td>
</tr>
<tr>
<td>Egypt</td>
<td>87.9</td>
<td>284.9</td>
<td>$3,241</td>
<td>Republic</td>
<td>27.4</td>
<td>36.6</td>
<td>Sunni, Coptic</td>
<td>✓</td>
<td>12.7</td>
<td>38.9</td>
<td>73.9</td>
</tr>
<tr>
<td>Iran</td>
<td>78.0</td>
<td>402.7</td>
<td>$5,163</td>
<td>Republic</td>
<td>126.5</td>
<td>82.2</td>
<td>Shia</td>
<td></td>
<td>13.26</td>
<td>29.7</td>
<td>85.0</td>
</tr>
<tr>
<td>Iraq</td>
<td>36.0</td>
<td>222.9</td>
<td>$6,191</td>
<td>Republic</td>
<td>121.2</td>
<td>99.1</td>
<td>Shia, Sunni, Christian</td>
<td>✓</td>
<td>16.0</td>
<td>34.1</td>
<td>78.5</td>
</tr>
<tr>
<td>Israel</td>
<td>8.3</td>
<td>305.0</td>
<td>$36,763</td>
<td>Republic</td>
<td>0.2</td>
<td>4.9</td>
<td>Judaism, Islam</td>
<td>✓</td>
<td>6.3</td>
<td>10.7</td>
<td>97.1</td>
</tr>
<tr>
<td>Jordan</td>
<td>6.7</td>
<td>36.6</td>
<td>$5,467</td>
<td>Monarchy</td>
<td>0.0</td>
<td>1.1</td>
<td>Sunni, Christian</td>
<td></td>
<td>12.6</td>
<td>33.7</td>
<td>95.9</td>
</tr>
<tr>
<td>Kuwait</td>
<td>4.0</td>
<td>179.3</td>
<td>$44,340</td>
<td>Monarchy</td>
<td>111.4</td>
<td>96.9</td>
<td>Sunni, Shia</td>
<td></td>
<td>3.1</td>
<td>19.6</td>
<td>93.9</td>
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<td>Lebanon</td>
<td>5.0</td>
<td>47.5</td>
<td>$9,565</td>
<td>Republic</td>
<td>0.0</td>
<td>1.8</td>
<td>Shia, Sunni, Christian</td>
<td>✓</td>
<td>6.5</td>
<td>20.6</td>
<td>89.6</td>
</tr>
<tr>
<td>Libya</td>
<td>6.2</td>
<td>49.3</td>
<td>$7,901</td>
<td>Republic</td>
<td>39.0</td>
<td>99.4</td>
<td>Sunni</td>
<td>✓</td>
<td>19.6</td>
<td>51.2</td>
<td>89.5</td>
</tr>
<tr>
<td>Morocco</td>
<td>33.3</td>
<td>112.6</td>
<td>$3,385</td>
<td>Monarchy</td>
<td>0.2</td>
<td>4.4</td>
<td>Sunni</td>
<td></td>
<td>9.2</td>
<td>18.5</td>
<td>67.1</td>
</tr>
<tr>
<td>Oman</td>
<td>4.1</td>
<td>80.5</td>
<td>$19,644</td>
<td>Absolute</td>
<td>37.5</td>
<td>76.7</td>
<td>Ibadi</td>
<td></td>
<td>7.9</td>
<td>20.5</td>
<td>86.9</td>
</tr>
<tr>
<td>Qatar</td>
<td>2.2</td>
<td>212.0</td>
<td>$98,362</td>
<td>Absolute</td>
<td>81.9</td>
<td>94.6</td>
<td>Sunni, Shia</td>
<td></td>
<td>0.5</td>
<td>1.5</td>
<td>96.3</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>30.8</td>
<td>777.9</td>
<td>$25,280</td>
<td>Absolute</td>
<td>459.7</td>
<td>84.5</td>
<td>Sunni, Shia</td>
<td></td>
<td>5.7</td>
<td>28.7</td>
<td>87.2</td>
</tr>
<tr>
<td>Syria</td>
<td>18.0</td>
<td>77.5</td>
<td>$4,315</td>
<td>Republic</td>
<td>7.2</td>
<td>7.8</td>
<td>Sunni, Shia, Christian</td>
<td>✓</td>
<td>10.8</td>
<td>29.8</td>
<td>84.1</td>
</tr>
<tr>
<td>Tunisia</td>
<td>11.0</td>
<td>49.1</td>
<td>$4,473</td>
<td>Republic</td>
<td>2.6</td>
<td>13.9</td>
<td>Sunni</td>
<td>✓</td>
<td>13.3</td>
<td>31.2</td>
<td>79.1</td>
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<tr>
<td>UAE</td>
<td>9.1</td>
<td>336.1</td>
<td>$44,089</td>
<td>Absolute</td>
<td>128.0</td>
<td>76.5</td>
<td>Sunni, Shia</td>
<td></td>
<td>3.8</td>
<td>9.9</td>
<td>90.0</td>
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<tr>
<td>Yemen</td>
<td>26.0</td>
<td>45.5</td>
<td>$1,751</td>
<td>Republic</td>
<td>5.3</td>
<td>89.0</td>
<td>Sunni, Shia</td>
<td>✓</td>
<td>17.4</td>
<td>29.8</td>
<td>65.3</td>
</tr>
<tr>
<td><strong>MENA</strong></td>
<td><strong>407.6</strong></td>
<td><strong>3,562</strong></td>
<td><strong>$8,738</strong></td>
<td><strong>N/A</strong></td>
<td><strong>1,220.3</strong></td>
<td><strong>68.4</strong></td>
<td><strong>Sunni, Shia</strong></td>
<td></td>
<td><strong>11.7</strong></td>
<td><strong>29.7</strong></td>
<td><strong>78.9</strong></td>
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<tr>
<td>China</td>
<td>1,368.0</td>
<td>10,355.4</td>
<td>$7,757</td>
<td>Socialist</td>
<td>176.7</td>
<td>0.7</td>
<td></td>
<td></td>
<td>4.6</td>
<td>10.1</td>
<td>95.1</td>
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</table>

Population, GDP, GDP/capita for 2015. Crude revenues (gross) and unemployment rates for 2013. Oil share of exports for 2012. Literacy rate for most recent available year.
APPENDIX: Overview of the GCC

Surpluses from hydrocarbon wealth have been used to build buffers

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>POPULATION</th>
<th>GDP ($BN)</th>
<th>GDP / CAPITA</th>
<th>FOREIGN POP'N (%)</th>
<th>OIL SHARE OF GDP (%)</th>
<th>PROD. (K BBL / DAY)</th>
<th>OIL RES. (BN BBL)</th>
<th>YRS RES.</th>
<th>CURRENCY REGIME</th>
<th>SWF ASSETS ($BN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>1,316,500</td>
<td>34</td>
<td>$25,860</td>
<td>54.0</td>
<td>19</td>
<td>61.2</td>
<td>0.1</td>
<td>5.6</td>
<td>Pegged USD</td>
<td>11</td>
</tr>
<tr>
<td>Kuwait</td>
<td>3,583,000</td>
<td>179</td>
<td>$50,051</td>
<td>62.0</td>
<td>50</td>
<td>2,811.8</td>
<td>104.0</td>
<td>101.3</td>
<td>Basket</td>
<td>548</td>
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<td>Oman</td>
<td>4,099,904</td>
<td>81</td>
<td>$19,644</td>
<td>44.2</td>
<td>50</td>
<td>945.1</td>
<td>5.5</td>
<td>15.9</td>
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<td>Qatar</td>
<td>2,235,431</td>
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<td>$94,842</td>
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<td>60</td>
<td>2,067.3</td>
<td>25.2</td>
<td>33.4</td>
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<td>Saudi Arabia</td>
<td>30,770,375</td>
<td>778</td>
<td>$25,280</td>
<td>31.1</td>
<td>45</td>
<td>11,600.4</td>
<td>268.4</td>
<td>63.3</td>
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<tr>
<td>UAE</td>
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<td>$44,089</td>
<td>88.5</td>
<td>33</td>
<td>3,229.6</td>
<td>97.8</td>
<td>82.9</td>
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<td>GCC Total</td>
<td>52,333,253</td>
<td>1,700</td>
<td>$32,489</td>
<td>47.8</td>
<td>44.2</td>
<td>20,715.4</td>
<td>501.0</td>
<td>66.2</td>
<td>N/A</td>
<td>2,676</td>
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<td>13,447</td>
<td>$40,192</td>
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<tr>
<td>USA</td>
<td>320,201,000</td>
<td>17,416</td>
<td>$54,392</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: CIA, Factbook, IEA, IMF, SWFI, World Bank
APPENDIX: UAE trade composition (1971)

Diversified trade partners but concentration risk in exported products

Source: Observatory of Economic Complexity (MIT)
APPENDIX: UAE trade composition (2013)

Hydrocarbons still dominate trade

Source: Observatory of Economic Complexity (MIT)