

Document 3: UAE Economic Development Strategy 2025-2035

EMIRATES ECONOMIC TRANSFORMATION POLICY

FEDERAL CABINET RESOLUTION NO. 42 OF 2025 Concerning the National Economic Development Strategy 2025-2035

STRATEGIC OVERVIEW

The UAE Economic Development Strategy 2025-2035 establishes a comprehensive framework for achieving the objectives of "We the UAE 2031" vision and UAE Centennial 2071, targeting the doubling of GDP from AED 1.49 trillion to AED 3 trillion through sustainable economic diversification, innovation leadership, and global competitiveness.

VISION STATEMENT

To position the UAE as the world's most dynamic, innovative, and sustainable economy, serving as a global hub for trade, investment, technology, and talent while ensuring prosperity for all residents and contributing to global economic stability.

SECTION I: ECONOMIC TRANSFORMATION PILLARS

1.1 Forward Economy Framework The strategy is built on four interconnected pillars:

- Innovation and Technology Leadership:** Establishing the UAE as a global innovation hub
- Sustainable Growth:** Environmentally responsible economic development
- Human Capital Excellence:** Developing and attracting world-class talent
- Global Connectivity:** Strengthening the UAE's role as an international business hub

1.2 Economic Diversification Objectives

- Non-Oil GDP Target:** 80% of total GDP from non-oil sectors by 2035
- Knowledge Economy:** 40% of GDP from knowledge-intensive industries
- Green Economy:** 25% of GDP from sustainable and renewable sectors
- Digital Economy:** 20% of GDP from digital and technology sectors

SECTION II: INNOVATION AND TECHNOLOGY LEADERSHIP

2.1 Fourth Industrial Revolution Strategy Implementation of cutting-edge technologies across all economic sectors:

- Artificial Intelligence Integration:** AI adoption in 50% of government services by 2031

- **Blockchain Implementation:** Secure digital infrastructure for government and business
- **Internet of Things (IoT):** Smart city technologies and connected infrastructure
- **Advanced Manufacturing:** Industry 4.0 technologies and automated production systems

2.2 Research and Development Framework

- **National R&D Investment:** 5% of GDP allocated to research and development by 2035
- **Innovation Districts:** Dedicated zones in each emirate for technology development
- **University-Industry Partnerships:** Collaborative research programs and technology transfer
- **International Research Collaboration:** Strategic partnerships with global innovation leaders

2.3 Startup and Entrepreneurship Ecosystem

- **UAE Startup Support Fund:** AED 2 billion dedicated fund for emerging businesses
- **Regulatory Sandboxes:** Testing environments for innovative business models
- **Golden Visa for Entrepreneurs:** Long-term residency for successful business founders
- **Incubation and Acceleration Programs:** Comprehensive support for business development

SECTION III: SUSTAINABLE ECONOMIC DEVELOPMENT

3.1 Green Economy Transition UAE Net Zero by 2050 Strategic Initiative implementation:

- **Renewable Energy Target:** 50% of energy from renewable sources by 2050
- **Circular Economy:** Waste reduction and resource efficiency across all sectors
- **Sustainable Finance:** Green bonds and ESG investment frameworks
- **Carbon Trading System:** Market-based mechanisms for emissions reduction

3.2 Environmental, Social, and Governance (ESG) Integration

- **Corporate ESG Reporting:** Mandatory sustainability reporting for listed companies
- **Sustainable Investment Guidelines:** ESG criteria for government investment decisions
- **Green Building Standards:** LEED and Estidama certification requirements
- **Sustainable Transportation:** Electric vehicle adoption and public transit expansion

SECTION IV: HUMAN CAPITAL DEVELOPMENT

4.1 National Talent Strategy

- **Skills Development Programs:** Continuous learning and reskilling initiatives
- **STEM Education Enhancement:** Focus on science, technology, engineering, and mathematics
- **Digital Literacy:** Universal technology skills development

- **Leadership Development:** Executive and management capability building

4.2 Global Talent Attraction

- **Golden Visa Expansion:** Long-term residency for skilled professionals and investors
- **International Recruitment:** Targeted attraction of high-skilled workers
- **Quality of Life Enhancement:** World-class infrastructure and services for residents
- **Cultural Integration Programs:** Support for expatriate community integration

4.3 Emiratization and Local Capacity Building

- **Private Sector Emiratization:** 10% annual increase in UAE national employment
- **Executive Development:** Leadership positions for UAE nationals in major companies
- **Entrepreneurship Support:** Business incubation and funding for Emirati entrepreneurs
- **Professional Certification:** International qualification recognition and development

SECTION V: SECTORAL DEVELOPMENT STRATEGIES

5.1 Financial Services Hub

- **Islamic Finance Leadership:** Global center for Sharia-compliant financial services
- **Fintech Innovation:** Digital banking and payment system development
- **Capital Markets Development:** Stock exchange expansion and IPO facilitation
- **Insurance and Takaful:** Comprehensive risk management and protection services

5.2 Tourism and Hospitality Excellence

- **Sustainable Tourism:** Eco-friendly tourism development and promotion
- **Cultural Tourism:** Heritage and arts-based tourism experiences
- **Medical Tourism:** Healthcare excellence and international patient services
- **MICE Industry:** Meetings, incentives, conferences, and exhibitions leadership

5.3 Manufacturing and Industry 4.0

- **Advanced Manufacturing:** High-technology production capabilities
- **Aerospace and Defense:** Indigenous defense industry development
- **Pharmaceutical Manufacturing:** Local drug production and research
- **Food Security:** Agricultural technology and food processing industries

5.4 Logistics and Trade Hub

- **Global Supply Chain Integration:** Strategic positioning for international trade
- **Smart Logistics:** Technology-enabled supply chain management
- **Free Trade Zones:** Specialized economic zones for different industries
- **E-commerce Infrastructure:** Digital trade platform development

SECTION VI: DIGITAL ECONOMY TRANSFORMATION

6.1 Digital Infrastructure Development

- **5G Network Deployment:** Nationwide high-speed connectivity by 2027
- **Data Centers:** Regional data storage and processing capabilities
- **Cybersecurity Framework:** National cybersecurity strategy implementation
- **Digital Government Services:** 100% government services available online

6.2 Digital Skills and Literacy

- **National Digital Skills Program:** Universal technology competency development
- **AI and Machine Learning Training:** Specialized technical skill development
- **Digital Leadership:** Executive education in digital transformation
- **Cybersecurity Education:** Information security awareness and training

SECTION VII: INVESTMENT AND BUSINESS ENVIRONMENT

7.1 Foreign Direct Investment (FDI) Strategy

- **FDI Target:** \$150 billion in foreign investment by 2035
- **100% Foreign Ownership:** Expanded sectors allowing full foreign ownership
- **Investment Promotion:** Targeted marketing and facilitation services
- **Bilateral Investment Treaties:** Strategic agreements with key economic partners

7.2 Business Facilitation Framework

- **Regulatory Simplification:** Streamlined business registration and licensing
- **One-Stop-Shop Services:** Integrated government services for businesses
- **Competition Policy:** Fair market competition and anti-monopoly enforcement
- **Intellectual Property Protection:** Robust IP rights framework and enforcement

SECTION VIII: REGIONAL AND GLOBAL INTEGRATION

8.1 GCC Economic Integration

- **Common Market Development:** Enhanced trade and investment within GCC
- **Infrastructure Connectivity:** Cross-border transportation and communication links
- **Financial Market Integration:** Regional capital market development
- **Joint Investment Projects:** Collaborative economic development initiatives

8.2 International Trade and Investment

- **Comprehensive Economic Partnership Agreements (CEPAs):** Strategic trade agreements
- **Belt and Road Initiative Participation:** Active engagement in global connectivity projects
- **Africa Trade Gateway:** Hub for trade between Asia, Africa, and Europe
- **EXPO 2030 Legacy:** Sustainable development showcase and business attraction

SECTION IX: ECONOMIC GOVERNANCE AND REGULATION

9.1 Institutional Framework

- **Ministry of Economy:** National economic policy coordination
- **Central Bank of UAE:** Monetary policy and financial system stability
- **Securities and Commodities Authority:** Capital market regulation and oversight
- **Federal Competitiveness and Statistics Centre:** Economic data and performance monitoring

9.2 Economic Policy Coordination

- **National Economic Council:** High-level economic policy coordination body
- **Federal-Local Coordination:** Alignment between federal and emirate economic strategies
- **Public-Private Partnership:** Collaborative approach to economic development
- **International Economic Cooperation:** Multilateral engagement and global integration

SECTION X: FISCAL AND MONETARY FRAMEWORK

10.1 Fiscal Policy Strategy

- **Balanced Budget Approach:** Sustainable government spending and revenue management
- **Tax System Optimization:** Efficient and competitive tax structure
- **Public Investment Program:** Strategic infrastructure and development spending
- **Sovereign Wealth Fund Management:** Long-term asset management and investment

10.2 Monetary and Financial Stability

- **Inflation Targeting:** Price stability maintenance below 3% annually
- **Exchange Rate Stability:** Continued USD peg for economic stability
- **Financial System Resilience:** Robust banking and financial institution oversight
- **Islamic Finance Development:** Sharia-compliant financial product innovation

SECTION XI: MONITORING AND EVALUATION

11.1 Key Performance Indicators

- **GDP Growth:** Sustainable annual growth rate of 4-5%
- **Productivity Measures:** Labor and total factor productivity improvement
- **Innovation Index:** Global competitiveness and innovation rankings
- **Sustainability Metrics:** Environmental and social development indicators

11.2 Assessment and Review Framework

- **Annual Economic Report:** Comprehensive performance assessment and analysis
- **Stakeholder Consultation:** Regular engagement with business and civil society
- **International Benchmarking:** Comparison with global economic leaders

- **Policy Adjustment Mechanism:** Responsive policy modification based on performance

SECTION XII: IMPLEMENTATION ROADMAP

12.1 Phase I (2025-2028): Foundation Building

- Institutional capacity development
- Infrastructure investment and improvement
- Regulatory framework establishment
- Human capital development initiation

12.2 Phase II (2029-2032): Acceleration and Expansion

- Technology adoption and innovation scaling
- International partnership development
- Sectoral diversification implementation
- Sustainability integration advancement

12.3 Phase III (2033-2035): Consolidation and Leadership

- Global competitiveness achievement
- Knowledge economy leadership establishment
- Sustainable development model demonstration
- International best practice sharing

EFFECTIVE DATE AND IMPLEMENTATION

This Strategy shall be effective from January 1, 2026, with comprehensive review and adjustment every three years to ensure alignment with global economic trends and national objectives.

APPROVED BY: H.H. Sheikh Mohammed bin Rashid Al Maktoum Vice President and Prime Minister of the UAE Ruler of Dubai

COUNTERSIGNED: H.E. Abdulla bin Touq Al Marri Minister of Economy

DATE: April 20, 2025 **EFFECTIVE DATE:** January 1, 2026