

# UAE tops GCC in foreign investment

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Sixty per cent of the foreign investment flowing into the GCC last valued at \$20 billion (Dh73.4bn), was bagged by the UAE, said a top official at the Ministry of Economy (MoE) yesterday.

Mohammed Abdul Aziz Al Shehi, Director-General of the MoE, told Emirates Business that he expected the UAE to remain the region's most attractive destination for foreign investment and the flow of foreign investment would continue this year despite the global financial crisis.

However, Al Shehi said the volume of investment might contract as a result of the restructuring of the global businesses, though the contraction would be slight.

He was speaking on the sidelines of the Ministry of Finance's workshop on the federal budget for 2011-2013

Al Shehi said the UAE's economy was still strong and resilient under the global financial crisis and even if foreign investments in the region were to slow down the UAE would still attract most of it, since other countries cannot give to foreign investors what the UAE can.

"Our investment environment is attractive in an unprecedented manner, and we have many positive elements. We continue to attract more foreign investments from all over the world thanks to a policy of economic openness pursued by the state, as well as its keenness to develop economic projects that are in harmony with the changes taking place in the world," Al Shehi said.

"The UAE has vast economic potential and sophisticated infrastructure, such as airports, ports and free zones, which combined, have supported the investment environment and boosted foreign investors' confidence in its economy."

He believed foreign investments would flow into the UAE this year despite the pessimistic outlook of many experts and economists.

"The UAE will not be largely affected by the global financial crisis since its economy is strong and capable of overcoming the fallout of the crisis. We receive many foreign delegations and all of them wish to have a presence in the UAE or to redouble their investments."

AL Shehi said the UAE has and will continue to launch investment initiatives and incentives to boost the investment environment and attract strategic foreign investments, primarily foreign ownership. "We have completed the company law and referred it to the bodies concerned. The law has many incentives for foreign investors – most importantly foreign ownership."

The official, though, stopped short of specifying the percentage of ownership to be defined by the new law. "That is currently in the hands of the higher authorities, but there are big and positive incentives."

Asked about news from certain quarters that the Ministries of Economy, Finance and Foreign Trade would be merged in a restructuring of the federal government, Al Shehi said these were only rumours.

He hoped the Ministry of Finance would select the Ministry of Economy as one of the three federal ministries where the zero budget, to be enforced in 2011-2013, will be tested.

"We are ready for this – the aim of the ministries is to achieve the government's strategy. We are well-organised at the MoE"