

Setting the scene: Market access information session

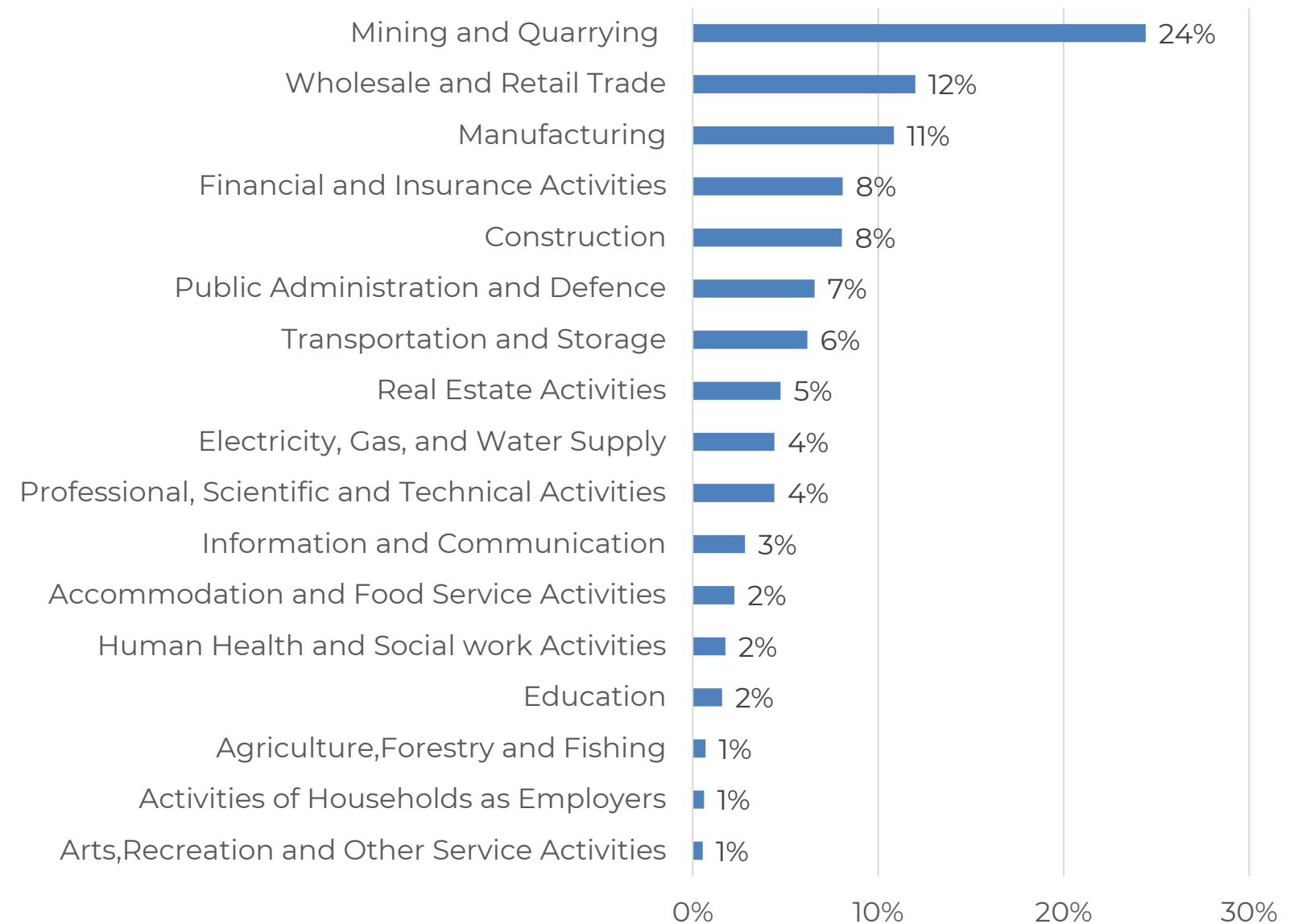
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Economic profile of United Arab Emirates

- In 2023, the economy had a total **GDP** of EUR **475 billion**
- **GDP per capita PPP** reached **EUR 77,550** in 2023
- UAE's average **economic growth** has been a solid **4.1%** over the last two decades
- **Mining and Quarrying** remains the **key economic sector**, representing 24% of the annual GDP
- Other notable sectors include **Wholesale and Retail Trade** (12%), **Manufacturing** (11%), and **Financial and Insurance Activities** (8%)

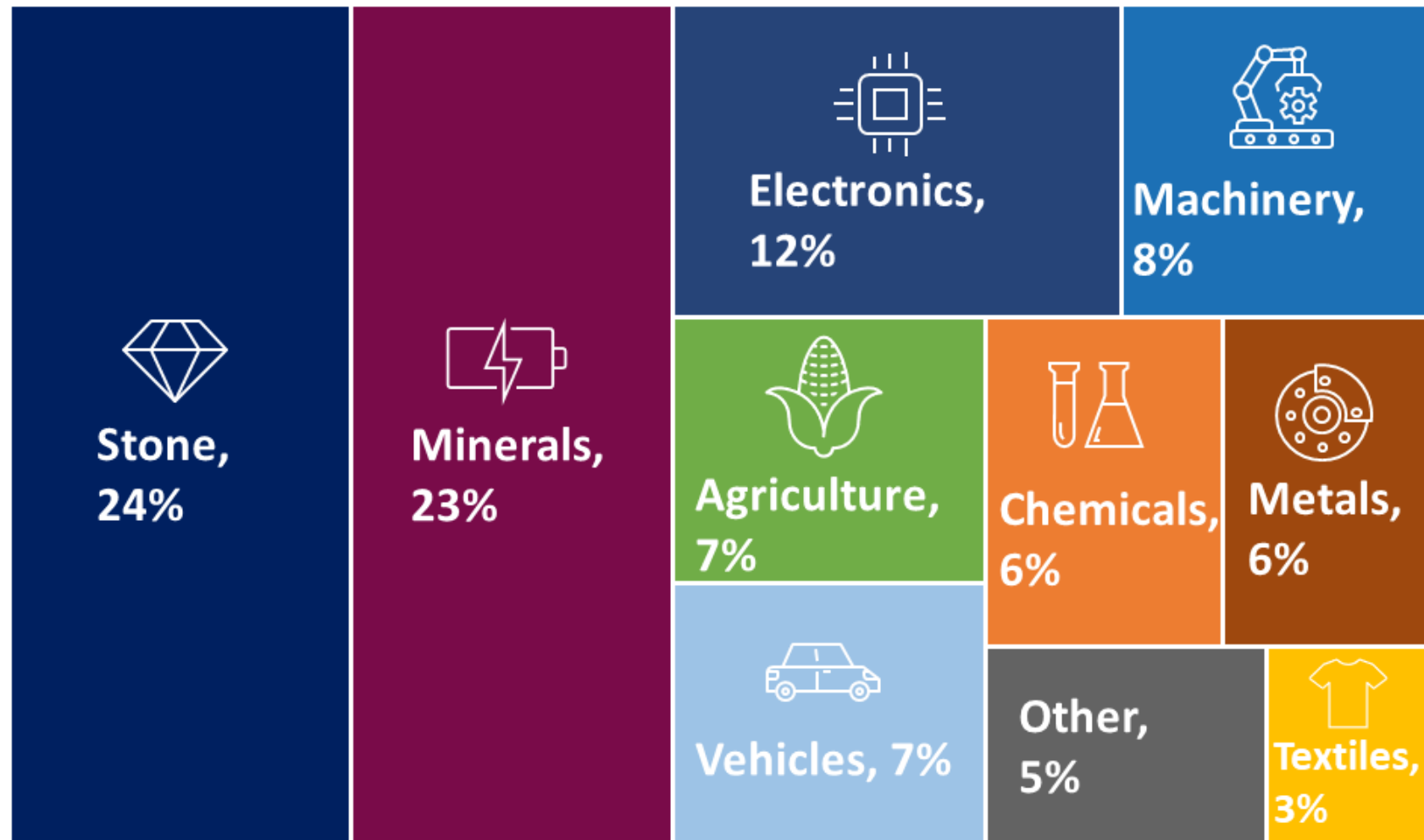
GDP share by sector in the UAE, in 2023



Source: ECCP (2025), own calculation based on UAESTat

Economic profile of United Arab Emirates

UAE's export sectors composition by share of total exports (2023)



- **Stone** (24%) was the most exported good in 2023, mostly in the form of gold and diamonds
- **Minerals** (23%) stood second, largely crude and refined oil
- Together, stone and minerals accounted for 47% of total exports, underscoring the **vital role of natural resources in the UAE economy**
- **Electronics (12%) and machinery (8%)** were the leading non-resource exports, **pointing to potential avenues for greater economic diversification**

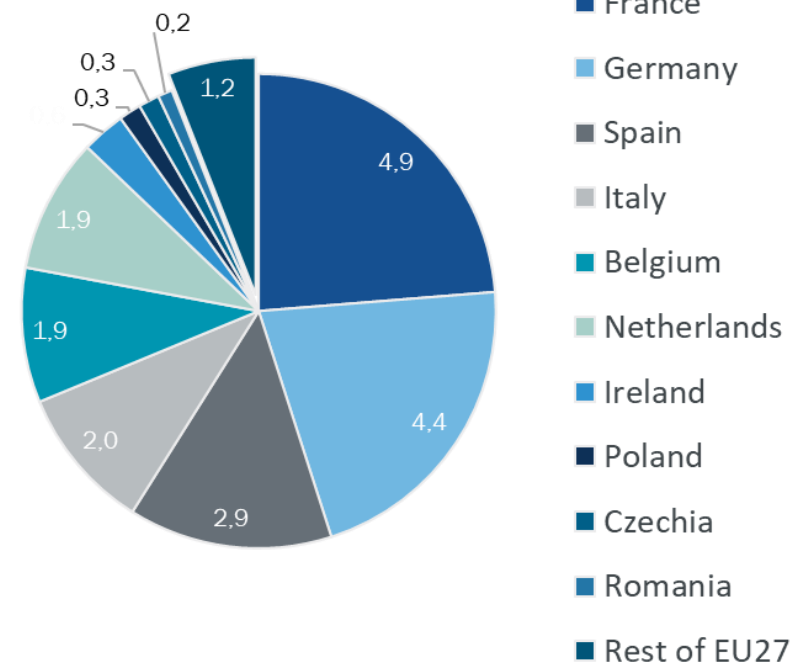
Source: ECCP (2025), own calculation based on Atlas of Economic Complexity

EU27 and the UAE: Analysis of business & value chains

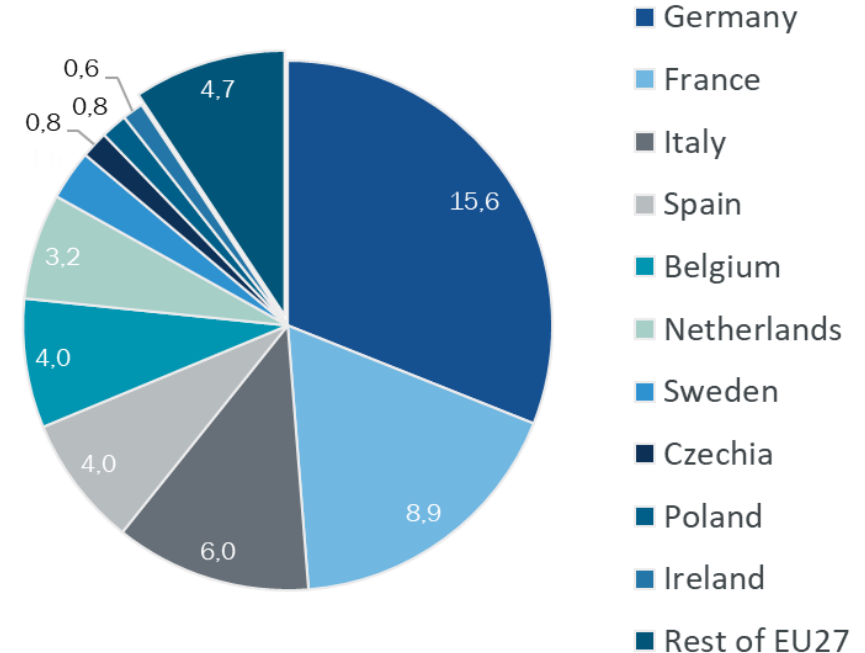
- **Trade concentration:** Germany and France dominate flows, making up ~50% of both EU imports (€4.9 bn + €4.4 bn) and exports (€16.8 bn + €8.9 bn) to the UAE.
- **Import structure:** Mineral fuels (42%), manufactured goods (29%), and machinery & transport (16%); key imports: petroleum oils, aluminium, diamonds, vessels.
- **Export structure:** Machinery & transport (~40%), chemicals (16%), manufactured articles (16%); top exports: motor vehicles, diamonds, telephone sets, medicaments.
- **Framework:** No EU–UAE trade deal; cooperation under the 1988 EU–GCC Agreement, with the EU as GCC's 2nd largest partner (11.1% of trade).

Overview of the 10 most important EU27 trading partners for the UAE, by imports and exports in 2022, in billion EUR

Import of EU 27 from the UAE, in bn €



Export from EU 27 to the UAE, in bn €



Source: ECCP (2025). Own calculation based on UN Comtrade data.

EU27 and the UAE: Toward a bilateral Free Trade Agreement

- In 1988 EU and 6 GCC states signed the **EU–Gulf Cooperation Council(GCC) Cooperation Agreement**
- In **April 2025**, EU and UAE officially launched **negotiations** for a bilateral **Free Trade Agreement (FTA)**
- **Milestone** as the first such trade deal with a Gulf nation
- Decisive **shift from stalled region-to-region talks toward bilateral agreements**
- The agreement aligns with the **EU's Global Gateway initiative**, advancing trade, investment, and economic security objectives



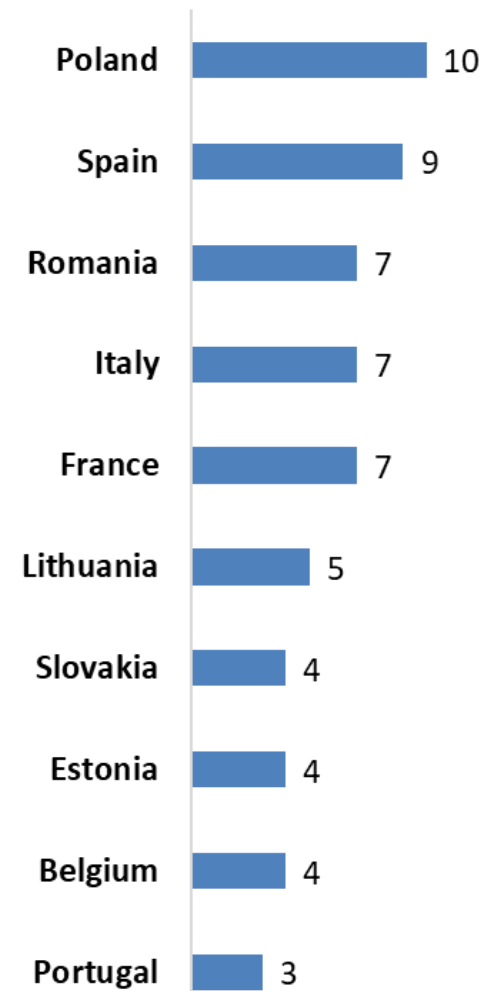
Objectives and benefits of the EU-UAE FTA

- **Reduce tariffs** on goods, simplify customs procedures, and facilitate smoother trade flows
- **Improving market access** for services and fostering digital trade cooperation
- **Strategic focus** on renewable energy, green transition, green hydrogen and critical materials, supporting the **twin transition**
- **Enhance EU supply chain** resilience and boost economic and strategic ties with the Gulf
- **Regulatory convergence**, facilitating easier compliance and innovation

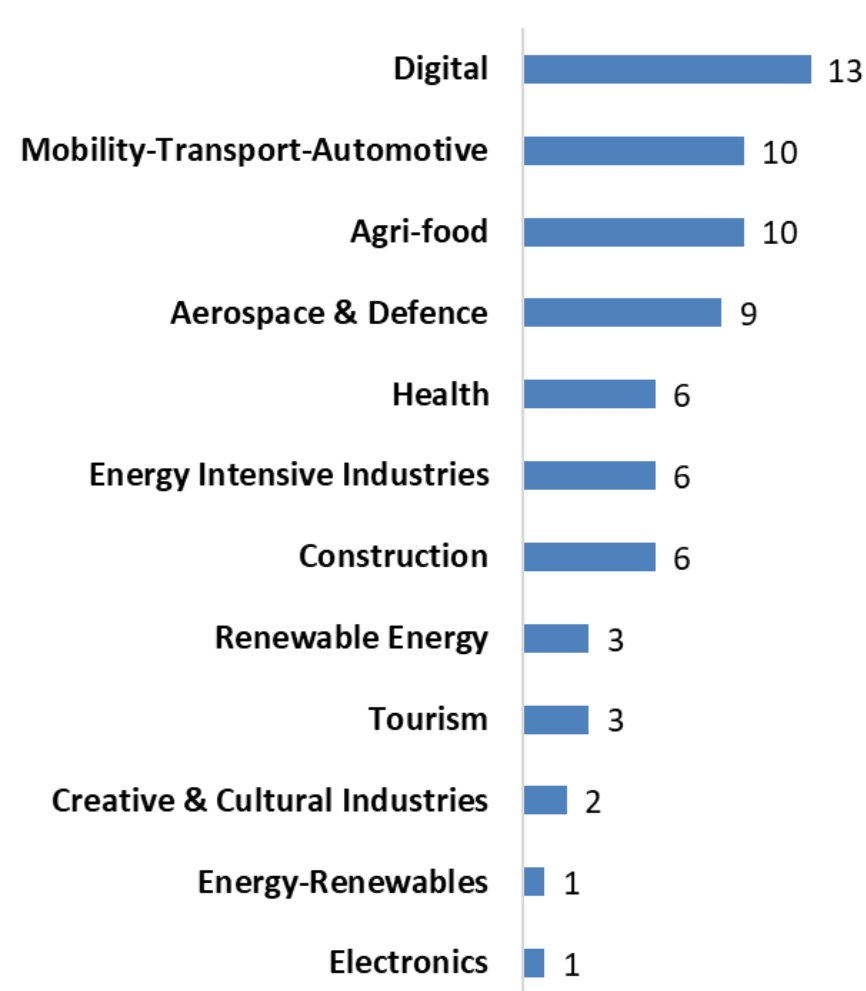
UAE as a target market for EU27 cluster organisations

Top 10 EU countries that target the UAE & their ecosystems

Top EU27 countries that target the UAE



Ecosystems of EU27 cluster organisations that target the UAE



- The UAE are among the **top 10 most target market** of cluster organisations in EU27 countries
- **Poland and Spain** are the countries with the most cluster organisations that **target the UAE market**
- Most cluster that target the UAE market can be assigned to the **Digital, Mobility-Transport-Automotive**, and **Agri-food industrial ecosystems**
- **Three active Euroclusters projects** in the field of
 - Digital Health (Desire),
 - Cultural & Creative Industries (CreaThriv-EU),
 - & textile/construction/ advanced manufacturing (xBuildEU)

Source: ECCP (2025).

UAE Cluster landscape and policy

National Cluster Strategy

- The government **supports cluster initiatives** with funding and regulatory backing, aiming to boost trade and investment, create jobs, enhance talent and productivity, and foster cross-emirate collaboration
- The strategy is closely aligned with the **UAE's long-term goals of economic diversification and industrial development**

A new cluster initiative that launched in **April 2025** is the **Health, Endurance, Longevity, and Medicine (HELM)** cluster:

- Located in **Masdar City** and supported by the **Abu Dhabi Investment Office** and **Department of Health**
- Focus on **life sciences innovation**, including biotechnology, AI-enabled healthcare, and medical technologies
- projected to contribute more than AED 94 billion (EUR 22 billion) to Abu Dhabi's **GDP**, attract **investments** exceeding AED 42 billion (EUR 10 billion), and create approximately 30,000 **new jobs** by 2045

Target sectors for clusters



Financial Services



Hospitality and Tourism



Aerospace and Defense



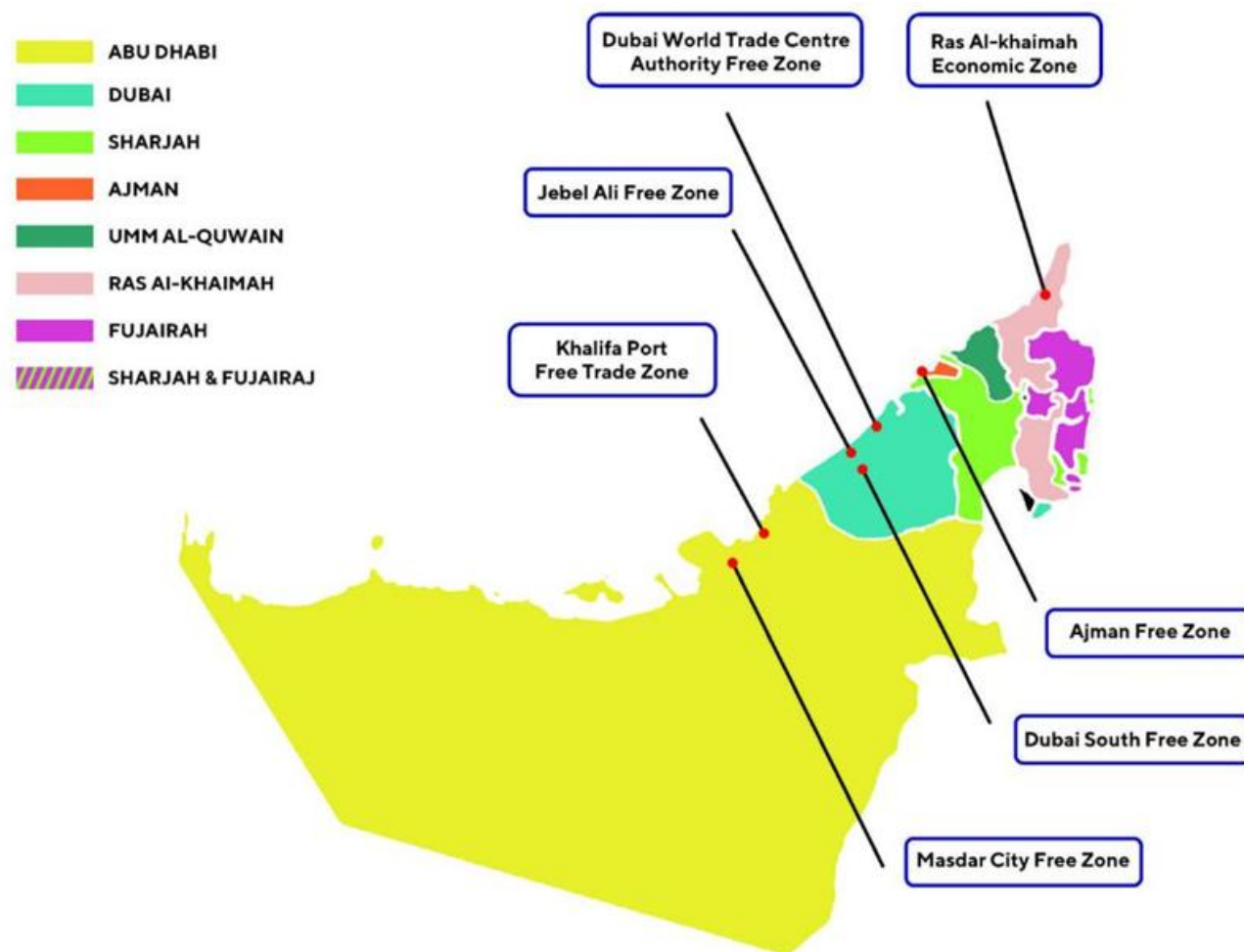
Analytics, Communications, Services, Equipment



Food Sector

UAE Cluster landscape and policy

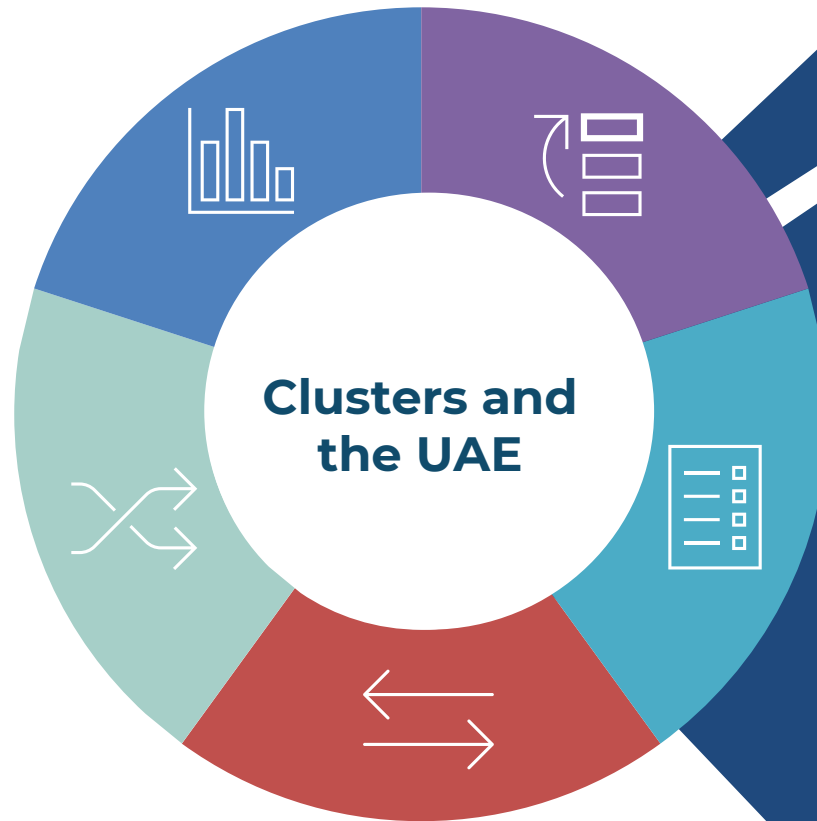
UAE economic free zones



Source: Horizon Biz Consultancy (2023)

- In addition to the National Cluster Strategy, **free zones** are a **key driver of business and sector development**
- The UAE hosts **40+ free zones** across the seven emirates:
 - Dubai: 28 zones
 - Abu Dhabi: 6 zones
 - Sharjah: 5 zones
- **Examples:**
 - **Dubai International Financial Centre (DIFC):** focuses on innovation, AI-driven programmes, and collaboration among companies and start-ups
 - **Dubai Silicon Oasis Authority (DSOA):** supports sustainable growth through 11 industry clusters, covering areas such as mobility, cybersecurity, and sustainable development

Concluding remarks



UAE's diversification and EU ties make it a prime hub for cluster collaboration in digital, mobility, agri-food, and life sciences.

- **Strong economic fundamentals:** With a GDP of €475 bn and per capita PPP of €77,550 (2023), the UAE combines sustained 4.1% growth with resource-driven strengths in mining (24% of GDP) and diversification in trade, manufacturing, and finance.
- **Diversification in motion:** While resources dominate exports (47%), rising shares of electronics and machinery signal new growth frontiers.
- **Deepening EU-UAE ties:** Trade is concentrated in Germany and France (~50% of flows), with negotiations for the first bilateral EU-UAE FTA (2025) marking a decisive shift in Europe's Gulf strategy.
- **Dynamic cluster engagement:** The UAE is among the EU27 clusters' top 10 target markets, with strong links in digital, mobility, and agri-food, complemented by active Euroclusters and new initiatives like the HELM life sciences cluster in Masdar City.
- **Innovation hub potential:** 40+ free zones and new cluster initiatives (e.g. HELM in life sciences) reinforce the UAE's role as a magnet for investment, talent, and technology.

Thank You!