IMF Country Report No. 24/325

UNITED ARAB EMIRATES

2024 ARTICLE IV CONSULTATION—PRESS RELEASE; AND STAFF REPORT

December 2024

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2024 Article IV consultation with United Arab Emirates, the following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its July 11 consideration of the staff report that concluded the Article IV consultation with United Arab Emirates.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse-of-time basis, following discussions that ended on May 16, with the officials of United Arab Emirates on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on June 25.
- An **Informational Annex** prepared by the IMF staff.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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PRESS RELEASE

PR 24/450

IMF Executive Board Concludes 2024 Article IV Consultation with the United Arab Emirates

FOR IMMEDIATE RELEASE

Washington, DC – **December 5, 2024:** On July 11, 2024, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation[1] with the United Arab Emirates and considered and endorsed the staff appraisal without a meeting.

UAE economic growth remains strong, driven by robust domestic activity. Non-hydrocarbon growth has benefitted from healthy tourism flows and increased activity in the construction, manufacturing, and financial services sectors. This more than offset a contraction in hydrocarbon growth from OPEC+ and UAE voluntary oil production cuts, resulting in overall GDP growth of 3.6 percent in 2023. Inflation moderated sharply to 1.6 percent in 2023. Fiscal and external balances remain high, supported by relatively high oil prices.

The UAE has continued to experience strong capital inflows, reflecting commodity revenue, safe haven flows, and investment drawn by social and business-friendly reforms. This has boosted central bank foreign reserves and surplus domestic liquidity. It has also supported notable growth in real estate prices, particularly in high-end segments in Dubai, though increasingly in some other segments. Bank balance sheets have strengthened further, with capital buffers well above regulatory minima, and credit has continued to grow despite policy interest rate hikes. Although nonperforming loans have declined, they remain elevated in the construction sector. Major efforts under the anti-monetary laundering/combatting the financing of terrorism (AML/CFT) Strategy and Action plan resulted in the removal of the UAE from enhanced monitoring under the Financial Action Task Force.

The economic outlook remains strong, supported by domestic non-hydrocarbon activity, continued reforms and related public spending, and a rapid expansion in hydrocarbon production, led by the UAE's OPEC+ quota increase from 2025. Overall GDP is projected to grow by 3.7 percent in 2024 and 4.5 percent in the medium-term. Fiscal and external surpluses are expected to remain high on the back of relatively high oil prices. Tax policy reforms will support the medium-term fiscal surplus, while the current account surplus will moderate somewhat in response to higher reform-driven imports and stabilizing oil prices.

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[1] Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

The outlook is subject to uncertainty and external risks, but large sovereign buffers help mitigate vulnerabilities. Intensification of geopolitical tensions and geoeconomic fragmentation, or an abrupt global slowdown, sharp correction in global asset prices, or commodity price volatility could lead to a reduction in the flow of goods, capital, and tourism. Accelerated public investment, including higher hydrocarbon production, or structural reforms efforts pose upside risks to medium-term growth. Accelerated climate reforms will help the UAE meet the long-term challenges from global decarbonization efforts.

Executive Board Assessment[2]

In concluding the 2024 Article IV consultation with the United Arab Emirates, Executive Directors endorsed the staff's appraisal, as follows:

Economic growth is positive, driven by strong domestic activity and sustained efforts to modernize and diversify the economy. Growth momentum is strong, thanks to the authorities' ambitious reform agenda, supported by investments to improve infrastructure and transportation, advance investments in renewables and new technologies, improve governance, and increase trade. Substantial sovereign buffers mitigate vulnerabilities from the elevated regional and global risks. Against this, the ample fiscal space should be deployed strategically, with accelerated investments geared towards high growth and sustainability areas that will support productivity growth and encourage private sector development.

The banking system remains resilient to shocks, but continued close monitoring of financial stability is needed to mitigate risks. Bank balance sheets have strengthened further. However, the broader rise in real estate prices and rents and uncertainty related to climate risks underscore the importance of continued strengthening of the macroprudential framework and financial stability monitoring, including for the insurance sector. The Standards for Bank Real Estate Exposure should be finalized with a lower threshold and the implementation of higher capital requirements for large exposures. Consideration of a countercyclical capital buffer would further enhance banks' resilience. The establishment of the Financial Stability Council is highly welcome and should ensure coordinated monitoring across emirates and regulatory bodies. Staff encourage the authorities to request an FSAP to support the analysis and assessment of risks. Continued progress on strengthening the AML/CFT framework is essential to ensure effective risk mitigation.

The digitalization of the financial system and payment landscape should carefully balance risks and opportunities. The development of an Instant Payments Platform and exploration of a CBDC (Central Bank Digital Currency) should continue to follow a careful assessment of risks and maintain well-defined policy objectives. Similarly, initiatives to

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[2] The Executive Board takes decisions under its lapse-of-time procedure when the Board agrees that a proposal can be considered without convening formal discussions.

develop the virtual asset industry should be informed by a careful assessment of macroeconomic and financial stability risks, while ensuring adequate regulatory capacity.

Finalizing the monetary framework will strengthen the management of surplus liquidity. Implementing the M-bill buyback program and remaining fine tuning facilities will help develop the M-Bills market, absorb surplus liquidity, and tighten the transmission of policy rate changes. Efforts to develop domestic capital markets and the creation of green and Islamic finance products will also support domestic liquidity management and enhance climate resilience. Further hikes in the reserve requirements beyond 14 percent should be avoided.

Sustaining fiscal prudence and reforms will balance medium-term fiscal sustainability and development objectives. Recent efforts to contain current expenditure, reinforced by further advancing tax policy reforms, the gradual removal of subsidies, and measures to enhance spending efficiency would support consolidation efforts and further declines in public debt, which remains sustainable. Finalizing the implementation of the CIT, phasing out current fee structures and reviewing wide-ranging incentives and exemptions, and enhancing tax administration are central to ensuring efficiency and closing the tax revenue gap.

The development of harmonized medium-term fiscal (MTF) and sovereign asset-liability management (SALM) frameworks is critical to ensuring fiscal policy efficiency and strengthening transparency. Enhancement and harmonization of emirate-specific and federal fiscal rules and objectives in their MTF frameworks would ensure a well-defined national fiscal stance. These efforts will improve budgeting efficiency, help track fiscal risks, and ensure efficient management of public investments. The SALM framework will further promote sound balance sheet management and inform policymaking for long-term fiscal sustainability. Combined, these frameworks would support coordination across the public sector, and further strengthen fiscal governance and transparency.

Careful prioritization of reform initiatives and strategies will support medium-term potential growth and climate resilience. Reforms to leverage trade and FDI, harness digitalization and AI, and achieve net zero emissions can be further integrated. Underpinning this agenda with robust governance frameworks and additional efforts to strengthen institutions, modernize labor markets, and close gender gaps will enhance outcomes. Avoiding crowding out of the private sector amid large public investment needs is crucial, and should be supported by further improving SMEs' access to credit.

Maintaining momentum in data collection and dissemination efforts should be a top priority. UAE data provision to the Fund has some gaps, but remains broadly adequate for surveillance. The authorities remain fully committed to closing exiting data gaps, including by increasing capacity, undertaking TA, and seeking to harmonize data collection across emirates. Nevertheless, further progress is needed to ensure compliance with the IMF's enhanced e-GDDS and advance toward higher standards.

Staff propose that the next Article IV consultation with the UAE follow the standard 12-month cycle.

United Arab Emirates: Selected Economic Indicators, 2022-25

Quota: SDR 2,311.2 million (June 2024)
Population: 9.6 million (2021)
Per capita GDP: $52,518 (2023)

	2022	2023	Est. 2024	Proj. 2025
	(Annual percent change)			
Output and prices				
Real GDP	7.5	3.6	3.7	5.0
Real non-hydrocarbon GDP	7.1	6.2	4.9	4.2
CPI inflation (average)	4.8	1.6	2.2	2.0
	(Percent of GDP)			
Public finances				
Revenue	33.1	28.2	28.3	28.1
Expenditures	23.1	23.3	23.5	23.5
Net lending (+)/borrowing (-) (Revenue minus expenditures)	10.0	5.0	4.8	4.7
Nonoil primary balance 1/	-17.9	-18.7	-18.5	-18.0
Gross general government debt	32.1	32.5	31.3	30.7
	(Annual percent change)			
Monetary sector				
Broad money	9.0	18.8	10.4	8.7
Credit to private sector	4.2	6.2	6.0	6.3
	(In percent of GDP, unless otherwise indicated)			
External sector				
Current account balance	13.2	10.7	9.1	8.8
External debt	81.9	85.5	85.3	84.3
Gross official reserves (billions of U.S. dollars) 2/	135.3	186.3	199.7	212.1
In months of next year's imports of goods & services, net of re-exports	6.4	8.2	8.2	8.2

Sources: Country authorities; and IMF staff estimates and projections.
1/ In percent of non-hydrocarbon GDP. Excludes staff estimates of SWF investment income.

2/ Excludes staff estimates of foreign assets of sovereign wealth funds; includes the 2022 SDR allocation of SDR 2.2 billion.

INTERNATIONAL MONETARY FUND

UNITED ARAB EMIRATES

STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION

June 25, 2024

KEY ISSUES

Context: Economic growth remains strong, driven by robust domestic activity. Inflation has moderated sharply with lower tradables prices. Relatively high oil prices support high fiscal and external balances and significant sovereign buffers. Banks have ample capital and liquidity buffers overall, and real estate activity remains buoyant. Substantial reform- and climate-related initiatives and investment spending continue.

Outlook and risks: GDP is projected to grow by 3.7 percent in 2024 and remain healthy over the medium-term. The outlook is subject to uncertainty and external risks, including from geopolitical tensions, global growth and financial conditions, and commodity price volatility. Large sovereign buffers help mitigate vulnerabilities, while accelerated investments, oil production, and structural reforms could spur growth more than anticipated.

Main policy recommendations: Policies should ensure sustainable growth and safeguard financial and monetary stability, while continuing to build long-term economic and climate resilience.

- **Financial sector:** Continue close financial stability monitoring and strengthening of the macroprudential toolkit, use the full flexibility of the monetary framework to address surplus liquidity, ensure effective supervision of digital innovation and FinTech activities, and continue strengthening the AML/CFT framework.

- **Fiscal policy:** Sustain fiscal prudence and progress on fiscal structural reforms, including the full implementation of the corporate income tax to further strengthen non-hydrocarbon revenue, pursue a gradual fiscal consolidation, develop and implement harmonized medium-term fiscal and sovereign asset-liability management frameworks, and continue to enhance fiscal transparency.

- **Structural policy:** Further prioritize and coordinate ambitious reform initiatives and strategies to meet climate goals, harness the benefits of digitalization and AI, and attract investment to deliver higher productivity and economic growth. Continue progress on addressing data gaps, including with IMF Technical Assistance.

Approved By
Thanos Arvanitis (MCD) and Anna Ivanova (SPR)

Discussions took place during April 30–May 16, 2024 in Abu Dhabi and Dubai. The mission team comprised A. Al-Eyd (Head), Y. Korniyenko, C. Sandoz (all MCD), and J. Verrier (MCM). Ms. K. Kao (LEG) and Mr. T. Yuan (MCD) attended specific meetings virtually. Mr. A. Alhosani attended the concluding meeting, and Ms. R. Fayez and Mr. A. Abdul Raheem attended mission meetings (all OED). The mission met with the Central Bank Governor, the Undersecretary of the Ministry of Finance; other senior officials; and representatives of the business and academic communities. Mmes. O. Ament, E. George, and Mr. T. Yuan provided invaluable support to the mission.

CONTENTS

RECENT MACROECONOMIC DEVELOPMENTS 4

OUTLOOK AND RISKS 8

POLICY DISCUSSIONS 11

A. Policies to Ensure Sustainable Growth and Safeguard Financial and Monetary Stability 11
B. Financial Sector and Monetary Policies 11
C. Fiscal Sustainability 14
D. Structural Policies 18
E. Data Issues 22

STAFF APPRAISAL 22

BOXES

1. Credit Growth Amidst High Interest Rates 7
2. Spillovers from a Potential China Growth Slowdown 10
3. Understanding the Public Sector Balance Sheet in the UAE: Initial Considerations 17

FIGURES

1. Investment Oasis: FDI Trends in the UAE 21
2. Recent Economic Developments 26
3. Real and Fiscal Sector Developments and Outlook 27
4. Monetary and Financial Sector Developments 28
5. Real Estate Sector Developments 29
6. External Sector Developments 30
7. Business Environment and Governance Indicators 31
8. Climate Change Indicators 32
9. Oil Sector Developments 33

10. Natural Gas Sector Developments ____ 34

TABLES

1. Selected Economic Indicators, 2020-29 ____ 35
2. Balance of Payments, 2020–29 ____ 36
3a. General Government Finances, 2020–29 ____ 37
3b. Central Government Finances, 2020–29 ____ 38
4. Monetary Survey, 2020–29 ____ 39
5. Financial Soundness Indicators ____ 40

ANNEXES

I. Implementation of Past Fund Article IV Advice ____ 41
II. Sovereign Risk and Debt Sustainability ____ 43
III. External Sector Assessment ____ 49
IV. Risk Assessment Matrix ____ 52
V. Data Issues ____ 54
VI. Green Transition: Progress and Challenges ____ 56
VII. The UAE's Corporate Income Tax: A Step Towards International Alignment ____ 59

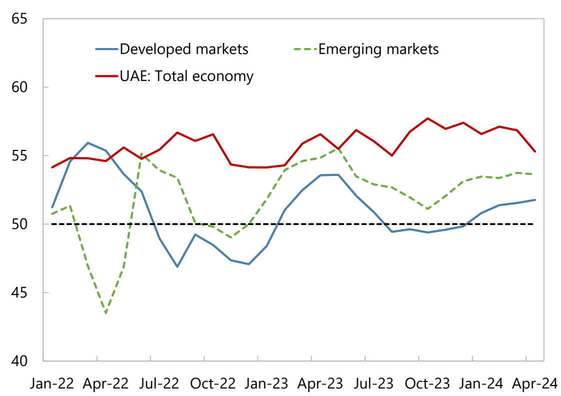
RECENT MACROECONOMIC DEVELOPMENTS

1. **UAE growth remains strong, driven by robust domestic activity.** In 2023, non-hydrocarbon growth reached 6.2 percent, led by robust activity in the tourism, construction, manufacturing, and financial services sectors. Hydrocarbon GDP contracted by 3.1 percent, following OPEC+ and UAE voluntary oil production cuts, but overall GDP growth remained healthy at 3.6 percent. Inflation moderated sharply to 1.6 percent with lower tradables and commodity prices. The output gap is estimated to have turned positive in 2023 (Figure 1).

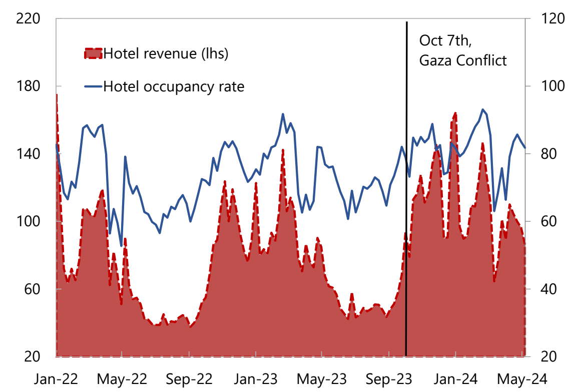
2. **Impacts from the conflict in Gaza and Israel and developments in the Red Sea have been contained so far (Text Figure 1).** UAE economic activity has remained buoyant despite heightened geopolitical tensions. Dubai and Abu Dhabi stock indices recovered initial losses experienced in mid-October 2023, but remain volatile. Direct trade-related disruptions from tensions in the Red Sea have been limited, though global shipping costs have increased.

Text Figure 1. United Arab Emirates: Economic Developments

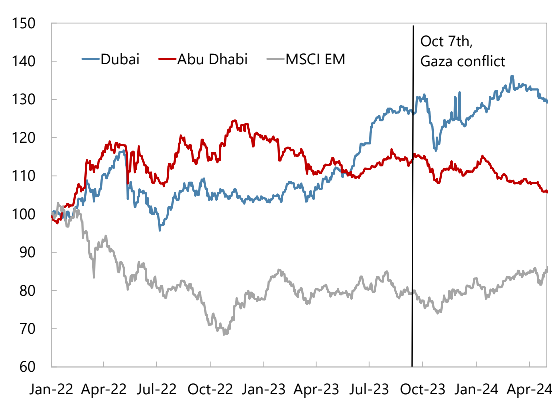
Purchasing Managers Index
(50+=Expansion, seasonally adjusted)



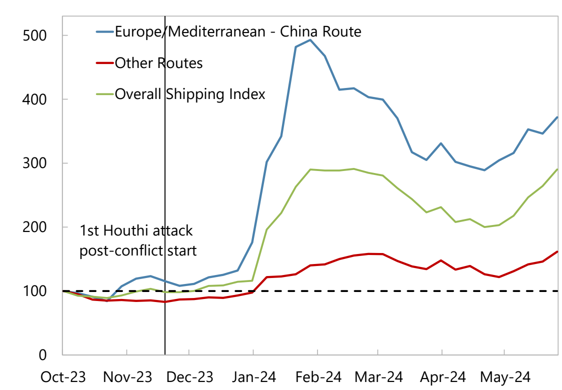
Hotel Sector Performance
(In percent, index 2022 Jan=100 (lhs))



Stock Market Performance
(Index, 2022 Jan = 100)



Freight Container Prices
(Index, 2023 Oct = 100)

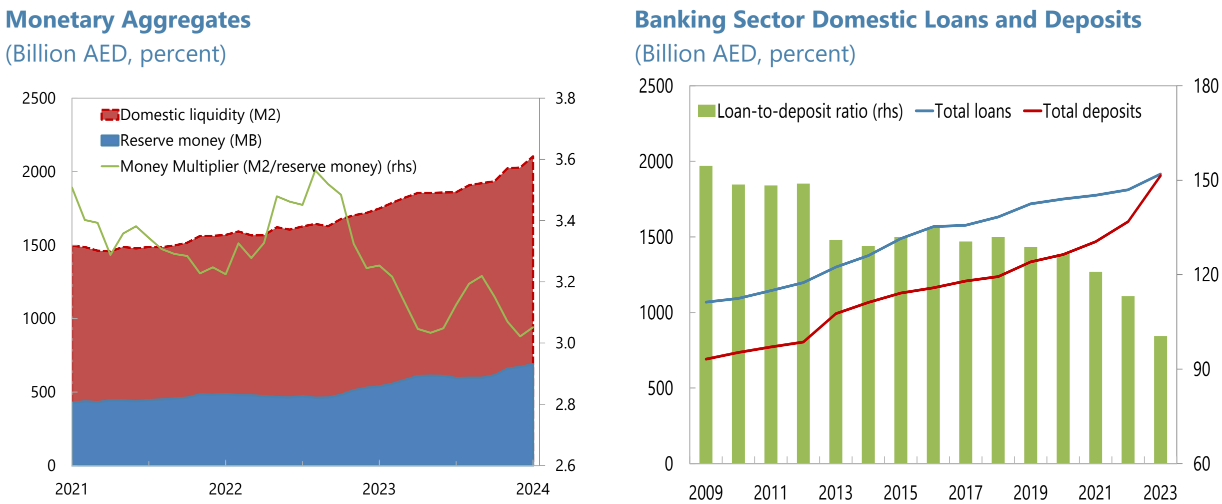


Sources: Bloomberg, Haver, S&P Global, STR, and IMF staff calculations.

3. Relatively high oil prices mostly offset the production cuts and supported fiscal and external surpluses in 2023. The UAE's general government surplus decreased to 5 percent of GDP in 2023 from 10 percent in 2022, mainly due to lower public company transfers to the budget as a result of their increased non-crude CAPEX investments and acquisitions. The current account surplus was 10.7 percent of GDP in 2023, benefitting from strong exports of non-hydrocarbon goods and re-exports. Foreign reserves of the Central Bank of the UAE (CBUAE) remain healthy at 8.2 months of imports.[1] The real effective exchange rate (REER) depreciated by 3.0 percent on average in 2023 and was stable until April 2024, reflecting lower UAE inflation compared to its main trading partners. In 2023, the external position remained broadly in line with the level implied by medium-term fundamentals and desirable policies (Annex III).

4. The UAE has continued to experience strong capital inflows and rising domestic liqudity. Overall inflows supported an increase in the central bank foreign reserves by 9.3 percent of GDP in 2023 and contributed to the increases in domestic banking sector liquidity and real estate prices. Ongoing social and business friendly reforms and the UAE's safe haven status have supported capital and other investment inflows (Text Figures 2 and 3).

Text Figure 2. United Arab Emirates: Domestic Liquidity



Sources: CBUAE, and IMF staff calculations.

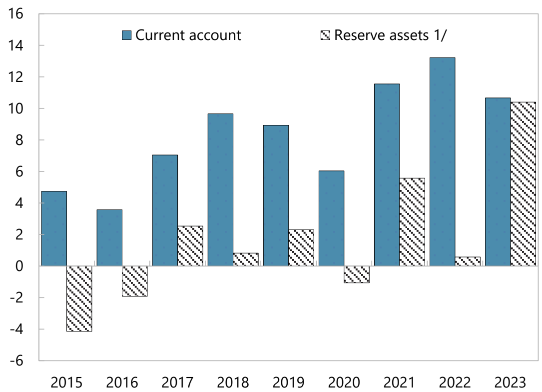
5. The UAE's sovereign buffers strengthened in 2023, while general government debt declined. Robust fiscal and external performances reinforced the UAE's buffers. General government debt remains sustainable and is expected to decline further to 31.3 percent of GDP in 2024 (Annex II). From January 2023 to May 2024, the UAE federal government issued $5.3 billion in new bonds, including $3.2 billion of local-currency Islamic T-sukuk amid strong demand.[2]

[1] The SDR allocation of SDR 2.2 billion (0.7 percent of 2021 GDP) is kept in foreign reserves. Approximately SDR 300 million have been pledged to the IMF PRGT and RST, but not yet disbursed.

[2] The maximum debt that can be issued in accordance with the Public Debt law is 250 percent of stable revenues. As of March 25, 2024, this measure was 137 percent.

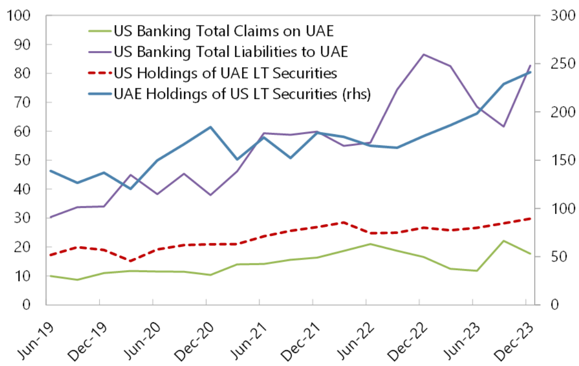
Text Figure 3. United Arab Emirates: Net Capital Flows and Financial Markets

Current Account and Foreign Reserves
(Flows, percent of GDP)

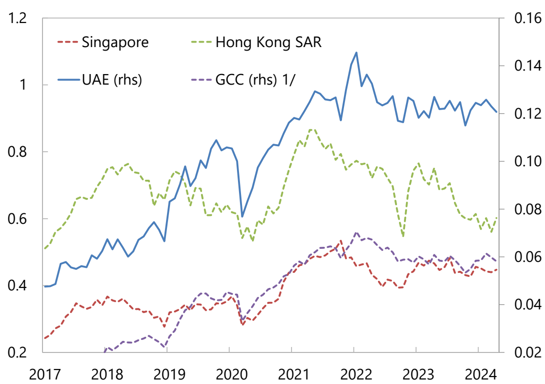


1/ Positive sign indicates increase in reserve assets.

UAE-USA LT Securities and Banking Positions
(Billion US$)

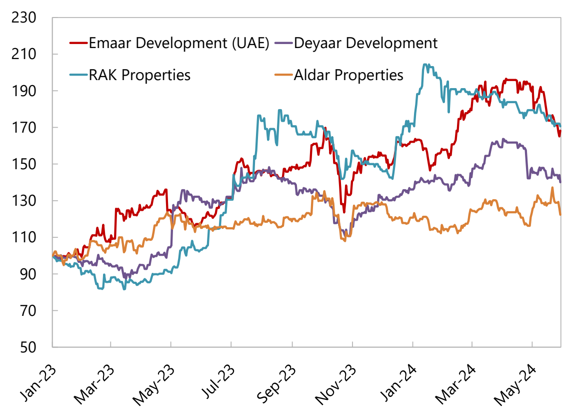


EPFR Global Bond and Equity Allocations
(In percent of global total)



1/ GCC is calculated as simple average excluding UAE.

Real Estate Firms' Equity Prices
(Index, 2023 Jan = 100)



Sources: Country authorities, EPFR, Haver Analytics, and IMF staff calculations.

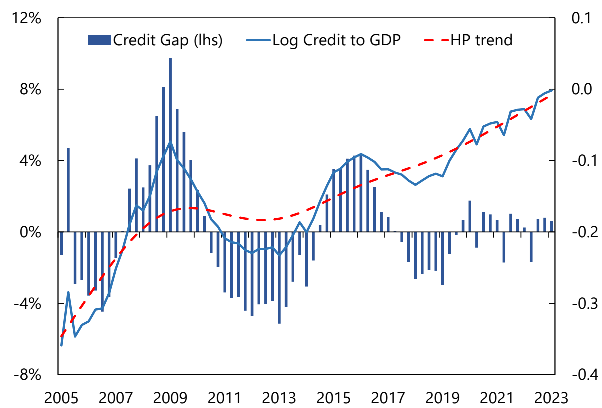
6. **Bank balance sheets further strengthened, but some vulnerabilities persist (Figure 4).** Aggregate capital and liquidity ratios improved further and stand substantially above regulatory minima. Profitability increased with high interest income as private sector credit continued to grow despite policy interest rate hikes, which follow US Federal Reserve actions in line with the exchange rate peg. Credit growth has also been supported by surplus liquidity and structural economic factors (Box 1). Strong deposit growth reduced the loan-to-deposit ratio and contributed to a further increase in banks' foreign assets. However, while aggregate non-performing loans (NPLs) decreased (5.3 percent on a gross basis at end-2023), they remain elevated in the construction sector. Uncertainties related to the global interest rate environment (2022 UAE Article IV) and climate change add to financial sector vulnerabilities.

7. Real estate activity continued to be buoyant, particularly in high-end segments in Dubai. Average residential sales prices in Dubai grew 37 percent between end-2020 and end-2023. Prices have been driven by luxury housing and prime locations, reflecting strong demand from international investors and spurring expansion in residential developments. However, rising prices in other segments in Dubai and some other emirates raise broader affordability concerns, while commercial real estate is also in high demand. Although overall prices are growing at a slower rate than in previous episodes, some indicators suggest their deviation from equilibrium prices, pointing to the risk of excessive price growth. A full quantitative analysis, however, is constrained by data availability.

Box 1. United Arab Emirates: Credit Growth Amidst High Interest Rates[1]

Despite substantial interest rate hikes, credit to the private sector grew at a steady pace in 2022 and 2023. With the implementation of the Dirham Monetary Framework (DMF), the EIBOR has largely tracked recent policy rate hikes (Figure 4). However, the pass-through to retail rates has been less clear, including due to data limitations. Domestic credit to the private sector and government-related entities (GREs) increased by 3.5 percent in 2022 and 7.0 percent in 2023, while policy rates increased by 5.25 percentage points. Moreover, in recent years, the credit-to-GDP ratio has been close to its long-term trend, suggesting that the cyclicality of credit has declined (Text Chart). One reason for this could be that the impact of monetary policy on credit growth, the so-called credit channel, is partially muted.

Credit-to-GDP Gap
(Percent of nominal GDP)



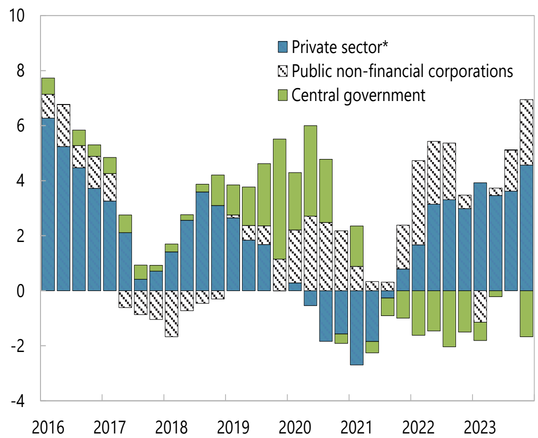
Sources: CBUAE, World Economic Outlook, and IMF staff calculations.

In particular, the presence of surplus liquidity may dampen the bank lending channel by mitigating bank funding pressures. A number of indicators illustrate that UAE banking system liquidity has increased notably since the pandemic (e.g., bank prudential liquidity ratios, M2-to-GDP, and the loans-to-deposits ratios), raising challenges for CBUAE to manage liquidity (¶22). In addition, structural economic factors, such as state ownership of major banks and a high share of GREs in economic activity, may reduce the sensitivity of aggregate credit to interest rates. CBUAE credit sentiment surveys show redistribution effects in favor of large firms (Text Charts). This may reflect that larger firms may be less interest sensitive compared to smaller private firms.

Overall, given the relatively weak sensitivity of lending to higher policy rates, other policies (macroprudential, fiscal, and structural) may need to support efforts to affect credit conditions in the economy. Moreover, a holistic assessment of the strength of the credit channel requires enhancing interest rate data collection and quality.

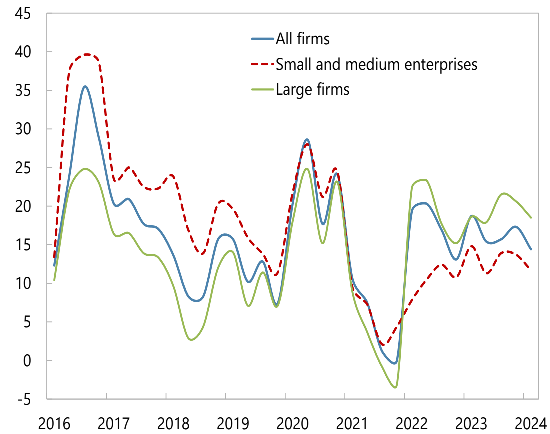
Box 1. United Arab Emirates: Credit Growth Amidst High Interest Rates[1] (cont'd)

Contributions to Domestic Credit Growth
(Percentage points)



*Private sector = Other financial and non-financial corporations + other resident sectors. Includes GREs with public ownership below 50 percent.

Banks' Change in Appetite to Extend Loans
(Net balance, in percent, Q-on-Q)



Sources: CBUAE, World Economic Outlook, and IMF staff calculations.

[1] Prepared by Jeanne Verrier.

OUTLOOK AND RISKS

8. The UAE's economic outlook remains positive, driven by domestic non-hydrocarbon activity, continued reforms, and a rapid expansion of hydrocarbon production.

- The UAE is projected to grow by 3.7 percent in 2024, driven by non-hydrocarbon growth of 4.9 percent. Key sectors such as tourism, construction, transportation and financial activities are expected to continue to expand, supported by increased investment and business-friendly reforms. Private sector credit growth is expected to remain healthy, supporting economic activity. Overall and non-hydrocarbon GDP are expected to grow by about 4.5 percent in the medium term.

- Hydrocarbon GDP is projected to grow by 0.2 percent in 2024 with crude oil production bound by the 0.144 mbpd voluntary cuts until end-2025.[3] In 2025, hydrocarbon GDP is expected to grow by 7.3 percent, boosted by the UAE's additional OPEC+ quota increase of 0.3 mbpd and the gradual phase out of voluntary cuts. In the medium term, hydrocarbon GDP growth is projected to average 5.2 percent with increased crude oil production capacity to 5 mbpd (from 4.85 mbpd currently), the extension of refinery capacity, and growth of natural gas production, including upon the completion of the Ruwais LNG Plant.

[3] In addition, the UAE received a quota increase of 0.2 mbpd in January 2024 and agreed an additional voluntary cut of 0.163 mbpd until September 2024 that will be gradually phased out following the latest OPEC announcement.

- Inflation is expected to increase to 2.2 percent in 2024, due to relatively high inflation in non-tradeables prices and stronger economic activity, and stabilize around 2 percent in the medium-term. A continued rise in broader housing costs would further contribute to increased living costs.

9. Fiscal and external surpluses are expected to remain high on the back of relatively high oil prices. The general government fiscal surplus is projected to average 4.3 percent of GDP over the medium term, while the non-hydrocarbon primary deficit is expected to improve to 15.5 percent of non-hydrocarbon GDP, including with the support of tax policy reforms. The current account surplus is projected to average 7.6 percent of GDP over the medium term with stabilizing oil prices and large import contents of reform-driven investment projects. Comprehensive Economic Partnership Agreements (CEPAs) and reforms aimed at economic diversification should support stronger non-oil export growth. In addition, new opportunities to boost trade, FDI, and integration in global value chains stem from the UAE's recent accession to the BRICS and commitments to the development of India-Middle East-Europe Economic Corridor.

10. The outlook is subject to uncertainty, but large sovereign buffers help mitigate risks (Annex IV). On the downside, geopolitical tensions and geoeconomic fragmentation could intensify and lead to reduction in the flow of goods, capital, and tourism. Risks from an abrupt global slowdown (Box 2), commodity price volatility, or stubborn global inflation, would have similar impacts. A sharp correction in asset prices, including in certain real estate segments, due to an escalation of regional geopolitical risks or capital flow reversals, could impact the financial sector and economy, amplifying some existing vulnerabilities. On the upside, sustained accommodative domestic financial conditions, higher hydrocarbon production, and accelerated public investment or structural reforms could spur growth by more than anticipated. Large sovereign buffers and high oil prices help insulate the UAE against risks and uncertainties.

11. Policies should remain flexible to respond to adverse shocks. In the case of a significant growth slowdown, fiscal space should be strategically allocated to support non-hydrocarbon growth. This includes prioritizing, frontloading, and scaling-up green and advanced technology investment that targets activities with the potential to accelerate economic growth and productivity diffusion and improve energy efficiency. The CBUAE should stand ready to provide liquidity as needed and use the macro-prudential toolkit, while monitoring financial stability.

12. Over the longer run, uncertainties over the speed of global decarbonization and its impacts pose additional risks. Major initiatives announced during COP28, including the UAE Consensus, and the acceleration of UAE net zero targets will help support a smooth energy transition (Annex VI). Nevertheless, a faster- or more-disorderly-than-anticipated global move away from hydrocarbons would impact global oil demand, drive oil price volatility, and strain sovereign buffers pressuring public finances and slowing the planned energy transition (2022 UAE Article IV). Therefore, ongoing efforts to close existing adaptation and mitigation gaps and diversify the economy remain critical.

Box 2. United Arab Emirates: Spillovers from a Potential China Growth Slowdown[1]

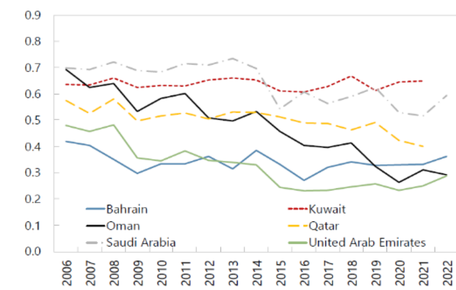
Spillovers from domestic shocks in the Group of Twenty emerging markets, particularly China, have increased and become comparable in size to those from shocks in advanced economies (April 2024 WEO Chapter 4).

A slowdown in China's growth would significantly reduce global oil prices and UAE hydrocarbon GDP. China is one of the world's largest consumers of oil and gas, importing more than 50 percent of its oil consumption. China represented more than 15 percent of UAE crude oil exports in 2022, and the export value of oil to China has tripled in the last 3 years, becoming the UAE's second largest oil export destination after Japan. In addition, the share of oil-related products in UAE exports of goods to China increased from 50 percent in 2019 to 80 percent in 2022.

Lower growth in China would have a smaller direct impact on UAE's non-hydrocarbon GDP growth. Based on IMF estimations (IMF 2023 Gulf Coordination Council Report), a one percentage point negative shock in China's growth would decrease non-hydrocarbon output in Gulf Cooperation Council (GCC) countries by 0.2 percent in the first year and by 0.6 percent in the medium term. Since variations coming from global shocks are absorbed by time fixed effects, this result could be seen as direct spillover effects from China. For the UAE, the impact was less significant. However, negative spillovers from second-round effects could still impact the UAE, for example, as other GCC countries and key UAE trading partners can be negatively affected, leading to lower exports of non-hydrocarbon goods and services over the medium term.

UAE trade diversification would help mitigate negative spillovers to non-hydrocarbon GDP growth. UAE export diversification has improved in recent decades and remained above other GCC countries (Text Chart). Further trade liberalization through CEPAsand recent accession to the BRICS should help the UAE further diversify capital and trade flows and supply chains by accessing new markets and mitigating negative shocks from a specific trading partner.

Export Concentration Index, 2000-2022



Sources: UNCTAD, and IMF staff calculations.
Note: Lower value for the export concentration index indicates higher diversification of exports.

[1] Prepared by Charlotte Sandoz.

Authorities' Views

13. **The authorities broadly shared staff's assessment of the macroeconomic outlook but expect stronger near-term GDP growth and modestly higher inflation.** They too see a continued expansion of activity in the tourism, construction, manufacturing, and financial services sectors, but expect a stronger boost from these sectors to non-hydrocarbon GDP growth in 2024 and in the medium term. Despite the OPEC+ voluntary cuts, they also expect stronger hydrocarbon GDP in the near and medium terms, supported by strong global demand and rising domestic gas production. The authorities concurred with the staff's assessment that inflation will rise this year but anticipate it to stay slightly elevated at 2.3 percent in the next year even if a stronger US dollar is expected to mitigate additional upward price pressures. The authorities acknowledged the importance of continuing to build climate change resilience while advancing the economic diversification agenda.

POLICY DISCUSSIONS

A. Policies to Ensure Sustainable Growth and Safeguard Financial and Monetary Stability

14. Policy discussions focused on delivering sustainable growth and fostering financial and monetary stability. The broad policy mix should: (a) ensure the adequacy of macro-prudential tools, address surplus liquidity, and develop effective supervision of digital innovation and FinTech activities; (b) sustain countercyclical fiscal policy and enhance emirate-specific fiscal frameworks, anchored in a transparent, rules-based harmonized medium-term fiscal framework; (c) further prioritize and sequence the structural reform agenda; and (d) enhance data transparency and dissemination.

B. Financial Sector and Monetary Policies

15. Overall, systemic risks remain low, but vulnerabilities to external shocks underscore the importance of continued policy vigilance. A countercyclical capital buffer should be considered after a careful assessment of potential impacts on bank balance sheets and credit intermediation. In addition, forward-looking assessments of banks' financial stability risks and asset quality should continue, and supervisors should keep promoting banks' effective management of legacy NPLs, including through the sale of those assets. The monitoring of financial stability risks from climate change should be enhanced, particularly for the insurance sector.

16. Rapid real estate price increases should continue to be closely monitored and assessed to prevent the build-up of risks and ensure banks' resilience. Banks' comprehensive exposure to the real estate sector (including loans, off-balance sheet exposures, and investments in real estate securities) declined but remains elevated at 20.5 percent of total credit risk-weighted assets (CRWA) at end-2023. The authorities should conclude the observation period of the Standards for Bank Real Estate Exposure and reinforce the regulatory framework. Consideration should be given to reducing the 30 percent exposure threshold in the context of a reassessment of risks, and implementing capital or risk-weight add-ons for large real estate exposures.[4] Procyclical policies, such as incentives for individual foreign real estate investors and institutional investors, should be avoided and the relaxation of downpayment requirements for first-time home buyers introduced during the pandemic phased out. Targeted support measures and supply-side policies can help limit strains on vulnerable households and support affordability. In addition, potential risks to some developers' balance sheets and the aggregate exposure of GREs and sovereign entities to the real estate sector should be assessed. Data transparency should be enhanced and communication around real estate sector developments would usefully include a risk analysis.

17. Staff welcome plans for a coordinated framework to monitor and assess financial stability risks, and encourage its finalization and implementation. The newly created Financial

[4] The threshold is defined as CRWA of real estate comprehensive exposures to total CRWA.

Stability Council should enhance the scope of systemic risk analysis at the national level, including through greater data collection and dissemination of nonbanking financial institution activity and more effective coordination among regulatory bodies. While the new Recovery Planning Regulation is now effective, work towards the resolution framework should continue. Enhanced transparency and communication on the regulatory framework, with the publication of the CBUAE Rulebook, is welcome.

18. A cautious approach is warranted in the rollout of the ambitious plan to digitalize the financial system and payment landscape. The CBUAE launched the Financial Infrastructure Transformation (FIT) Program in February 2023, a wide-ranging plan to digitalize domestic and cross-border payments. This includes the soft launch of an Instant Payment Platform (Aani) in October 2023, the active exploration of retail and wholesale Central Bank Digital Currency (CBDC), and other initiatives such as a Domestic Card Scheme, and innovation in OpenFinance and SupTech. Traditional payment systems are also being modernized, notably with the recent integration of the UAE into the GCC Real-Time Gross Settlement system (AFAQ). The implementation of these reforms should continue to follow a careful assessment of risks, including for monetary and financial stability, and policy objectives should remain well-defined and prioritized.

19. Policies to attract virtual asset service providers should effectively address associated risks. Virtual asset regulators in the UAE and its free financial zones have sought to capitalize on the growth of the crypto industry and foster innovation while providing a regulatory framework for fintech firms. The regulatory landscape is complex to navigate and subject to cooperation and coordination issues amongst the national and international regulatory entities. The authorities should strengthen regulatory capacity to effectively address risks in the evolving virtual assets ecosystem. A comprehensive, consistent, and coordinated policy response to virtual assets is necessary to safeguard macroeconomic and financial stability.

20. Improvements to the AML/CFT framework have been recognized by the international standard-setting body and should be continued. Major efforts have been advanced under the National AML/CFT Strategy in line with the Financial Action Task Force (FATF) standard, including: rectifying deficiencies relating to the framework for targeted financial sanctions (TFS); improving the effectiveness of the AML/CFT regime; improving TFS compliance; enhancing AML/CFT supervision; and bolstering criminal law enforcement efforts. The UAE was removed from the FATF "grey list" in February 2024. Policy efforts are welcome and should be continued, including regarding virtual assets and in the flourishing real estate sector, to ensure that the UAE can effectively mitigate its ML/TF risks.

21. Staff welcome the authorities' commitment to advance sustainable finance and enhance the resilience of the financial sector to climate-related risks. The work of the Sustainable Finance Working Group resulted in the issuance of guiding principles for the management of climate-related financial risks, the development of a UAE taxonomy, and enhanced transparency through sustainability reporting at end-2023. Efforts should continue to support the advancement of the regulatory framework, taxonomy, and coordination across stakeholders to ensure an enabling environment for green and sustainable finance.

22. The DMF is largely implemented, and its full flexibility should be used to support effective liquidity management and continue the development of domestic capital markets.

- *Liquidity management.* The market for M-bills is nascent and should develop over time, supporting the CBUAE's efforts to reduce surplus liquidity in line with targets. The CBUAE should finalize the implementation of the DMF by rolling out the remaining liquidity management facilities for fine-tuning operations.[5] Staff welcome greater transparency and communication on the monetary framework and operations through the CBUAE website and encourage closer coordination with other government entities to better anticipate cash flows. Statutory reserve requirements complement open market operations for liquidity management. However, further increases (beyond the historical level of 14 percent for demand deposits) should be avoided, particularly without careful consideration of the broader recommended policy mix on bank balance sheets. Rather, a greater reliance on M-Bills should be undertaken as the market develops.
- *Domestic capital market development.* Local-currency debt markets continue to develop, reaching 21 percent of all currency debt markets ($55 billion) in 2023, from 0.5 percent in 2020. Investors show a strong appetite for T-bonds and the recently launched T-sukuk. Staff support the authorities' efforts to continue building a dirham sovereign yield curve and welcome ongoing cooperation between the CBUAE and Ministry of Finance (MoF) to deepen domestic capital markets.

23. The exchange rate peg continues to be an appropriate and credible policy anchor for the UAE. CBUAE foreign reserves have increased and remain adequate, including according to the IMF's ARA metric. While the peg effectively serves as a nominal anchor, over the longer term, the CBUAE could consider exploring more flexibility in setting its policy rate to support the further development of the non-hydrocarbon sector.

Authorities' Views

24. The authorities agreed with the recommendation to continue monitoring financial stability risks. They highlighted that the banking sector has substantial capital and liquidity buffers and noted that the creation of the Financial Stability Council will further enhance financial stability at the national level. They underscored their close monitoring of real estate sector developments and the adequacy of the related regulatory and supervisory framework. The authorities also emphasized efforts to rein in domestic surplus liquidity using available tools under the evolving DMF, while highlighting the unprecedented levels of net capital inflows. They emphasized their concerted efforts in promoting sustainable finance and the need to broaden climate-related financial stability monitoring to the insurance sector. They noted substantial progress in combating money laundering and terrorism financing. They further noted the fast progress in digitalizing payments and financial

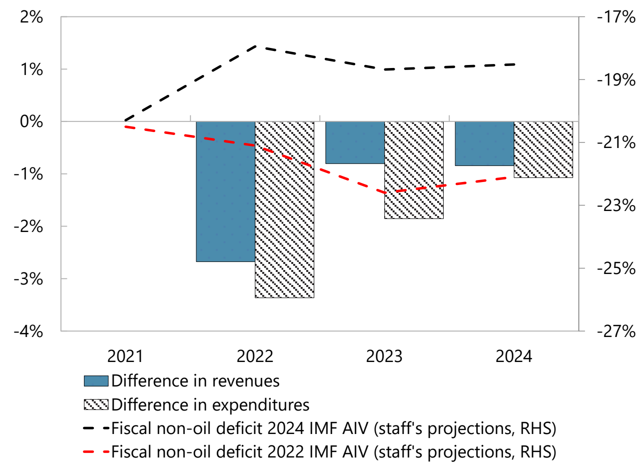
[5] Namely, the Term Lending Facility and the Matched Transactions of Securities.

systems and highlighted that CBUAE's payment token regulation is based on international standards. The authorities underscored their strong commitment to the exchange rate peg.

C. Fiscal Sustainability

25. The UAE's fiscal buffers remain robust, while fiscal policy continues to support national priorities. After fiscal consolidation in 2022 on the back of a large oil windfall and strong non-hydrocarbon growth, the non-hydrocarbon primary deficit increased somewhat in 2023 and 2024 (Text Chart) to support investment, particularly in infrastructure and transport, which are expected to remain the primary focus of government planned spending (on- and increasingly off-balance sheet). Current spending and the growth of the wage bill (employee compensation) remained contained (Figure 2); however, subsidies remained important, accounting for over 1.6 percent of GDP, partially reflecting the budget's enhanced social objectives. As price pressures in tradables have abated, the review of welfare benefits should be finalized to ensure effective targeting and remove remaining price controls.

Fiscal Position: Outcome vs. Staff Projections in 2022 IMF AIV Report
(Percent of GDP)



Sources: Country authorities, and IMF staff calculations.

26. A prudent fiscal stance, based on gradual fiscal consolidation, should be supported by fiscal structural reforms. In the medium-term, fiscal policy will continue playing a key role in supporting sustainable development and economic objectives under the UAE strategies. In staff's view, this can be achieved along with a gradual growth-friendly fiscal consolidation of the non-hydrocarbon primary fiscal deficit of around 3 percent by 2030, supported by fiscal rules and aligned with the medium-term fiscal framework (MTFF). Tax policy reforms, gradual removal of subsidies alongside measures to enhance social safety nets, and increasing spending efficiency would help fiscal efforts.

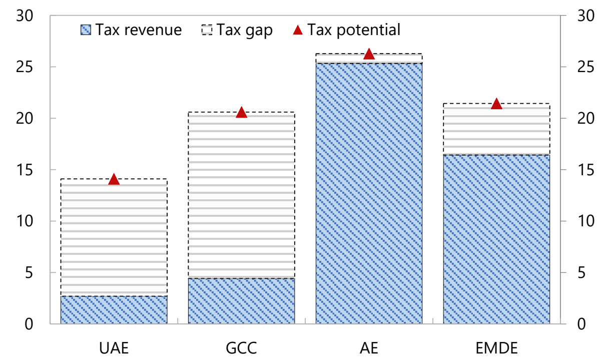
27. Continued progress on tax policy reforms is necessary to strengthen non-hydrocarbon revenue mobilization efforts. While oil revenue in percent of GDP is expected to moderate amid decreasing oil prices and stronger nominal GDP growth in the near term, planned tax reforms will support tax collection, although their impact will be gradual (Annex VII).[6] There are several priorities

[6] Non-hydrocarbon revenue growth will be subject to two opposing forces. Tax revenue will gradually increase with CIT introduction and broadening the tax base, while the review of fee strtuctures would reduce revenue.

in this area that will help close the tax revenue gap (Text Chart) in the medium term, according to staff estimates:

- **CIT reform:** The UAE implemented a general federal corporate income tax (CIT) of 9 percent on June 1, 2023, marking another significant shift in its fiscal landscape (Annex VII).[7] The CIT will create a new non-hydrocarbon revenue stream from 2025. A public consultation on Pillar II was launched in March 2024.[8,9] The UAE's implementation of the Global Anti-Base Erosion (Pillar II rules) will proceed in line with global trends, while minimizing the compliance burden on businesses. It is imperative that CIT implementation is finalized as soon as feasible in line with international best practice, including the revenue sharing mechanism between federal and local governments. The Fund stands ready to support a post-implementation evaluation to inform decisions about potentially reassessing and modifying the CIT rate and base design. The authorities should also seek to limit incentives and avoid discretionary elements in their allocation, especially profit-based incentives.

Tax Potential, Revenue and Gap
(Percent of GDP)



Sources: Country authorities, and IMF staff calculations.
Note: Tax potential and revenue are as estimated in the IMF SDN "Revenue Mobilization for a Resilient and Inclusive Recovery in the Middle East and Central Asia", 2021.

- **Other taxes:** Exploring options such as property taxes, luxury taxes, or environmental levies would further support revenue mobilization as the economy diversifies. These can be accompanied by reducing tax complexity by phasing out opaque business fee structures and by minimizing exemptions and special cases to help boost tax collection.

- **Tax administration:** Efforts to broaden the tax base and improve the efficiency of tax collection and administration should continue. Despite healthy non-hydrocarbon GDP growth, non-hydrocarbon revenue collection has remained broadly flat over the past three years (Figure 3), and the gap between potential and actual taxes is sizeable. Additional efforts can be taken to help close this gap, including by further enhancing the capacity of the Federal Tax Authority (FTA) to enforce tax compliance and ensure accurate reporting, such as through greater digitalization.[10] While effective systems exist to encourage registrations, timely filing, and

[7] The UAE introduced an excise tax in 2017 and value added tax (VAT) as of January 2018. The VAT is set at 5 percent.

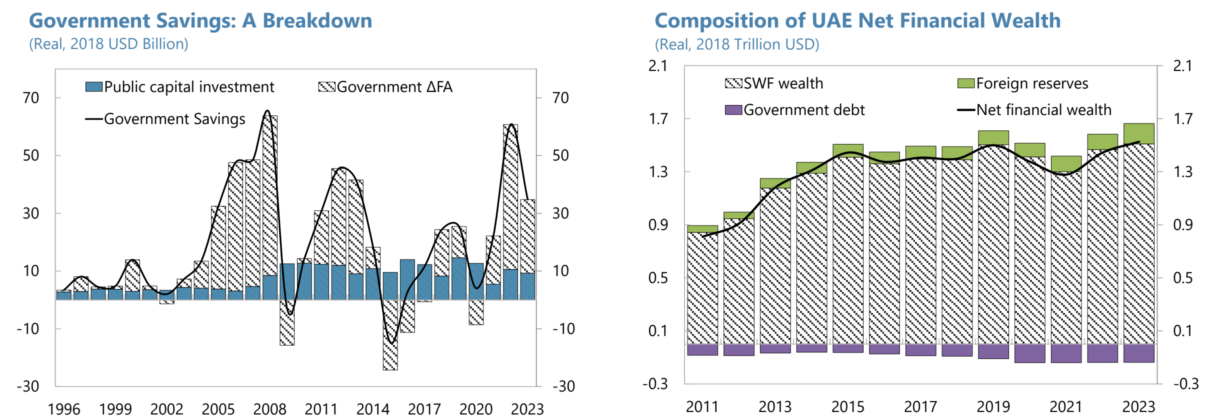
[8] See official announcement.

[9] The UAE remains committed to collaborating with key stakeholders with the aim of providing a transparent platform for discussing the relevant rules and framework implications on businesses. The UAE MoF is currently assessing the feedback from the Public Consultation to ensure any potential adoption of the rules takes into account stakeholder engagement. The consultation on R&D tax incentives was launched in April 2024.

[10] The authorities requested an IMF Tax Administration Diagnostic Assessment Tool (TADAT) assessment of the administration of taxes in 2023.

payment additional efforts are needed to enhance actual filing and payment levels, as well as expedite dispute resolution. Legal obstacles related to accessing bank information, adjusting penalties based on taxpayer behavior, compensating taxpayers, and ensuring transparency and accountability through information publication should also be resolved.

Text Figure 4. United Arab Emirates: Public Savings and Financial Wealth



Sources: Country authorities, SWFI, and IMF staff calculations.

28. Improving the efficiency of public expenditure and public investment management will become increasingly important in supporting fiscal reforms. These include consolidating on- and off-balance sheet public initiatives and streamlining the UAE budget. The latter can be achieved by: (i) prioritizing, reviewing, and cutting redundant or low-impact programs; (ii) conducting performance-based budgeting, by shifting funding to measurable outcomes, and performing rigorous cost-benefit analysis, to ensure that projects with higher social, environmental, and economic returns take precedence; (iii) continuing modern technology adoption (including artificial intelligence (AI)); and (iv) developing strategic public financial management consistent with the MTFF. Progress on developing and greening the fiscal frameworks and fostering sustainable finance should continue, including by considering the adoption of gender budgeting and green public finance management (PFM) practices.

29. The development of harmonized MTF and sovereign asset-liability management (SALM) frameworks will strengthen efforts to enhance fiscal policy efficiency. To ensure prudence, accountability, and optimal allocation and returns on sovereign investments, priority should be given to the establishment of harmonized UAE MTF and SALM frameworks, carefully aligned with emirate-specific credible fiscal anchors and rules.[11] The SALM approach will also improve monitoring of sovereign fiscal risks, including those related to broader public finances. Given the importance of sovereign wealth funds (SWFs), GREs, and the growing role of public-private partnerships (PPPs) in the UAE's investment strategy, adoption of the SALM approach is

[11] For details, see Basdevant O., J. Hooley, and E. Imamoglu "How to Design a Fiscal Strategy in a Resource-Rich Country" (2021) and the UAE 2022 Article IV Report.

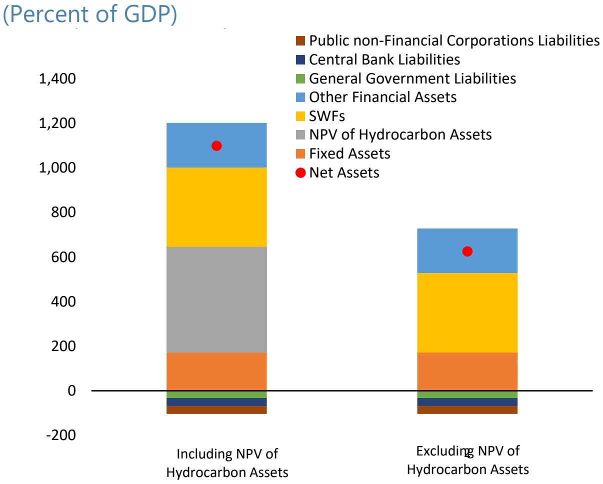
critical to enable effective monitoring of public balance sheet exposures and risks, as well as cost-effective risk-based management of public sector debt and assets. Ultimately, this will enhance fiscal management, transparency, and better inform national policymaking. An initial assessment of the UAE's public sector balance sheet (PSBS) suggests that the UAE sovereign balance sheet is healthy with significant assets and limited leverage (Box 3).

Box 3. United Arab Emirates: Understanding the Public Sector Balance Sheet in the UAE: Initial Considerations[1]

The UAE's public net worth accumulation continued in 2023. Using a PSBS[2] approach, a narrow and broader measure of public net worth is estimated:

- *UAE net worth and net financial assets.* The "narrow" measure of general government net worth is estimated at 187.8 percent of UAE GDP at the end-2023, while general government net financial worth is estimated at 15.9 percent of GDP. At the same time, the UAE's public sector net assets (a broader measure for the whole public sector) are estimated at close to 1,100 percent of GDP and net financial assets at 453.3 percent of GDP, at end-2023 (Text Chart).
- *UAE total assets, liabilities, and their structure.* Assets of SWFs accounted for 32.4 percent of UAE total assets, while fixed assets and hydrocarbon assets represented 15.6 percent and 43 percent of total assets, respectively. Liabilities of 103.6 percent of GDP are almost equally distributed among general government, GREs, and the CBUAE debt.
- *Change in* UAE *net worth over time.* Our estimates show that UAE net worth continued increasing from close to 1,070 percent of GDP in 2021 to about 1,100 percent of GDP in 2023.[3]

UAE Public Sector Balance Sheet, 2023
(Percent of GDP)



Sources: Country authorities, Bloomberg, BvD Orbis, S&P database, SWFI, and IMF staff calculations.
Note: Assets and liabilities of publc financial corporation, except CBUAE, are excluded to avoid double counting.

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[1] Prepared by Yevgeniya Korniyenko.

[2] PSBS provides the most comprehensive picture of net public wealth by consolidating the entirety of what the state owns and owes, thus offering a broader fiscal picture than provided by the central or general government deficit and debt alone.

[3] The UAE PSBS estimate was compiled on a "best effort basis" using readily available data and financial information from publicly available financial statements. There are significant data limitation on SOEs/GREs, while data on balance sheets of social security and pension funds are not available. Balance sheet information on state controlled financial institutions are not included.

30. Efforts to further strengthen fiscal governance including through greater transparency should be prioritized for long-term sustainability. Progress under the UAE Fiscal Policy Coordination Council should be further leveraged to help consolidate the UAE's overall fiscal stance, enhance data, and institutionalize information sharing for the compilation of the general government statistics according to the *Government Finance Statistics Manual (GFSM) 2014*. To enhance fiscal transparency, significant room exists to review the sectoral classification of independent public sector entities and continue the revision of the functional classification of emirates' government expenditures, while additional efforts should be taken to: (i) map an *International Public Sector Accounting Standards* (IPSAS) statement of cash flows detailing sources and uses of cash according to the *GFSM 2014;* (ii) compile preliminary transactions in financial assets and liabilities and provide it to the MoF for consolidation; and (iii) assess the data sources for the compilation of the public balance sheet. The compilation and dissemination of central and general government debt statistics, contingent liabilities (including PPPs), and the overall PSBS will allow comprehensive assessment of fiscal risks.

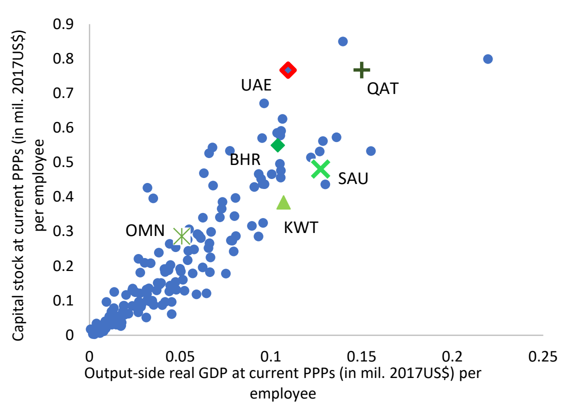
Authorities' Views

31. The authorities acknowledged the recommendations on maintaining fiscal prudence while continuing with fiscal structural reforms and enhancing medium-term fiscal and asset-liability management frameworks. They noted ongoing reforms will require larger investment, including through PPPs and to ensure resilience to climate change. They emphasized progress on enhancing emirate-specific and federal fiscal frameworks as well as coordination with the CBUAE on domestic capital market development. The authorities expect non-hydrocarbon revenue to strengthen over time with dynamic private sector growth, the introduction of federal corporate income tax, and enhanced administration and compliance in relation to all federal taxes.

D. Structural Policies

32. Careful prioritization and coordination of structural reforms supported by strong governance frameworks would continue to promote more diversified and sustainable growth. Further progress to ensure integration of strategies and policies at different levels of government with efforts to further advance CEPAs, the AI and Digital Economy Strategies, and Green Strategy will be key to delivering higher and sustainable long-term growth. To ensure efficient governance frameworks, a judicious approach to public resource allocation should be developed, including by effectively prioritizing and sequencing reforms (Text Chart). This endeavor should balance public investments and private sector growth to avoid inadvertent crowding out of private sector development. Further progress in the following areas will support medium-term objectives:

Capital Accumulation and Output per Employee
(Year 2019)



Sources: Penn World Table v.10.01, and IMF staff calculations.

- ***Trade and FDI.*** The UAE has increased efforts to attract foreign investment, including by progressively opening its economy to foreign capital and talent (Figure 1).[12] The recent Federal Law on PPPs aims to foster private sector engagement and inward investment in strategic projects, while the newly created Ministry of Investment is developing a national investment strategy. The UAE is increasing its share in global outward FDI, including through its largest-ever bilateral FDI agreement that seeks to develop prime real estate projects in Egypt.[13] To ensure continued progress on boosting trade and FDI, and improving competitiveness, strong regulatory frameworks and effective collaboration between federal and emirate level functions (including on PPPs) should be prioritized.

- ***Regulatory overhaul.*** A commendable comprehensive legislative overhaul to improve the business environment has been undertaken under the "UAE Legislation" platform. Enhancements streamline and reduce regulatory burdens on firms and provide an innovative approach to regulatory sandboxes ("Reglab"). Further clarity and improved efficiency of the legal system should help spur private sector investment and growth.

- ***Energy Transition and Green Investment.*** The UAE announced plans to triple the supply of renewable energy by 2030, including through the investment of an additional $54 billion (or 2 percent of GDP per year)[14], while reducing its carbon intensity by increasing energy efficiency and raising the share of clean energy in domestic consumption (Annex VI). Investments in renewables and advanced technology and accelerated plans to achieve net zero emissions by 2050, among others, will support energy transition and enhance resilience to climate change.

- ***Small and medium-sized enterprise (SME) access to finances***. SMEs account for 94 percent of companies operating in the UAE (or 63 percent of non-hydrocarbon GDP) in 2023, but continue to face some challenges in accessing credit. Staff welcome the authorities' initiatives to implement the Organization for Economic Co-operation and Development (OECD) recommendations promoting credit information systems, collateral alternatives, and a culture of innovation.

- ***Labor Market and Social Reforms.*** In 2023, a mandatory unemployment insurance scheme for all Emiratis and residents was introduced. This and the new laws on pension and social security for UAE nationals should boost labor productivity along with the benefits of previous business-friendly reforms. The authorities expect to spend $1.7 billion in the National Program for Emiratization (NAFIS) to raise employment of UAE nationals in the private sector by about

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[12] These include the 2018 FDI Law, and the 2020 and 2021 amendments to ultimately allow 100 percent foreign ownership of onshore businesses, and the NextGenFDI initative. See the 2022 UAE Article IV, and the 2022 UAE SIP Chapter I for more details.

[13] The UAE's official announcement was delivered on February 23, 2024.

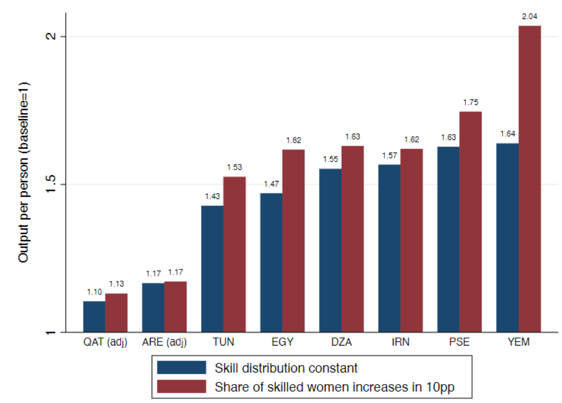
[14] In 2022, UAE announced $160 billion in investment to develop clean and renewable energy in support of its 2050 energy targets.

40 percent in 2024. In addition, the UAE Gender Balance Council Strategy 2026 should further increase female employment and help close the gender gap. The World Bank estimates that closing the gender gap would boost UAE GDP per capita by 17 percent by 2050 (Text Chart).

- ***AI and digitalization*** initiatives, including the AI and Digital Economy Strategies, the National Program for AI, and the establishment of the UAE AI Council, position the UAE for its goal to become a hub for AI and digital innovation (2022 UAE SIP Chapter II). Careful risk assessment is crucial to ensure ethical and responsible AI practices, as defined by the government law on the safe use of AI. Developing robust governance frameworks and data infrastructure, upfront strategic planning for a new way of working, while ensuring sufficient social safety nets, regularly evaluating the effectiveness of implementation strategies, as well as coordination with other UAE strategies will ensure effective development and use of AI with minimum carbon footprint.

- ***Intellectual property laws have been strengthened.*** These include laws to establish the introduction of geographical indications and untraditional trademarks protection, and alignment with international agreements and treaties since adhesion to the Madrid Protocol in 2021. However, the UAE Intellectual Property Rights Index declined in 2023 with deteriorating judicial independence and weaker perception of intellectual property rights protection (Text Chart). Improving property rights will support FDI, PPPs and help adoption of AI and enhance other reforms.

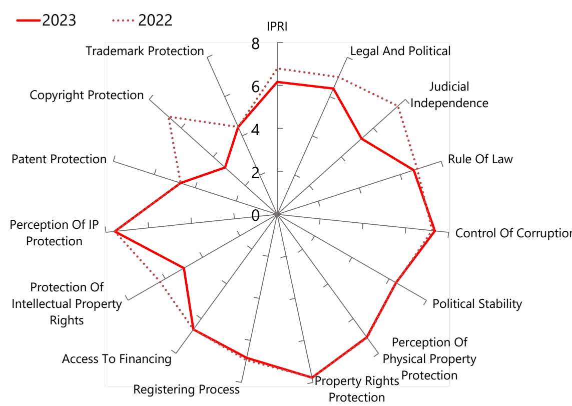
GDP per Capita Gains from Closing Gender Employment Gap by 2050



Source: Fiuratti F., S. Pennings, J. Torres (2024).

Note: The employment gender gap has been adjusted for the different population sizes of each gender due to the UAE women shortage relatively to other MENA countries.

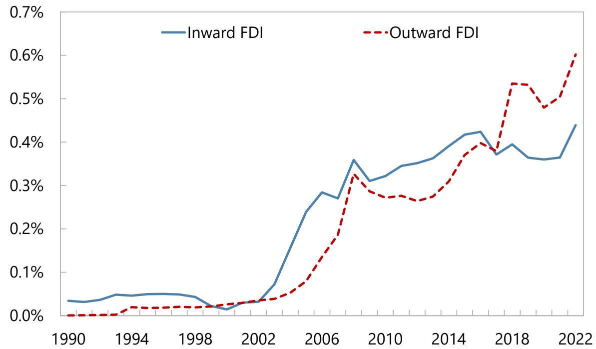
Intellectual Property Rights Developments
(Index, higher = better)



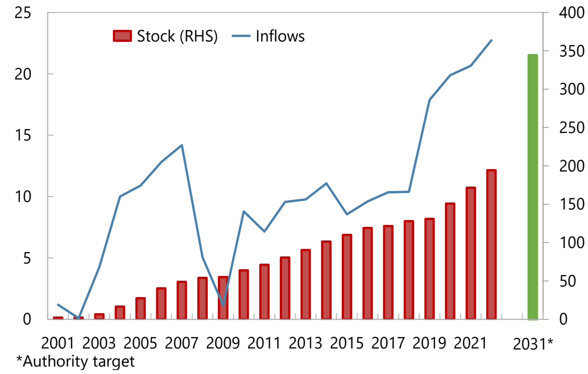
Sources: Property Rights Allliance, and IMF staff calculations.
Note: Intellectual property rights develpments score the underlining institutions of a strong property rights regime such asthe legal and political environment, physical property rights, and intellectual property rights. They average data obtained from official sources made publicly available by established international organizations (i.e. World Economic Forum, U.S. Chamber of Commerce and Property Rights Alliance Database created by Dr. Park).

Figure 1. United Arab Emirates: Investment Oasis: FDI Trends in the UAE

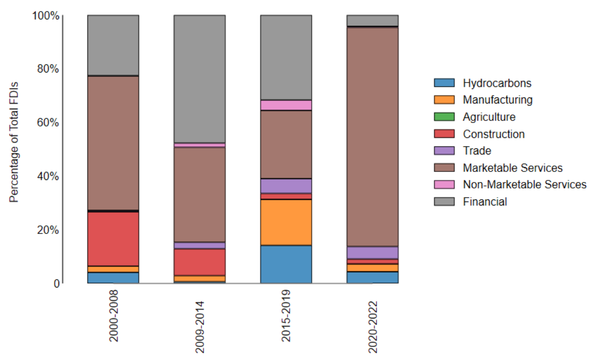
Foreign Direct Investment
(Percent of world total)



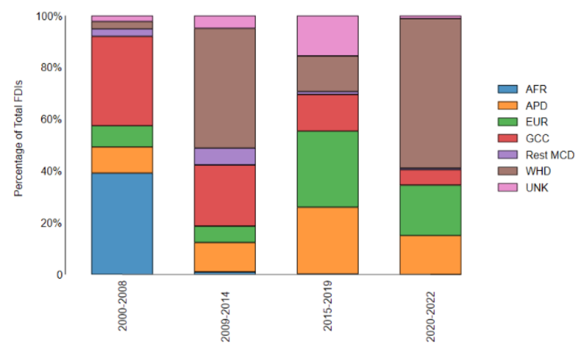
Inward Foreign Direct Investment
(Billion USD)



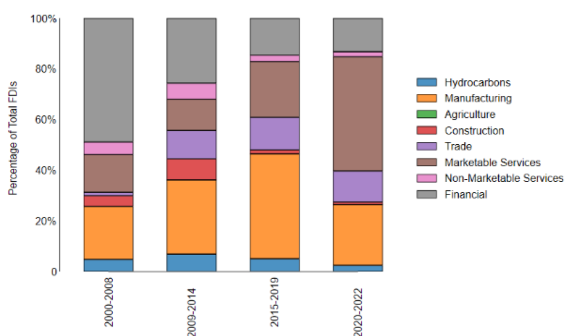
Inward UAE Investment by Industry



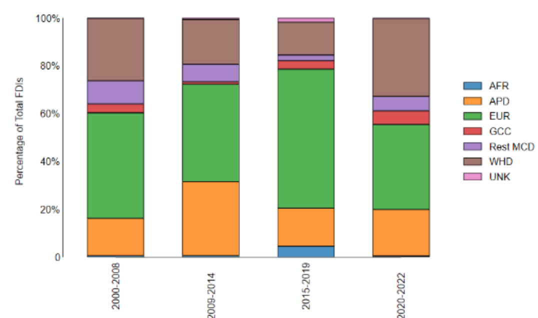
Inward UAE Investment by Region



Outward UAE Investment by Industry



Outward UAE Investment by Region



Sources: UNCTAD, Zephyr, SWFI, IMF staff calculations.

Note: Marketable services include accommodation and food service activities, information and communication, financial and insurance activities, real estate activities, professional, scientific and technical services, and administrative and support service activities; and non-marketable services include public administration and defense, compulsory social security, education, human health and social work activities, arts, entertainment and recreation, and other service activities.

Authorities' Views

33. **The authorities agreed with the importance of sustaining reform progress and the need for prioritizing and sequencing key initiatives.** They agreed that continued progress to ensure integration of strategies and policies at different levels of government, combined with coordinated efforts to further advance CEPAs, legislative reforms, the Digital Economy and AI Strategies, and Green Strategy are key to delivering higher and sustainable medium-term growth. In addition to the commendable review of legislations at the federal level, the authorities are developing an Investment Strategy to attract more foreign capital. They also noted the importance of continuing the modernization of labor markets to attract and retain talent to increase productivity and economic diversification.

E. Data Issues

34. **Data provision has some gaps but remains broadly adequate for surveillance (Annex V).** The authorities remain fully committed to meeting the IMF's enhanced general data dissemination systems (e-GDDS) and continue working toward subscribing to the special data dissemination standards (SDDS). The creation of the Data Office and increased coordination between the federal and emirate statistics agencies are commendable. Nevertheless, further efforts are needed to increase the timeliness, periodicity, and full coverage of data reporting, including of national accounts, fiscal sector, and external sector statistics. The lack of detailed information on external statistics and data gaps on the activities of GREs and SWFs hinders a comprehensive external sector assessment. Addressing data gaps on central and general government debt statistics and the overall public sector balance sheet would strengthen the assessment of fiscal risks, including for contingent liabilities. The IMF stands ready to further support the authorities' progress in these areas through additional capacity development (CD).

Authorities' Views

35. **The authorities agreed with staff's data adequacy assessment and requested new Technical Assistance (TA) to improve data collection, compilation and dissemination.** The authorities have recently requested TA to improve CPI and national accounts compilation as well as for the transition from eGDDS to SDDS.

STAFF APPRAISAL

36. **Economic growth is positive, driven by strong domestic activity and sustained efforts to modernize and diversify the economy.** Growth momentum is strong, thanks to the authorities' ambitious reform agenda, supported by investments to improve infrastructure and transportation, advance investments in renewables and new technologies, improve governance, and increase trade. Substantial sovereign buffers mitigate vulnerabilities from the elevated regional and global risks. Against this, the ample fiscal space should be deployed strategically, with accelerated investments

geared towards high growth and sustainability areas that will support productivity growth and encourage private sector development.

37. The banking system remains resilient to shocks, but continued close monitoring of financial stability is needed to mitigate risks. Bank balance sheets have strengthened further. However, the broader rise in real estate prices and rents and uncertainty related to climate risks underscore the importance of continued strengthening of the macroprudential framework and financial stability monitoring, including for the insurance sector. The Standards for Bank Real Estate Exposure should be finalized with a lower threshold and the implementation of higher capital requirements for large exposures. Consideration of a countercyclical capital buffer would further enhance banks' resilience. The establishment of the Financial Stability Council is highly welcome and should ensure coordinated monitoring across emirates and regulatory bodies. Staff encourage the authorities to request an FSAP to support the analysis and assessment of risks. Continued progress on strengthening the AML/CFT framework is essential to ensure effective risk mitigation.

38. The digitalization of the financial system and payment landscape should carefully balance risks and opportunities. The development of an Instant Payments Platform and exploration of a CBDC should continue to follow a careful assessment of risks and maintain well-defined policy objectives. Similarly, initiatives to develop the virtual asset industry should be informed by a careful assessment of macroeconomic and financial stability risks, while ensuring adequate regulatory capacity.

39. Finalizing the monetary framework will strengthen the management of surplus liquidity. Implementing the M-bill buyback program and remaining fine tuning facilities will help develop the M-Bills market, absorb surplus liquidity, and tighten the transmission of policy rate changes. Efforts to develop domestic capital markets and the creation of green and Islamic finance products will also support domestic liquidity management and enhance climate resilience. Further hikes in the reserve requirements beyond 14 percent should be avoided.

40. Sustaining fiscal prudence and reforms will balance medium-term fiscal sustainability and development objectives. Recent efforts to contain current expenditure, reinforced by further advancing tax policy reforms, the gradual removal of subsidies, and measures to enhance spending efficiency would support consolidation efforts and further declines in public debt, which remains sustainable. Finalizing the implementation of the CIT, phasing out current fee structures and reviewing wide-ranging incentives and exemptions, and enhancing tax administration are central to ensuring efficiency and closing the tax revenue gap.

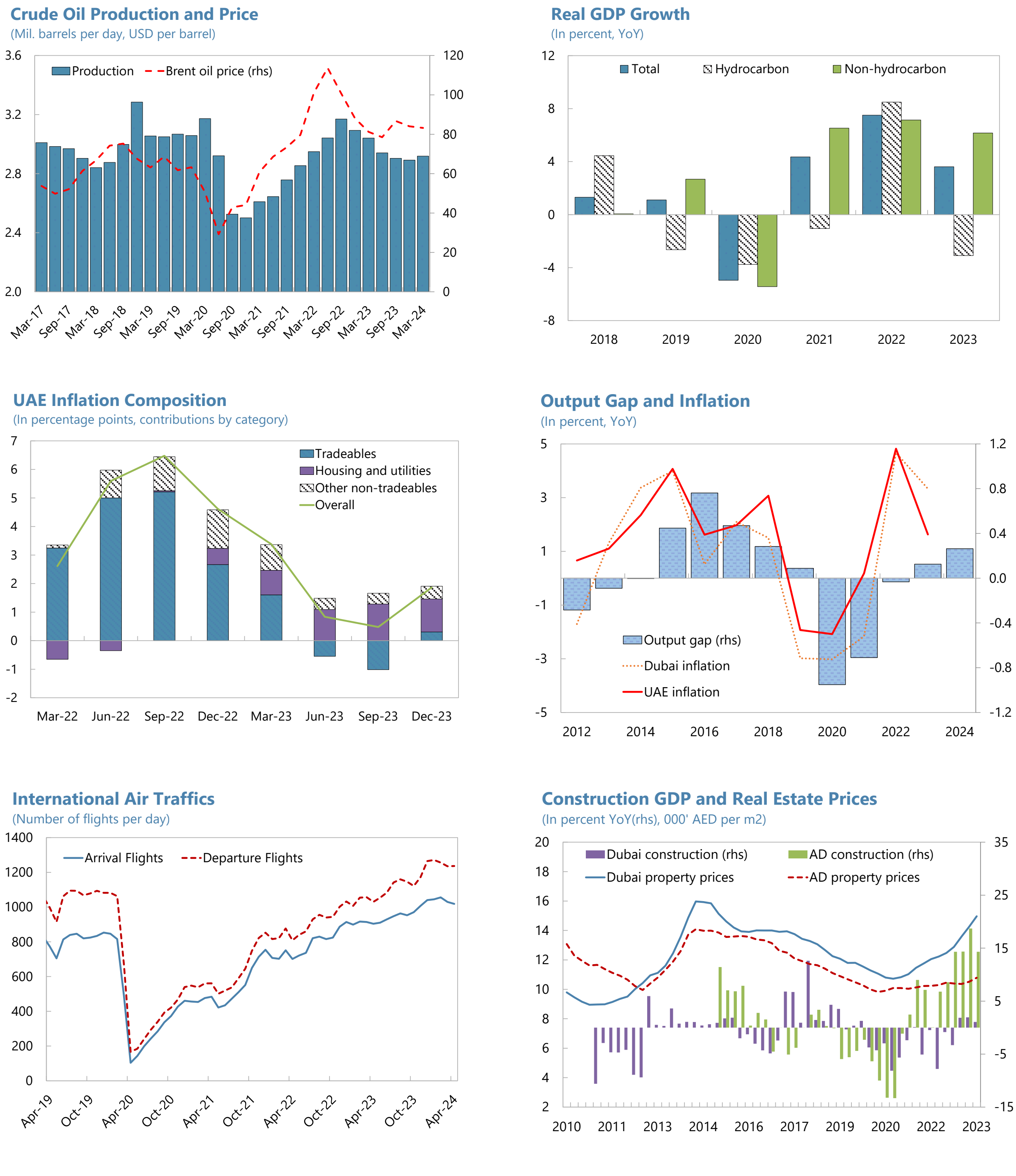
41. The development of harmonized medium-term fiscal and sovereign asset-liability management frameworks is critical to ensuring fiscal policy efficiency and strengthening transparency. Enhancement and harmonization of emirate-specific and federal fiscal rules and objectives in their MTF frameworks would ensure a well-defined national fiscal stance. These efforts will improve budgeting efficiency, help track fiscal risks, and ensure efficient management of public investments. The SALM framework will further promote sound balance sheet management and inform policymaking for long-term fiscal sustainability. Combined, these frameworks would support coordination across the public sector, and further strengthen fiscal governance and transparency.

42. Careful prioritization of reform initiatives and strategies will support medium-term potential growth and climate resilience. Reforms to leverage trade and FDI, harness digitalization and AI, and achieve net zero emissions can be further integrated. Underpinning this agenda with robust governance frameworks and additional efforts to strengthen institutions, modernize labor markets, and close gender gaps will enhance outcomes. Avoiding crowding out of the private sector amid large public investment needs is crucial, and should be supported by further improving SMEs' access to credit.

43. Maintaining momentum in data collection and dissemination efforts should be a top priority. UAE data provision to the Fund has some gaps, but remains broadly adequate for surveillance. The authorities remain fully committed to closing exiting data gaps, including by increasing capacity, undertaking TA, and seeking to harmonize data collection across emirates. Nevertheless, further progress is needed to ensure compliance with the IMF's enhanced e-GDDS and advance toward higher standards.

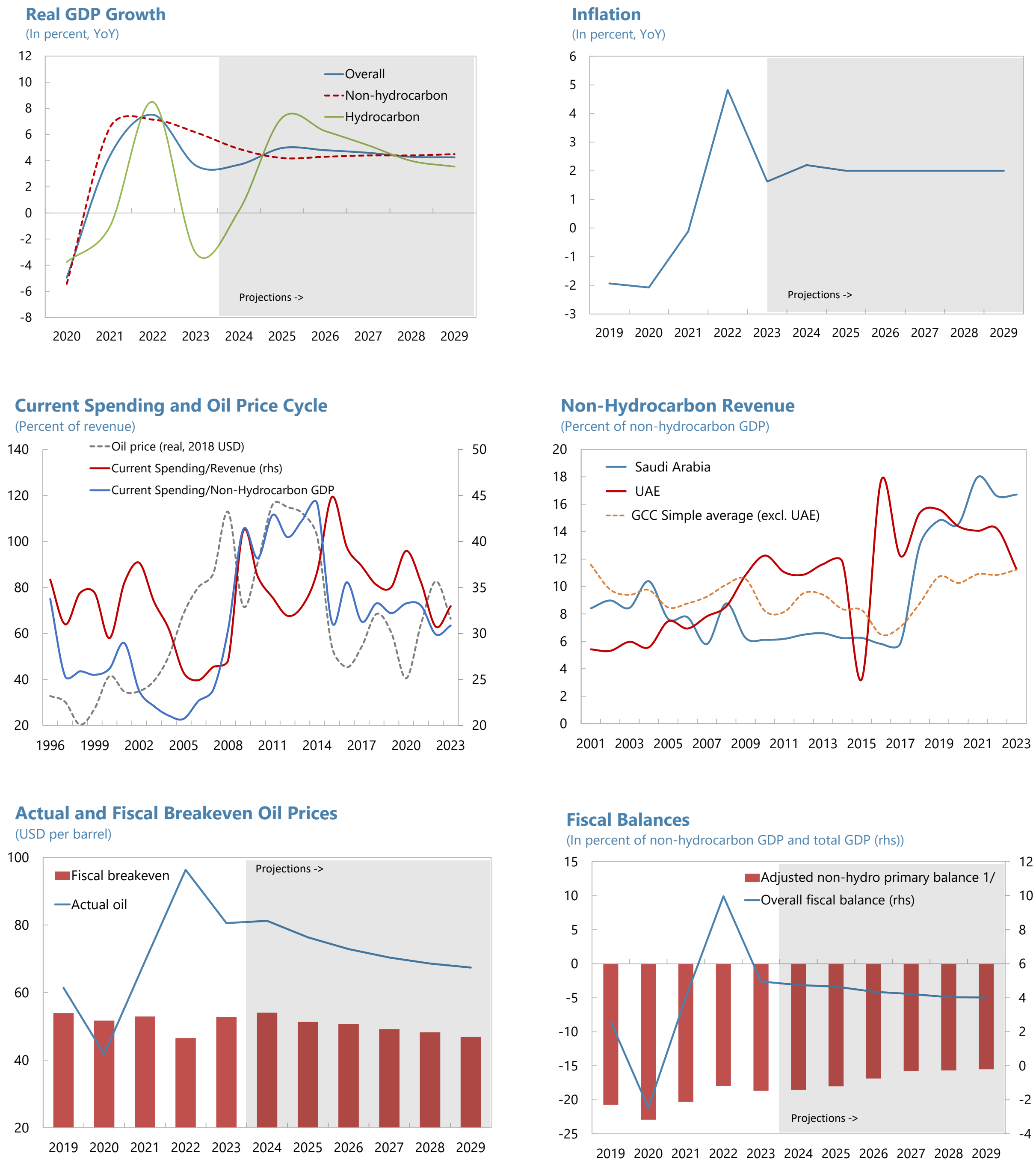
44. Staff propose that the next Article IV consultation with the UAE follow the standard 12-month cycle.

Figure 2. United Arab Emirates: Recent Economic Developments



Sources: OPEC, Country authorities, REIDIN, Haver, and IMF staff calculations.

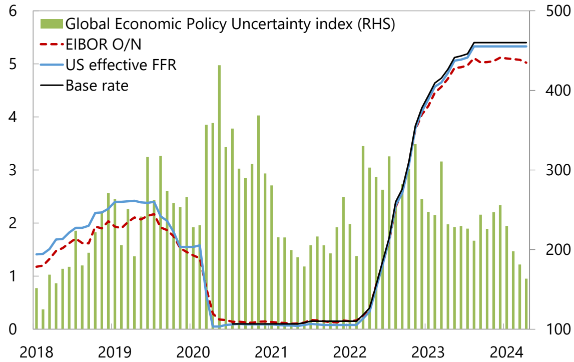
Figure 3. United Arab Emirates: Real and Fiscal Sector Developments and Outlook



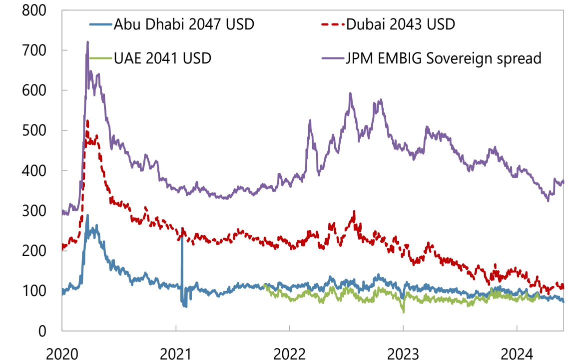
Sources: Country authorities, Haver, and IMF staff calculations.

Figure 4. United Arab Emirates: Monetary and Financial Sector Developments

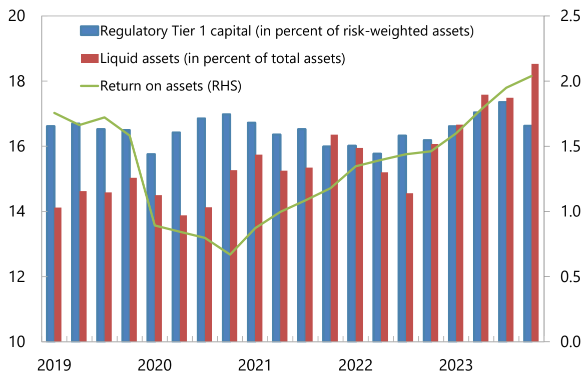
Interest Rates and Economic Uncertainty Index
(In percent, index (rhs))



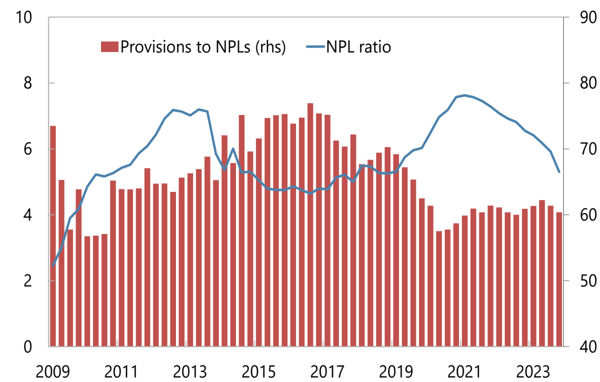
Long-term External Spreads
(Basis point)



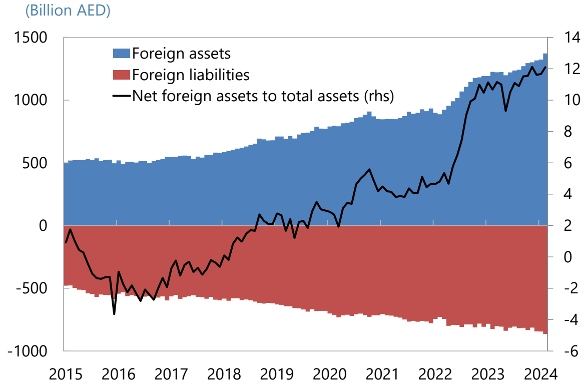
Financial Soundness Indicators
(In percent)



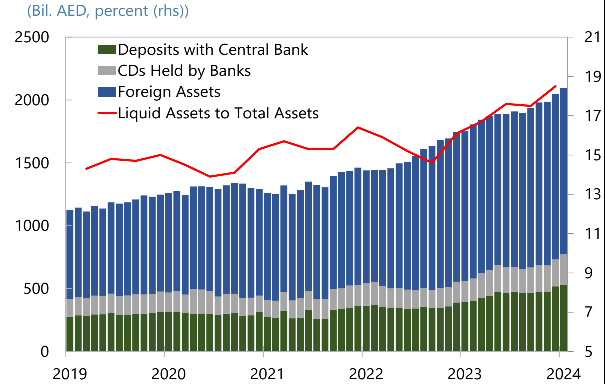
Non-performing Loans
(In percent of total gross loans)



Banks' Net Foreign Assets
(Billion AED)

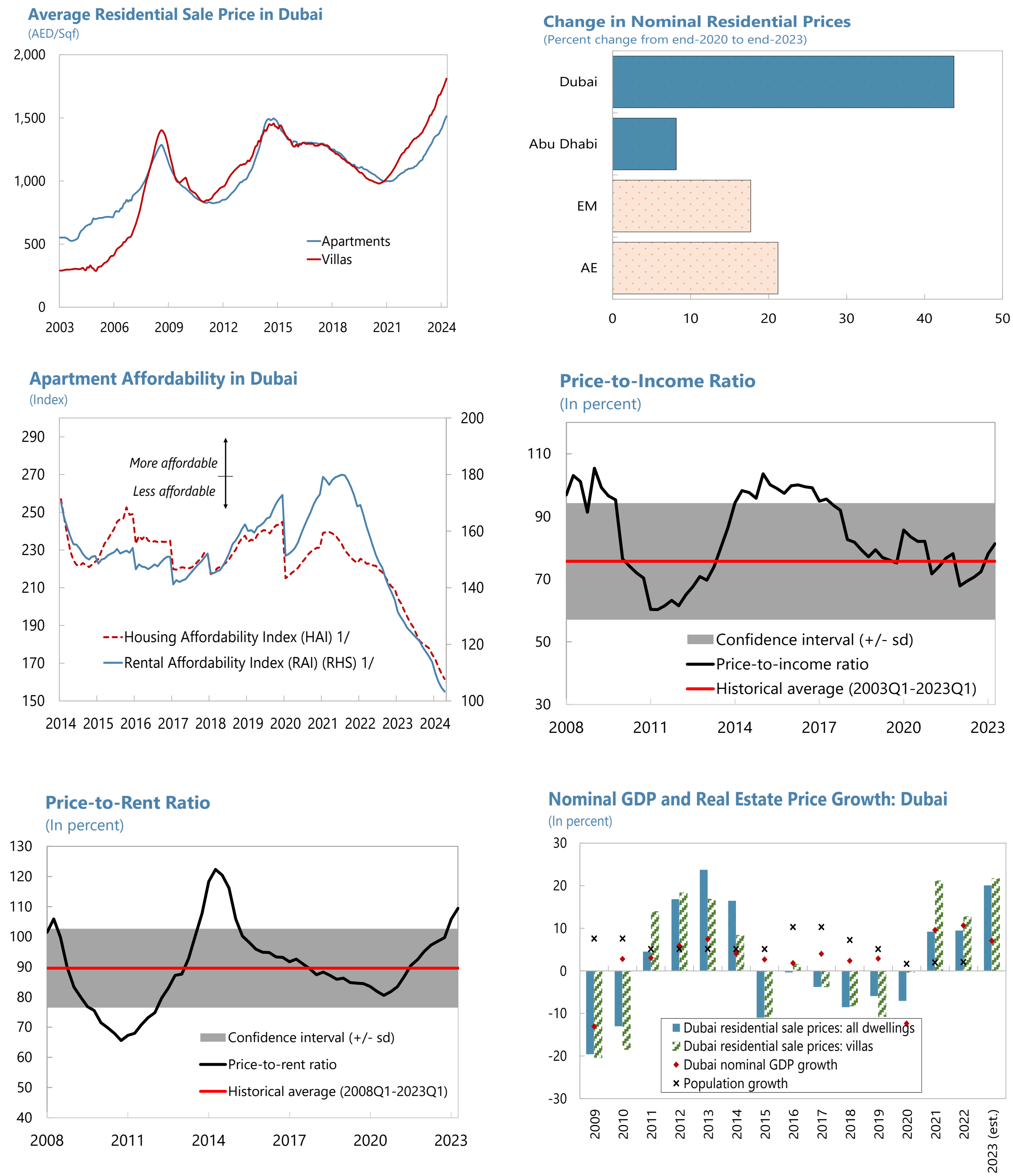


Bank Assets: Selected Items
(Bil. AED, percent (rhs))



Sources: CBUAE, IMF, Davis (2016), EPFR, Bloomberg, Haver, and IMF staff calculations.

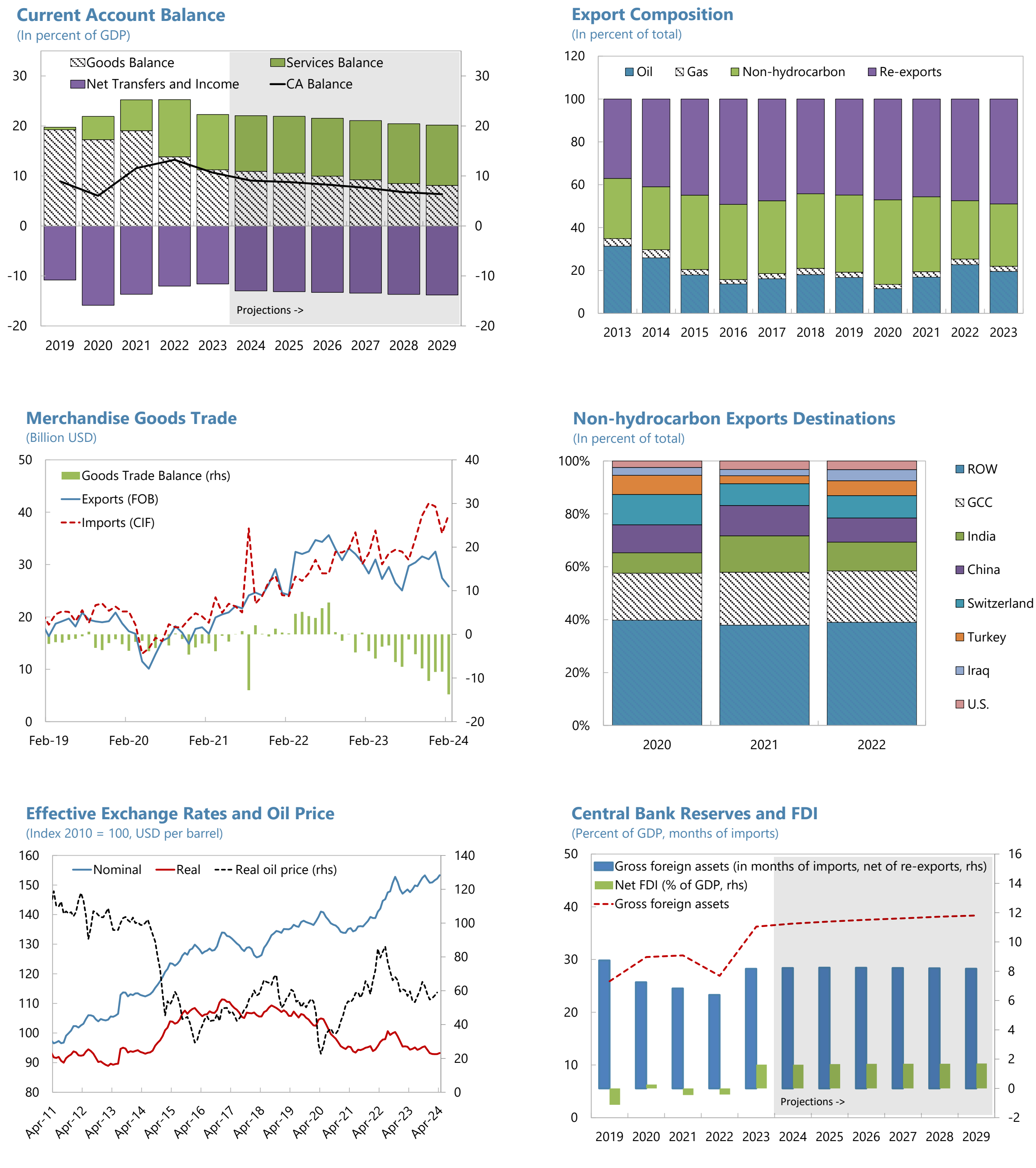
Figure 5. United Arab Emirates: Real Estate Sector Developments



1/ Housing (rental) affordability indices, as computed by REIDIN, measure how affordable it is for a middle-income family to buy (rent) a median-price house in Dubai. A Housing Affordability Index (HAI) of 100 means that a middle-income family has exactly enough disposable income to qualify for a mortgage loan on a median-priced home (assuming a 25 percent downpayment and a qualifying ratio of 25 percent). A Rental Affordability Index (RAI) of 100 means that a middle-income family has exactly enough disposable income to rent a median priced home. A lower HAI/RAI signifies lower affordability.

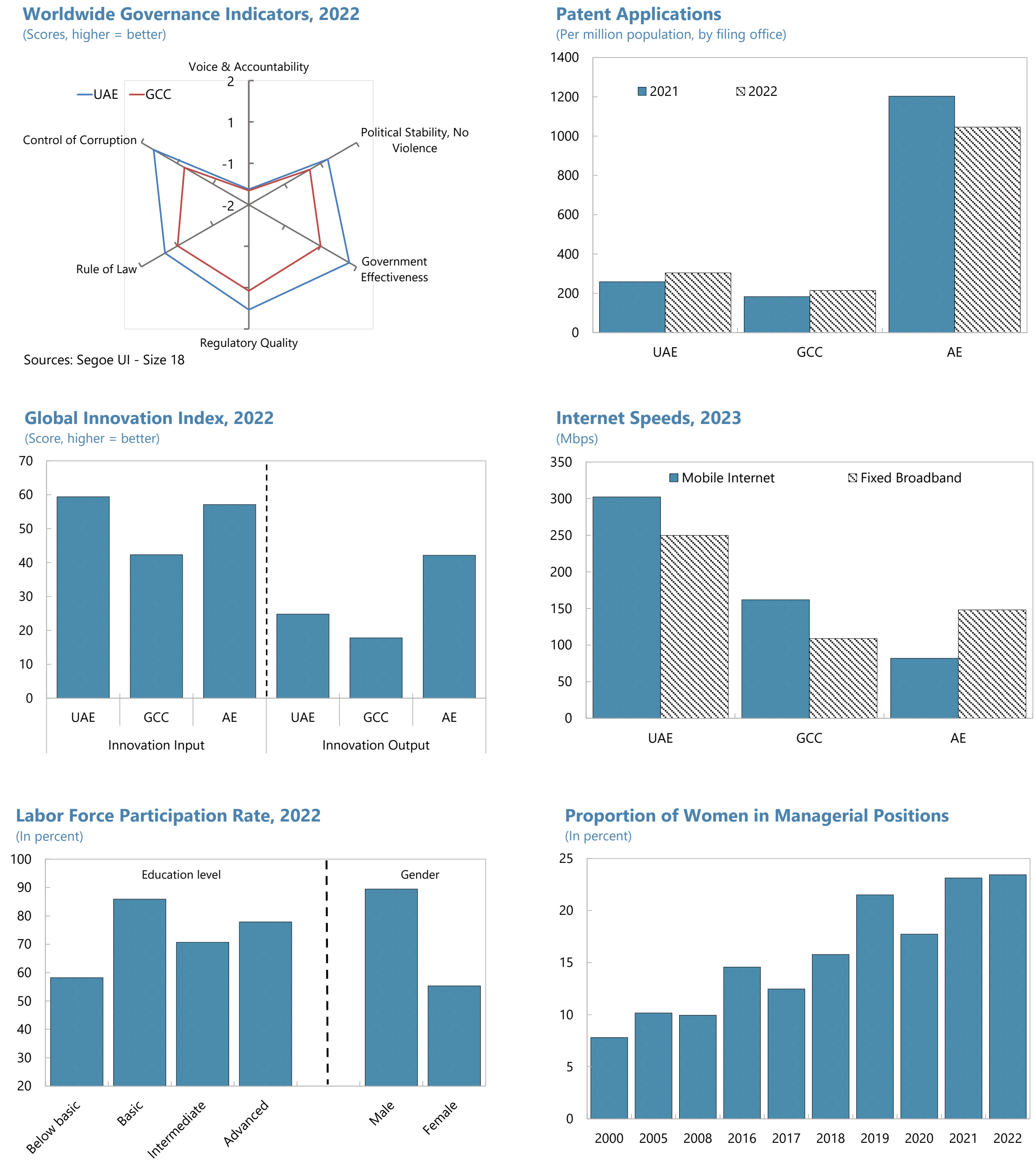
Sources: REIDIN, BIS, IFS, Haver, Dubai Statistics Center, and IMF staff calculations.

Figure 6. United Arab Emirates: External Sector Developments



Sources: Country authorities, UAE FCSC, and IMF staff calculations.

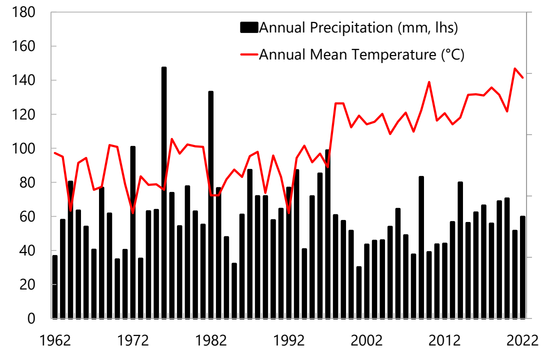
Figure 7. United Arab Emirates: Business Environment and Governance Indicators



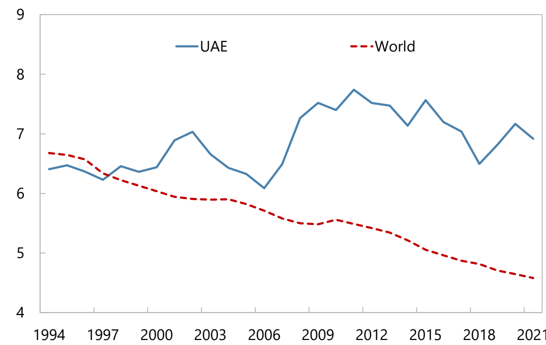
Sources: Worldwide Governance Indicators, D. Kaufmann (Natural Resource Governance Institute and Brookings Institution) and A. Kraay (World Bank), 2022; World Development Indicators; Speedtest Global Index (March 2024); World Intellectual Property Organization, and IMF staff estimates.
Notes: Worldwide Governance Indicators rely on survey-based indicators to reflect perceptions of business environment and governance and can be biased by experts' views; quality of underlying data can vary across countries and data sources. Global Innovation Index are from World Intellectual Property Organization and relies on publicyly available data and surveys; and it can be biased by experts' views; quality of underlying data can vary across countries and data sources.

Figure 8. United Arab Emirates: Climate Change Indicators

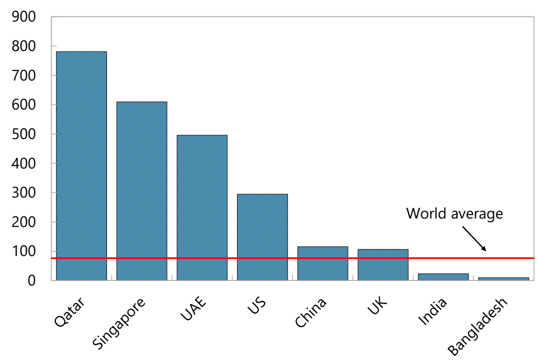
Precipitation and Mean Temperature
(Celcius degree, millimeters (lhs))



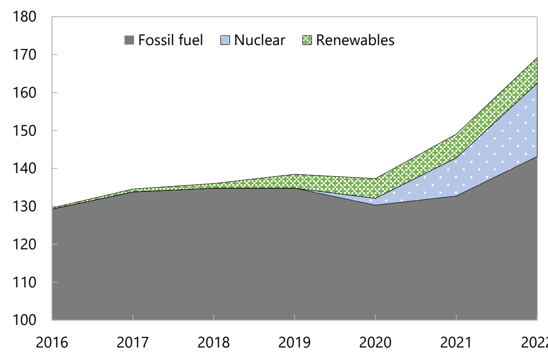
Primary Energy Consumption per GDP
(Thou. Btu per GDP $PPP)



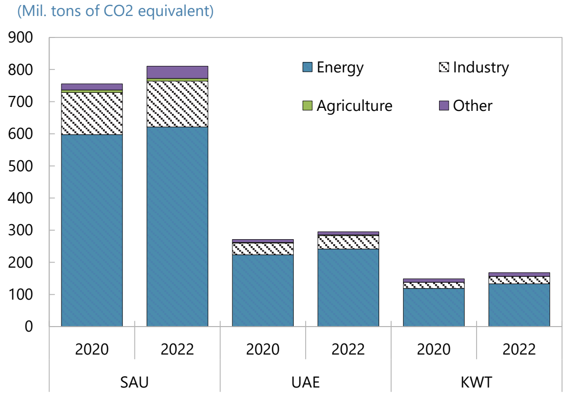
Energy Consumption per Capita, 2021
(Millions of Btu/Person)



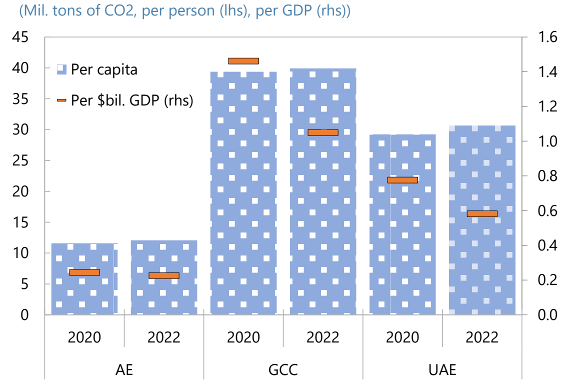
Electricity Generation by Source
(Net generation, Bil. kWh)



Greenhouse Emissions by Industry
(Mil. tons of CO2 equivalent)

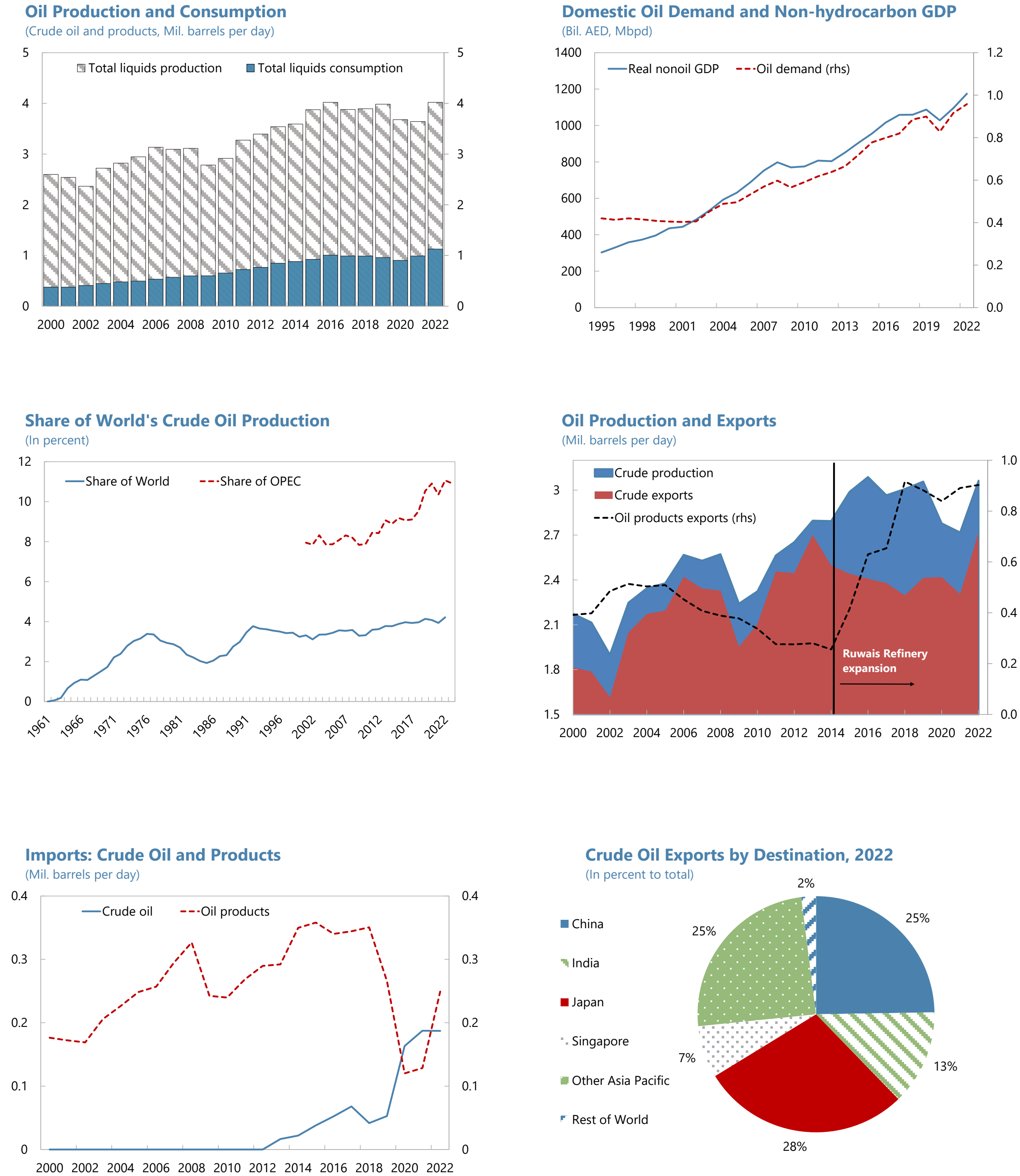


Greenhouse Emission per Capita and GDP
(Mil. tons of CO2, per person (lhs), per GDP (rhs))



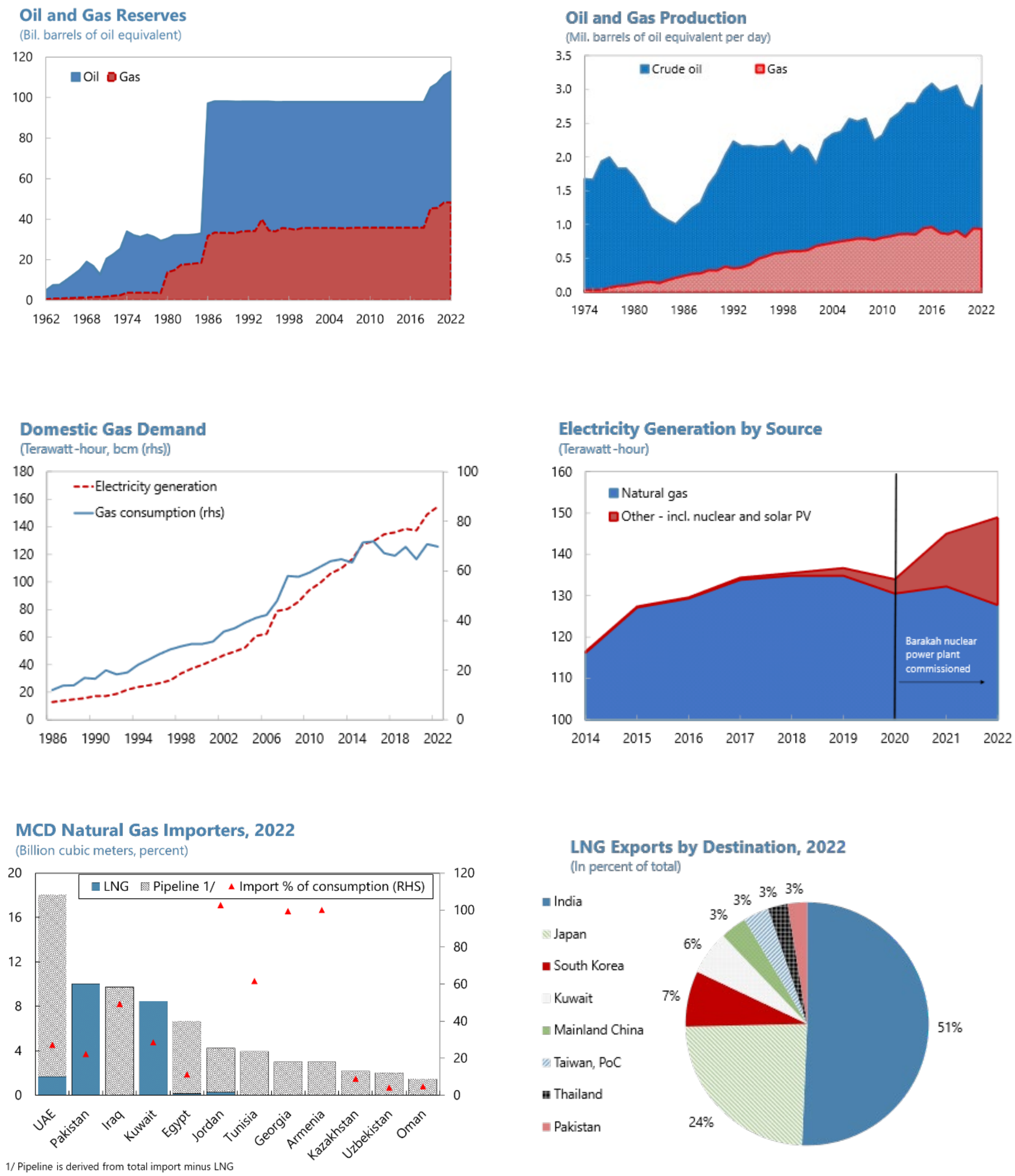
Sources: World Bank, US Energy Information Administration, and IMF staff calculations.

Figure 9. United Arab Emirates: Oil Sector Developments



Sources: OPEC, BP, Energy Institute, and IMF staff calculations.

Figure 10. United Arab Emirates: Natural Gas Sector Developments



Sources: OPEC, BP, Energy Institute, IEA, US Energy Information Administration, and IMF staff calculations.

Table 1. United Arab Emirates: Selected Economic Indicators, 2020–29

	2020	2021	2022	Est. 2023	Proj. 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029
	(Annual percent change, unless otherwise indicated)									
Output and prices										
Real GDP	-5.0	4.4	7.5	3.6	3.7	5.0	4.8	4.6	4.3	4.3
Real hydrocarbon GDP	-3.8	-1.1	8.5	-3.1	0.2	7.3	6.3	5.2	4.0	3.5
Real nonhydrocarbon GDP	-5.4	6.5	7.1	6.2	4.9	4.2	4.3	4.4	4.4	4.5
CPI inflation (average)	-2.1	-0.1	4.8	1.6	2.2	2.0	2.0	2.0	2.0	2.0
Oil sector										
Average crude oil export price	43.3	70.8	99.0	82.3	82.5	77.8	74.4	71.9	70.1	69.0
Crude oil production (in millions of barrels per day)	2.8	2.6	3.1	3.0	2.9	3.2	3.5	3.8	4.0	4.1
	(Percent of GDP, unless otherwise indicated)									
Saving and Investment 1/										
Gross national saving	29.4	37.4	39.7	37.7	36.6	36.7	36.4	36.2	35.9	35.7
Gross domestic investment	23.3	25.8	26.5	27.1	27.5	27.9	28.2	28.5	29.1	29.3
Public finances										
Revenue	28.7	30.4	33.1	28.2	28.3	28.1	27.8	27.5	27.4	27.4
Taxes	11.8	13.0	17.6	17.1	16.5	16.5	16.6	16.7	16.7	16.8
Social Contributions	1.0	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Other revenue	15.9	16.5	14.7	10.3	10.8	10.7	10.3	9.9	9.8	9.7
Expenditures	31.1	26.4	23.1	23.3	23.5	23.5	23.5	23.3	23.4	23.4
Expense	27.5	25.1	21.0	21.5	21.5	21.5	21.5	21.3	21.3	21.3
Net acquisition of nonfinancial assets	3.6	1.3	2.1	1.8	2.0	2.0	2.0	2.0	2.0	2.0
Net lending(+)/borrowing(-) (Revenue minus expenditures)	-2.5	4.0	10.0	5.0	4.8	4.7	4.4	4.2	4.0	4.0
Adjusted nonhydrocarbon primary balance 2/	-22.9	-20.3	-17.9	-18.7	-18.5	-18.0	-16.9	-15.8	-15.7	-15.5
Gross general government debt 3/	41.3	36.3	32.1	32.5	31.3	30.7	30.2	29.7	29.3	28.7
	(Annual percent change)									
Monetary sector										
Net foreign assets	6.0	20.6	38.5	33.1	16.1	11.1	9.8	8.0	7.9	7.8
Net domestic assets	3.9	-2.3	-10.6	4.0	2.9	5.0	5.2	4.0	4.1	4.4
Credit to private sector	0.2	-0.2	2.0	-1.3	6.0	6.3	6.4	6.7	6.7	6.8
Broad money	4.6	5.7	9.0	18.8	10.4	8.7	8.0	6.5	6.5	6.6
	(Billions of U.S. dollars, unless otherwise indicated)									
External sector 4/										
Exports and re-exports of goods	272	323	368	397	427	447	469	492	518	548
Hydrocarbon	37	63	93	87	89	89	90	91	92	93
Nonhydrocarbon, excluding re-exports	107	113	100	115	131	144	153	164	175	188
Re-exports	128	147	174	194	206	214	225	237	251	266
Imports of goods	212	244	298	339	368	387	409	433	461	491
Current account balance	21.1	48.0	66.5	54.8	49.2	50.0	49.6	48.3	45.1	44.8
Current account balance (in percent of GDP)	6.0	11.5	13.2	10.7	9.1	8.8	8.3	7.6	6.8	6.4
External debt (in percent of GDP)	110.3	97.8	81.9	85.5	85.3	84.3	83.1	82.0	81.0	79.8
Central bank gross foreign assets 5/	106.5	127.8	135.3	186.3	199.7	212.1	225.4	239.5	254.5	270.5
In months of next year's imports of goods & services, net of re-exports	7.3	6.8	6.4	8.2	8.2	8.2	8.2	8.2	8.2	8.2
Memorandum items:										
Nominal GDP (in billions of UAE dirhams)	1,283	1,525	1,846	1,888	1,993	2,094	2,206	2,326	2,452	2,590
Local currency per U.S. dollar (actual, period average)	3.67	3.67	3.67	3.67	…	…	…	…	…	…

Sources: Country authorities; and IMF staff estimates and projections.

1/ Historical data revised based on new estimates provided by the authorities.

2/ In percent of nonhydrocarbon GDP. Excludes staff estimates of SWF investment income.

3/ Includes government-guaranteed debt.

4/ Authorities are revising the BoP methodology with technical assistance from the IMF. Data for Trade in Services have been revised based on new estimates provided by the authorities for 2022 and 2023. Data may be subject to further revisions.

5/ Excludes staff estimates of foreign assets of sovereign wealth funds; includes the SDR allocation of SDR 2.2 billion.

Table 2. United Arab Emirates: Balance of Payments, 2020–29 1/

	2020	2021	2022	Est. 2023	Proj. 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029
	(Billions of U.S. dollars, unless otherwise specified)									
Current account balance	21.1	48.0	66.5	54.8	49.2	50.0	49.6	48.3	45.1	44.8
(In percent of GDP)	6.0	11.5	13.2	10.7	9.1	8.8	8.3	7.6	6.8	6.4
Trade balance	60.3	79.0	69.5	57.7	59.3	60.1	59.7	58.5	56.7	57.1
Exports	272.2	323.3	367.5	396.7	426.8	447.3	468.8	492.0	517.7	548.1
Oil and oil products	31.3	54.6	83.4	77.6	77.1	77.3	77.9	78.6	79.1	80.1
Natural gas	5.4	8.3	9.5	9.5	12.2	12.0	12.3	12.5	12.8	13.1
Nonoil	107.4	113.0	100.3	115.3	131.3	143.8	153.4	163.7	174.8	188.4
Re-exports	128.0	147.5	174.3	194.3	206.2	214.2	225.2	237.2	251.0	266.5
Imports (f.o.b.)	-211.8	-244.3	-298.0	-339.0	-367.5	-387.1	-409.1	-433.5	-461.1	-491.0
Imports by emirates	-122.5	-148.4	-171.4	-198.8	-207.3	-219.6	-231.7	-244.6	-258.1	-271.7
Free zones	-86.7	-92.6	-122.5	-135.9	-156.5	-164.0	-174.1	-185.8	-199.9	-216.2
Natural gas	-2.7	-3.3	-4.1	-4.3	-3.7	-3.5	-3.3	-3.2	-3.1	-3.0
Income, net	-1.9	-0.7	1.1	5.8	-0.1	-0.3	-0.3	-0.4	-1.3	-1.4
Banking system (net)	-1.1	-1.1	-0.9	-0.6	-15.1	-15.3	-13.7	-12.2	-12.7	-13.8
Private non-banks (net)	-0.8	-1.1	-1.4	-0.8	-3.4	-3.1	-2.7	-2.4	-2.5	-2.5
Government	3.5	6.9	8.3	9.8	24.7	24.3	22.0	19.8	19.5	19.6
Official debt service (interest)	-0.9	-1.4	-1.7	-1.3	-3.2	-2.9	-2.6	-2.3	-2.3	-2.3
Foreign partners - oil	-2.6	-3.9	-4.2	-3.3	-3.2	-3.3	-3.3	-3.3	-3.3	-3.4
Foreign partners - gas	-7.7	-10.4	-15.4	-12.3	-12.7	-13.4	-14.2	-14.4	-14.7	-15.1
Services, net 2/	16.3	25.7	57.5	56.9	60.4	64.9	69.7	74.9	79.8	85.1
Credits	78.1	101.8	154.4	162.0	172.8	183.5	194.6	206.7	219.3	233.0
Debits	-61.8	-76.1	-96.9	-105.2	-112.4	-118.7	-125.0	-131.9	-139.5	-147.9
Transfers, net	-53.6	-56.0	-61.6	-65.6	-70.3	-74.7	-79.5	-84.7	-90.1	-96.1
Private (incl. remittances)	-37.3	-38.3	-40.3	-42.2	-45.2	-48.1	-51.1	-54.5	-58.0	-61.8
Official	-16.3	-17.8	-21.3	-23.4	-25.1	-26.7	-28.4	-30.2	-32.2	-34.3
Capital account balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account balance	-26.4	-26.4	-85.3	0.7	-35.8	-37.6	-36.3	-34.2	-30.1	-28.8
Private capital	-20.4	-18.2	-76.5	-16.0	-34.5	-36.0	-34.5	-32.2	-27.8	-26.3
Direct investment, net	0.9	-1.9	-2.1	8.4	8.8	9.5	10.1	10.7	11.3	12.0
Outward	-18.9	-22.5	-24.8	-22.3	-23.6	-25.0	-26.4	-27.8	-29.3	-30.8
Inward	19.9	20.7	22.7	30.7	32.4	34.4	36.5	38.4	40.5	42.8
Portfolio flows, net	1.1	1.2	1.1	13.6	14.4	15.1	15.9	16.8	17.7	18.7
Commercial banks	-11.5	-5.8	-62.5	-24.3	-43.0	-45.0	-44.0	-42.0	-38.0	-37.0
Private nonbanks and other	-10.9	-11.8	-13.0	-13.6	-14.6	-15.5	-16.5	-17.6	-18.8	-20.0
Official capital	-6.0	-8.1	-8.8	16.6	-1.3	-1.6	-1.8	-2.0	-2.3	-2.5
Errors and omissions	1.6	1.6	21.7	-2.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-3.7	23.1	2.9	53.5	13.4	12.4	13.2	14.1	15.0	15.9
Change in central bank reserves	3.7	-23.1	-2.9	-53.5	-13.4	-12.4	-13.2	-14.1	-15.0	-15.9
Memorandum items:										
GDP (billions of U.S. dollars)	349.5	415.2	502.7	514.1	542.6	570.3	600.6	633.3	667.7	705.4
Gross reserves of central bank (billions of U.S. dollars) 3/	106.5	127.8	135.3	186.3	199.7	212.1	225.4	239.5	254.5	270.5
in months of next year's imports, net of re-exports	7.3	6.8	6.4	8.2	8.2	8.2	8.2	8.2	8.2	8.2

Sources: Country authorities; and IMF staff estimates and projections.

1/ Authorities are revising BOP compilation methodology under IMF technical assistance. Data are subject to further revisions.
2/ Data revised based on new authorities estimates for 2022 and 2023.
3/ Excludes staff estimates of foreign assets of sovereign wealth funds; includes the SDR allocation of SDR 2.2 billion.

Table 3a. United Arab Emirates: General Government Finances, 2020–29

	2020	2021	2022	Est. 2023	Proj. 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029
(Billions of UAE dirhams, unless otherwise specified)										
Total revenue	367.9	463.9	611.3	533.0	562.9	588.9	613.6	640.7	672.0	709.5
Taxes 1/	151.2	198.6	325.2	322.1	329.2	345.5	367.0	388.1	409.3	434.6
Social Contributions 2/	12.9	13.5	14.9	16.4	18.8	19.6	20.4	21.4	22.7	24.0
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Revenue	203.8	251.8	271.1	194.6	214.9	223.8	226.2	231.3	240.1	250.8
Expenditures (a+b)	399.5	402.4	427.1	439.4	468.3	491.4	517.6	542.5	573.1	605.3
Expense (a)	353.0	382.4	388.2	405.3	429.0	450.2	473.5	495.3	523.3	552.6
Compensation of employees	110.0	113.5	118.7	120.2	126.3	132.2	139.9	147.5	156.3	165.8
Use of goods and services	105.2	125.5	136.5	117.2	123.1	128.9	135.7	143.1	152.4	160.8
Consumption of fixed capital	6.5	9.2	9.6	11.7	12.0	12.7	13.5	14.4	15.3	16.3
Interest	3.8	4.6	9.5	12.2	14.7	15.7	16.9	15.8	16.3	17.0
Subsidies	36.4	35.3	24.2	31.7	33.0	35.0	35.4	35.8	36.2	36.7
Grants	4.0	1.8	1.5	1.3	1.7	1.7	1.8	1.7	1.7	1.8
Social Benefits	64.9	60.9	59.0	67.7	71.8	75.6	79.6	83.9	88.9	94.3
Other expenses	22.2	31.6	29.2	43.4	46.6	48.5	50.6	53.1	56.2	59.9
Net acquisition of nonfinancial assets (b)	46.5	20.0	38.9	34.1	39.2	41.2	44.1	47.2	49.8	52.7
Net operating balance (Revenue minus expense)	14.8	81.5	223.0	127.7	133.9	138.7	140.1	145.4	148.7	156.9
Net lending(+)/borrowing(-) (Revenue minus expenditures)	-31.7	61.5	184.1	93.6	94.7	97.5	96.0	98.2	98.9	104.1
Net acquisition of financial assets	-18.8	81.3	229.6	177.1	126.8	131.3	127.8	130.4	131.5	137.2
Domestic	-15.4	82.0	221.0	169.9	126.8	131.3	127.8	130.4	131.5	137.2
Foreign	-3.4	-0.7	8.6	7.2	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	12.9	19.8	45.5	83.5	32.1	33.8	31.8	32.2	32.6	33.1
Domestic	12.9	5.3	45.5	82.7	3.0	7.0	5.0	4.0	3.0	2.0
Foreign	0.0	14.5	0.0	0.0	29.1	26.8	26.8	28.2	29.6	31.1
Memorandum Items:										
Hydrocarbon revenue	163.7	243.6	347.7	261.0	275.1	286.8	302.1	311.4	317.2	324.9
Nonhydrocarbon revenue	204.2	220.2	263.6	272.1	287.8	302.1	311.5	329.3	354.8	384.5
Adjusted nonhydrocarbon primary balance 3/	-243.1	-235.0	-233.1	-266.6	-283.3	-293.0	-291.7	-290.8	-307.6	-324.2
In percent of nonhydrocarbon GDP	-22.9	-20.3	-17.9	-18.7	-18.5	-18.0	-16.9	-15.8	-15.7	-15.5
Fiscal breakeven oil price (US $ per barrel)	51.7	53.0	46.6	52.8	54.1	51.3	50.7	49.2	48.2	46.9
(Percent of GDP)										
Total revenue	28.7	30.4	33.1	28.2	28.3	28.1	27.8	27.5	27.4	27.4
Taxes 1/	11.8	13.0	17.6	17.1	16.5	16.5	16.6	16.7	16.7	16.8
Social Contributions 2/	1.0	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Revenue	15.9	16.5	14.7	10.3	10.8	10.7	10.3	9.9	9.8	9.7
Expenditures	31.1	26.4	23.1	23.3	23.5	23.5	23.5	23.3	23.4	23.4
Expense	27.5	25.1	21.0	21.5	21.5	21.5	21.5	21.3	21.3	21.3
Compensation of employees	8.6	7.4	6.4	6.4	6.3	6.3	6.3	6.3	6.4	6.4
Use of goods and services	8.2	8.2	7.4	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Consumption of fixed capital	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Interest	0.3	0.3	0.5	0.6	0.7	0.7	0.8	0.7	0.7	0.7
Subsidies	2.8	2.3	1.3	1.7	1.7	1.7	1.6	1.5	1.5	1.4
Grants	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Social Benefits	5.1	4.0	3.2	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Other expenses	1.7	2.1	1.6	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Net acquisition of nonfinancial assets	3.6	1.3	2.1	1.8	2.0	2.0	2.0	2.0	2.0	2.0
Net operating balance (Revenue minus Expense)	1.2	5.3	12.1	6.8	6.7	6.6	6.4	6.3	6.1	6.1
Net lending(+)/borrowing(-)	-2.5	4.0	10.0	5.0	4.8	4.7	4.4	4.2	4.0	4.0
Net acquisition of financial assets	-1.5	5.3	12.4	9.4	6.4	6.3	5.8	5.6	5.4	5.3
Domestic	-1.2	5.4	12.0	9.0	6.4	6.3	5.8	5.6	5.4	5.3
Foreign	-0.3	0.0	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	1.0	1.3	2.5	4.4	1.6	1.6	1.4	1.4	1.3	1.3
Domestic	1.0	0.4	2.5	4.4	0.2	0.3	0.2	0.2	0.1	0.1
Foreign	0.0	1.0	0.0	0.0	1.5	1.3	1.2	1.2	1.2	1.2
Memorandum Items:										
Hydrocarbon revenue	12.8	16.0	18.8	13.8	13.8	13.7	13.7	13.4	12.9	12.5
Nonhydrocarbon revenue	15.9	14.4	14.3	14.4	14.4	14.4	14.1	14.2	14.5	14.8

Sources: Country authorities and IMF staff estimates and projections.

Note: The data covers federal government units, General Pension and Social Security Authority, Abu Dhabi Pension Fund, and entities of the seven emirates (state government). Fluctuations in data coverage are due to changes in government structure. For example, in 2023, the federal government had 20 ministries and 32 extra-budgetary units. Yearly changes in emirate-level coverage and transfers to the budget contribute to data volatility.

1/ The taxes in 2024 onwards include estimated CIT collection.

2/ In 2020 the coverage of the social security funds sector extended to include Abu Dhabi Pension Fund. The increase in social contributions in 2022 is due to changes in pensionable salaries of Abu Dhabi government entities.

3/ Excludes staff estimates of SWFs investment income; partial coverage of Abu Dhabi government and Abu Dhabi pension fund accounts.

Table 3b. United Arab Emirates: Central Government Finances, 2020–29

	2020	2021	2022	Est. 2023	Proj. 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029
	(Billions of UAE dirhams)									
Total revenue	63.8	57.7	69.2	70.3	71.3	71.9	72.9	74.5	79.0	83.3
Taxes	8.8	8.2	10.7	11.9	12.8	14.1	15.8	18.1	21.2	25.6
Social Contributions	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7
Grants	11.0	10.6	13.7	14.8	14.8	14.0	13.3	12.7	14.0	13.9
Other Revenue	43.6	38.4	44.3	43.2	43.2	43.2	43.2	43.2	43.2	43.1
Expenditures (a+b)	64.4	56.6	67.5	72.2	66.4	67.2	68.2	71.0	74.5	78.7
Expense (a)	59.2	56.5	66.6	72.0	66.1	66.9	67.9	70.6	74.1	78.3
Compensation of employees	22.9	21.6	21.5	22.7	24.6	25.6	26.7	27.7	29.1	30.9
Use of goods and services	24.7	19.3	24.0	17.3	16.7	16.7	16.7	17.6	18.5	19.7
Consumption of fixed capital	0.9	3.9	4.1	4.1	4.2	4.5	4.7	5.0	5.4	5.7
Interest	0.0	0.2	0.0	1.6	1.5	1.2	1.1	1.0	1.1	1.1
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	0.6	1.3	1.3	1.1	1.1	1.1	1.2	1.2	1.3	1.4
Social Benefits	8.9	9.0	9.5	10.1	10.4	10.4	10.4	10.7	11.2	11.8
Other expenses	1.3	1.3	5.3	15.0	7.7	7.4	7.2	7.3	7.5	7.6
Net acquisition of nonfinancial assets (b)	5.2	0.1	0.8	0.2	0.3	0.3	0.3	0.4	0.4	0.5
Net operating balance (Revenue minus expense)	4.5	1.2	2.5	-1.6	5.2	5.0	5.0	3.9	4.9	5.1
Net lending(+)/borrowing(-) (Revenue minus expenditures)	-0.6	1.1	1.7	-1.9	4.9	4.7	4.7	3.5	4.4	4.6
Net acquisition of financial assets	-2.1	14.7	26.7	11.2	9.9	11.7	9.7	7.5	7.4	6.6
Domestic	-7.2	14.7	17.7	3.6	9.9	11.7	9.7	7.5	7.4	6.6
Foreign	0.0	0.0	9.0	7.6	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	-1.5	13.7	25.0	13.1	5.0	7.0	5.0	4.0	3.0	2.0
Domestic	-1.5	-0.8	14.0	7.6	5.0	7.0	5.0	4.0	3.0	2.0
Foreign	0.0	14.5	11.0	5.5	0.0	0.0	0.0	0.0	0.0	0.0
	(Percent of GDP)									
Total revenue	5.0	3.8	3.7	3.7	3.6	3.4	3.3	3.2	3.2	3.2
Taxes	0.7	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	1.0
Social Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	0.9	0.7	0.7	0.8	0.7	0.7	0.6	0.5	0.6	0.5
Other Revenue	3.4	2.5	2.4	2.3	2.2	2.1	2.0	1.9	1.8	1.7
Expenditures (a+b)	5.0	3.7	3.7	3.8	3.3	3.2	3.1	3.1	3.0	3.0
Expense (a)	4.6	3.7	3.6	3.8	3.3	3.2	3.1	3.0	3.0	3.0
Compensation of employees	1.8	1.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Purchase of goods and services	1.9	1.3	1.3	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Consumption of fixed capital	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Interest	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Social Benefits	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Other expenses	0.1	0.1	0.3	0.8	0.4	0.4	0.3	0.3	0.3	0.3
Net acquisition of nonfinancial assets (b)	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net operating balance (Revenue minus Expense)	0.4	0.1	0.1	-0.1	0.3	0.2	0.2	0.2	0.2	0.2
Net lending(+)/borrowing(-) (Revenue minus expenditures)	-0.1	0.1	0.1	-0.1	0.2	0.2	0.2	0.2	0.2	0.2
Net acquisition of financial assets	-0.2	1.0	1.4	0.6	0.5	0.6	0.4	0.3	0.3	0.3
Domestic	-0.6	1.0	1.0	0.2	0.5	0.6	0.4	0.3	0.3	0.3
Foreign	0.0	0.0	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	-0.1	0.9	1.4	0.7	0.3	0.3	0.2	0.2	0.1	0.1
Domestic	-0.1	-0.1	0.8	0.4	0.3	0.3	0.2	0.2	0.1	0.1
Foreign	0.0	1.0	0.6	0.3	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Country authorities and IMF staff estimates and projections.

Table 4. United Arab Emirates: Monetary Survey, 2020–29

	2020	2021	2022	2023	Proj. 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029
	(Billions of UAE dirhams)									
Net foreign assets	517	623	863	1,149	1,334	1,483	1,628	1,758	1,897	2,045
Foreign assets	1,240	1,403	1,688	2,001	2,212	2,386	2,558	2,716	2,883	3,061
Central Bank 1/	391	469	497	684	697	743	792	844	899	957
Other depository corporations	849	933	1,191	1,317	1,514	1,643	1,766	1,872	1,985	2,104
Foreign liabilities	723	780	825	852	878	904	931	958	987	1,016
Central bank	8	1	18	9	9	9	9	9	9	9
Other depository corporations	716	778	807	844	869	895	922	949	978	1,007
Net domestic assets	962	939	840	874	899	944	993	1,033	1,075	1,123
Claims on government (net)	-74	-81	-201	-211	-219	-224	-227	-230	-233	-236
Claims	218	214	203	211	206	203	200	197	194	191
Deposits	292	294	404	422	425	427	427	427	427	427
Claims on other sovereign 2/	161	158	148	106	106	106	106	106	106	106
Claims on public sector enterprises	262	278	287	331	338	345	352	359	366	373
Claims on private sector	1,128	1,146	1,194	1,268	1,344	1,429	1,520	1,622	1,731	1,848
of which: Credit to private sector 3/	1,250	1,247	1,272	1,255	1,331	1,414	1,505	1,605	1,713	1,830
Claims on other financial institutions	28	27	26	30	33	35	37	39	42	44
Other items (net)	-543	-587	-613	-620	-646	-673	-709	-767	-834	-904
Capital and reserves (-)	-419	-429	-439	-480	-501	-521	-543	-565	-589	-612
Other assets (net)	-124	-159	-173	-141	-145	-151	-166	-202	-246	-292
Central Bank	-287	-370	-386	-529	-528	-561	-597	-638	-680	-726
Other depository corporations	163	211	213	388	383	410	431	436	435	434
Broad money (M2)	1,479	1,562	1,703	2,023	2,233	2,427	2,621	2,791	2,972	3,168
Money	601	702	738	829	916	995	1,075	1,144	1,218	1,299
Currency outside banks	95	94	102	117	129	140	152	161	172	183
Dirham demand deposits	506	608	636	712	786	855	923	983	1,047	1,116
Quasi-money	878	861	965	1,193	1,318	1,432	1,546	1,647	1,753	1,869
Foreign currency deposits	331	340	430	530	585	636	687	731	779	830
Dirham time and savings deposits	547	520	536	663	732	796	859	915	975	1,039
	(Billions of UAE dirhams, unless otherwise noted)									
Memorandum items:										
Base money	427	484	512	659	727	758	794	846	901	960
Dirham-denominated liquidity	1,147	1,222	1,273	1,493	1,648	1,791	1,934	2,059	2,193	2,338
Foreign currency deposits/total deposits (in percent)	23.9	23.2	26.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8
NFA/M2 (in percent) 1/	34.9	39.9	50.7	56.8	59.8	61.1	62.1	63.0	63.8	64.6
CB foreign assets/reserve money (in percent) 1/	91.5	97.0	97.0	103.9	95.9	98.0	99.7	99.7	99.8	99.7
Velocity (M2/nonhydrocarbon GDP)	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Credit to private sector/nonhydrocarbon GDP (in percent)	117.8	107.7	97.9	88.0	87.0	87.0	87.0	87.2	87.3	87.5
	(Changes in percent; unless otherwise indicated)									
Credit to private sector	0.2	-0.2	2.0	-1.3	6.0	6.3	6.4	6.7	6.7	6.8
Broad money (M2)	4.6	5.7	9.0	18.8	10.4	8.7	8.0	6.5	6.5	6.6
Money	16.5	16.9	5.1	12.4	10.4	8.7	8.0	6.5	6.5	6.6
Quasi Money	-2.2	-2.0	12.2	23.6	10.4	8.7	8.0	6.5	6.5	6.6
Base money	4.4	13.2	5.8	28.6	10.4	4.3	4.7	6.5	6.5	6.6
Money multiplier (M2/Base money)	3.5	3.2	3.3	3.1	3.1	3.2	3.3	3.3	3.3	3.3

Sources: Central Bank of the UAE, and IMF staff estimates and projections.
1/ Including the SDR allocation of SDR 2.2 billion.
2/ Sovereign exposure of a majority state-owned bank.
3/ Computed as the sum of loans, debt securities and trade credits.

Table 5. United Arab Emirates: Financial Soundness Indicators

	2017	2018	2019	2020	2021	2022	2023
				(In percent)			
Capital adequacy							
Regulatory Capital to Risk-Weighted Assets	18.1	17.5	17.7	18.1	17.1	17.4	17.9
Regulatory Tier 1 Capital to Risk-Weighted Assets	16.6	16.2	16.5	17.0	16.0	16.2	16.6
Nonperforming Loans Net of Provisions to Capital	6.1	7.2	10.2	14.0	12.8	11.7	9.1
Common Equity Tier 1 Capital to Risk-Weighted Assets	14.8	14.3	14.7	14.8	14.2	14.4	14.9
Tier 1 Capital to Assets	12.9	12.2	12.4	12.3	11.8	11.3	11.5
Asset Quality							
Non-performing Loans to Total Gross Loans	5.0	5.3	6.0	7.6	7.3	6.6	5.3
Provisions to Nonperforming Loans	72.2	70.3	62.5	58.7	61.4	60.9	60.4
Earnings and Profitability							
Return on Assets	1.5	1.5	1.6	0.7	1.2	1.5	2.0
Return on Equity	10.6	10.8	11.0	4.7	8.2	10.5	14.8
Interest Margin to Gross Income	66.5	71.5	67.9	68.5	62.7	68.2	72.6
Non-interest Expenses to Gross Income	39.1	35.9	33.8	37.0	36.4	36.6	31.8
Liquidity							
Liquid Assets to Total Assets (Liquid Asset Ratio)	15.1	14.5	15.0	15.3	16.4	16.1	18.5
Liquid Assets to Short-Term Liabilities	40.1	41.4	43.8	38.7	36.9	37.7	43.4
Liquidity Coverage Ratio	n.a.	141.5	140.2	148.5	140.3	155.9	160.3
Net Stable Funding Ratio	n.a.	108.5	107.5	109.8	109.9	111.1	112.1
Sensitivity to Market Risk							
Net Open Position in Foreign Exchange to Capital	14.6	9.2	-2.5	26.1	24.8	34.6	44.1

Source: Central Bank of the United Arab Emirates.

Annex I. Implementation of Past Fund Article IV Advice

Recommendation	Status
Fiscal	
Developing and greening uniformed rules-based medium-term fiscal framework (MTFF).	Delayed.
Proceed with CIT implementation supported by phasing-out of opaque business fee structures.	In progress. The CIT was introduced on June 1st, 2023.
Pursue a detailed study on the economic impacts of fiscal incentives and exemptions.	Postponed. The study is being pursued by the authorities to be finalised after full CIT implementation.
Consider climate-PIMA and green PFM, and enhancement of PPP frameworks.	In progress. The UAE introduced a new federal PPP law in December 2023.
Publish consolidated general government budget plans, budget outcomes, and reconciliations with budgeted outcomes and sector spending. Enhance public sector financial statistics.	Not implemented. The reconciliation tables are not available. Information on public debt, guarantees, PPPs, SWFs, GREs' and public sector balance sheets is scarce.
Monetary/Financial	
Continue close monitoring of financial stability risks, including NPLs	In progress. Enhancement of the stress testing and forward-looking surveillance frameworks continues.
Scale back COVID-19 crisis support measures	In progress. The LTV relaxation for first-time home buyers remains in place, as deemed appropriate by the CBUAE in the current context.
Continue efforts to strengthen the macro-prudential and regulatory frameworks	In progress.
Fully implement the DMF, in line with the IMF technical assistance recommendations	Largely implemented. Efforts should focus on the implementation of the remaining liquidity facilities and building internal analytical capability for day-to-day operations.
Carefully assess risks in digitalization of banking and payment sectors	In progress. Efforts should continue during and after rollout.
Continue strengthening the AML/CFT regime	The UAE exited the FATF's list of jurisdictions under enhanced monitoring in February 2024. Efforts to mitigate ML/FT risks should continue.
Continue work by the UAE SFWG to develop principles for sustainable finance	Implemented. The principles were issued in November 2023.
Structural	
Upgrade and operationalize frameworks to facilitate energy transition and scale-up investments in green initiatives and infrastructure (including renewables).	In progress. The UAE has intensified efforts to ensure a smooth energy transition by accelerating net-zero targets and proceeding with investments in renewables and advanced technology.
Prioritize and sequence reforms to enhance trade and FDI and increase the role of digitalization.	In progress. Reform implementation in line with the AI, Green Economy, and Digital Economy Strategy 2030.
Proceed with additional measures to improve the business environment, further modernize labor markets, increase human capital and educational	In progress. A commendable comprehensive legislative overhaul has been undertaken under the "UAE Legislation" platform. February 2024, a budget of

Recommendation	Status
Structural	
outcomes in emerging fields, and leverage gender positive policies.	$1.7 billion has been given to the National Program for Emiratization (NAFIS) to promote employment of Emirati employees in the private sector.
Statistics	
Produce and publish external statistics. The CBUAE should provide adequate staffing to ensure its completion.	Delayed. Implementation is delayed due to capacity constraints. The CBUAE recently hired 15 new staff to proceed with the implementation.
Finalize revisions to the CPI basket weights and disseminate CPI series using new weights.	In progress. The authorities published the 2023 quarterly data and the revised CPI basket.
Produce and publish quarterly GDP and national accounts data on timely basis.	In progress. Quarterly GDP by industry is published on a quarterly basis with a good timeline. GDP by expenditure is only published on annual basis.
Continue working toward subscribing to the special data dissemination standards (SDDS).	In progress.

Annex II. Sovereign Risk and Debt Sustainability

Annex II. Table 1. United Arab Emirates: Risk of Sovereign Stress

Horizon	Mechanical signal	Final assessment	Comments
Overall	…	Low	The overall risk of sovereign stress is low, reflecting a low level of vulnerability in the near, medium, and long term.
Near term 1/	Low	Low	
Medium term	Low	Low	Medium-term risks are assessed as low consistent with the mechanical signal and activated stress test of commodity prices. The debt level is relatively low and the UAE SWFs hold substantial financial assets.
Fanchart	Moderate	…	
GFN	Low	…	
Stress test	Comm. Prices	…	
Long term	…	Low	Long-term risks are low supported by the UAE's large financial assets and net worth. The UAE fossil fuel reserves (oil and gas) in the ground are large. The UAE has also accelerated investments into the renewable energy sources and the share of renewables in the overall energy mix is increasing in line with the UAE Energy Strategy 2050.
Sustainability assessment 2/	Not required for surveillance countries	Sustainable	Not applicable.
Debt stabilization in the baseline			Yes

DSA Summary Assessment

Commentary: The UAE is at a low overall risk of sovereign stress and debt is sustainable. Growth is expected to strengthen. UAE sovereign financial wealth is assessed to be substantial to reach fiscal policy objectives. The development of harmonized medium-term fiscal (MTF) and sovereign asset-liability management (SALM) frameworks will strengthen efforts to enhance fiscal policy efficiency. The UAE fiscal sustainability will be enhanced further by fiscal structural reforms, the full implementation of CIT reform, enhanced tax compliance, and a sound debt management strategy. Continued monitoring of fiscal risks is necessary. Lack of complete coverage of public sector data, including detailed information on gross and net public debt and the public sector balance sheet hinders a comprehensive assessment of UAE fiscal space and sustainability, including the analysis of government contingent liabilities and risks.

Source: Fund staff.

Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.

1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.

2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.

Annex II. Table 2. United Arab Emirates: Debt Coverage and Disclosures

						Comments
1. Debt coverage in the DSA: 1/	CG	GG	NFPS	CPS	Other	
1a. If central government, are non-central government entities insignificant?					n.a.	
2. Subsectors included in the chosen coverage in (1) above:						
Subsectors captured in the baseline					Inclusion	
1 Budgetary central government					Yes	
2 Extra budgetary funds (EBFs)					No	Not applicable
3 Social security funds (SSFs)					Yes	
4 State governments					Yes	
5 Local governments					Yes	
6 Public nonfinancial corporations					No	
7 Central bank					No	
8 Other public financial corporations					No	
3. Instrument coverage:	Currency & deposits	Loans	Debt securities	Oth acct. payable 2/	IPSGSs 3/	
4. Accounting principles:	Basis of recording		Valuation of debt stock			
	Non-cash basis 4/	Cash basis	Nominal value 5/	Face value 6/	Market value 7/	
5. Debt consolidation across sectors:		Consolidated		Non-consolidated		

Row groupings: CPS (1–8); NFPS (1–6); GG: expected (1–5); CG (1–3).

Color code: chosen coverage (green) · Missing from recommended coverage (red) · Not applicable (grey)

Reporting on intra-government debt holdings

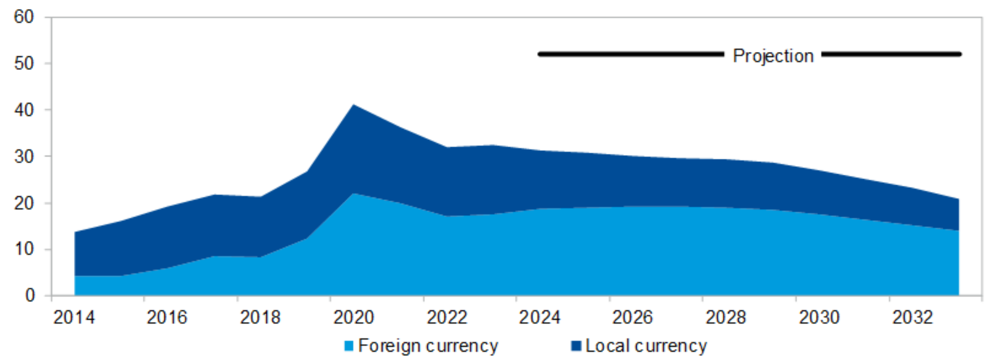
Issuer \ Holder	Budget. central govt	Extra-budget. funds (EBFs)	Social security funds (SSFs)	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
1 Budget. central govt									0
2 Extra-budget. funds									0
3 Social security funds									0
4 State govt.									0
5 Local govt.									0
6 Nonfin pub. corp.									0
7 Central bank									0
8 Oth. pub. fin. corp									0
Total	0	0	0	0	0	0	0	0	0

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.
2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.
3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.
4/ Includes accrual recording, commitment basis, due for payment, etc.
5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).
6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.
7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

Commentary: The fiscal data cover the general government. The data cover federal government units, General Pension and Social Security Authority, Abu Dhabi Pension Fund, and entities of the seven emirates (state government). Fluctuations in data coverage are due to changes in government structure. For example, in 2023, the federal government had 20 ministries and 32 extra-budgetary units. Yearly changes in emirate-level coverage and transfers to the budget contribute to data volatility. In 2020 the coverage of the social security funds sector extended to include Abu Dhabi Pension Fund. The information on debt breakdown by currency, holder, governing law, instrument, and maturity is only partially available. The information on GREs, SWFs, and PPPs is largely unavailable.

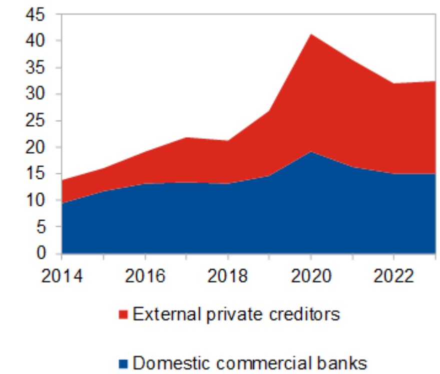
Annex II. Table 3. United Arab Emirates: Public Debt Structure Indicators

Debt by Currency (percent of GDP)



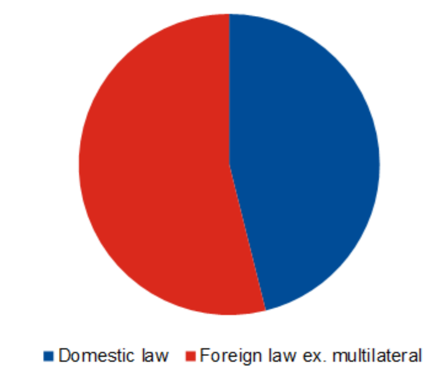
Note: The perimeter shown is general government.

Public Debt by Holder (percent of GDP)



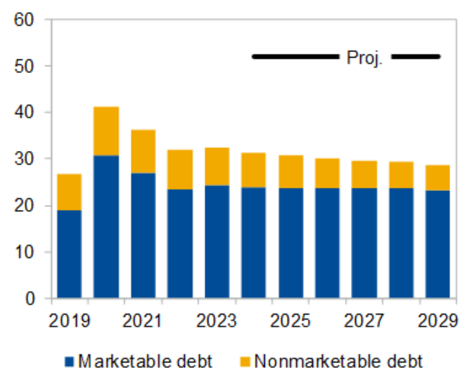
Note: The perimeter shown is general government.

Public Debt by Governing Law, 2023 (percent)



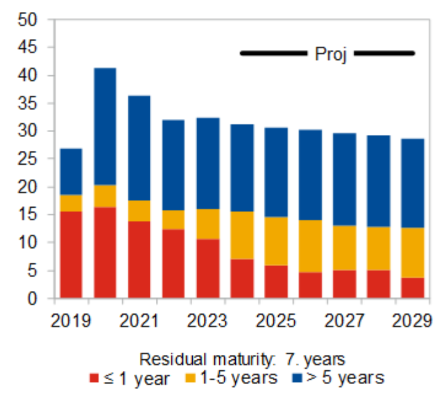
Note: The perimeter shown is general government.

Debt by Instruments (percent of GDP)



Note: The perimeter shown is general government.

Public Debt by Maturity (percent of GDP)



Note: The perimeter shown is general government.

Commentary: General government debt is projected to decline gradually over the medium term, supported by robust fiscal performance and GDP growth. Tax policy reforms, sound public debt management, and continued development of domestic capital markets are expected to contribute to this decline.
Additionally, the information on debt breakdown (by currency, holder, governing law, instrument, and maturity) is based on staff estimates informed by data and discussions with the authorities.

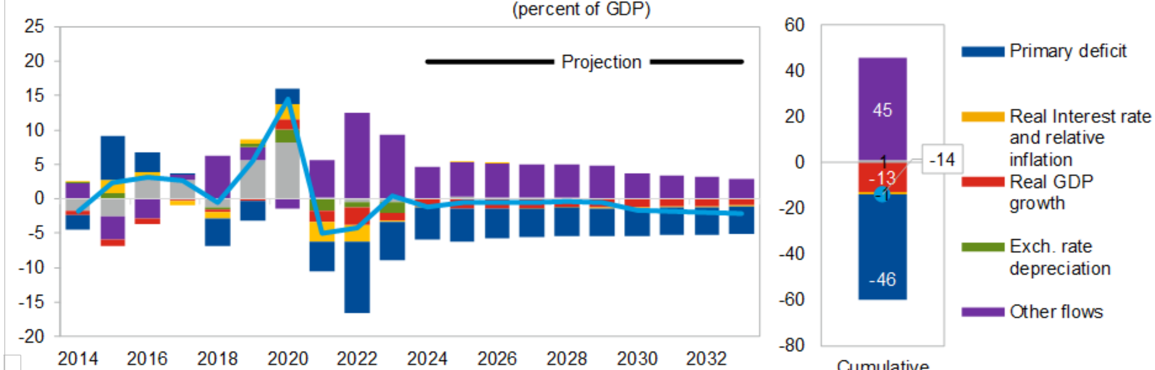
Annex II. Table 4. United Arab Emirates: Baseline Scenario

(percent of GDP unless indicated otherwise)

	Actual	Medium-term projection						Extended projection			
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Public debt	32.5	31.3	30.7	30.2	29.7	29.3	28.7	27.0	25.2	23.1	21.0
Change in public debt	0.4	-1.2	-0.6	-0.5	-0.5	-0.4	-0.6	-1.7	-1.9	-2.0	-2.2
Contribution of identified flows	0.9	-1.3	-0.9	-0.7	-0.7	-0.5	-0.7	-1.7	-1.9	-2.0	-2.2
Primary deficit	-5.6	-4.8	-4.7	-4.4	-4.2	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0
Noninterest revenues	28.2	28.3	28.1	27.8	27.5	27.4	27.4	27.4	27.4	27.4	27.4
Noninterest expenditures	22.6	23.5	23.5	23.5	23.3	23.4	23.4	23.4	23.4	23.4	23.4
Automatic debt dynamics	-2.9	-1.2	-1.3	-1.3	-1.4	-1.3	-1.3	-1.4	-1.3	-1.2	-1.1
Real interest rate and relative inflation	-0.1	0.0	0.2	0.1	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.1
Real interest rate	0.7	0.1	0.5	0.3	0.2	0.1	0.0	-0.2	-0.2	-0.2	-0.1
Relative inflation	-0.8	-0.1	-0.3	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0
Real growth rate	-1.1	-1.2	-1.5	-1.4	-1.3	-1.2	-1.2	-1.2	-1.1	-1.0	-0.9
Real exchange rate	-1.6	…	…	…	…	…	…	…	…	…	…
Other identified flows	9.4	4.6	5.1	4.9	4.9	4.8	4.7	3.7	3.4	3.2	2.9
Contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(minus) Interest Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other transactions	9.4	4.6	5.1	4.9	4.9	4.8	4.7	3.7	3.4	3.2	2.9
Contribution of residual	-0.5	0.1	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Gross financing needs	0.4	0.6	2.2	2.1	2.4	3.2	3.7	3.1	3.3	3.2	2.9
of which: debt service	6.0	5.3	6.8	6.4	6.6	7.2	7.8	7.1	7.4	7.3	6.9
Local currency	5.2	3.6	5.5	5.1	5.0	5.9	6.2	5.5	5.8	5.7	5.4
Foreign currency	0.8	1.7	1.3	1.3	1.6	1.3	1.5	1.5	1.5	1.5	1.5
Memo:											
Real GDP growth (percent)	3.6	3.7	5.0	4.8	4.6	4.3	4.3	4.3	4.3	4.3	4.3
Inflation (GDP deflator; percent)	-1.3	1.8	0.1	0.5	0.8	1.1	1.3	1.9	1.9	1.9	1.9
Nominal GDP growth (percent)	2.3	5.5	5.1	5.3	5.4	5.4	5.6	6.3	6.3	6.3	6.3
Effective interest rate (percent)	0.9	2.0	1.7	1.7	1.4	1.3	1.2	1.2	1.2	1.3	1.3

Contribution to Change in Public Debt

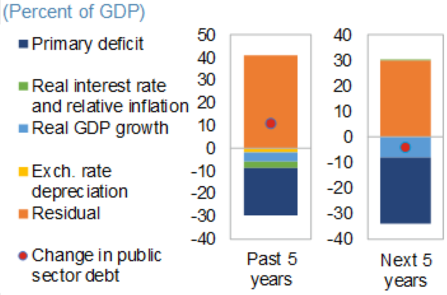
(percent of GDP)



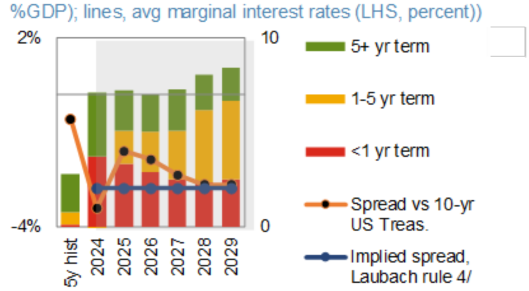
Commentary: The general government debt ratio is projected to gradually decline reflecting robust primary surpluses and stable economic conditions.

Annex II. Table 5. United Arab Emirates: Realism of Baseline Assumptions

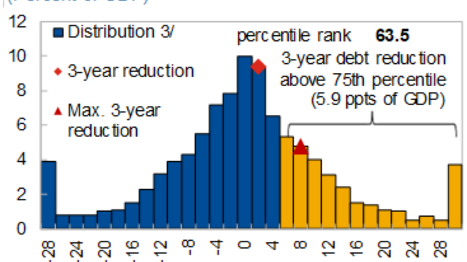
Public Debt Creating Flows (Percent of GDP)



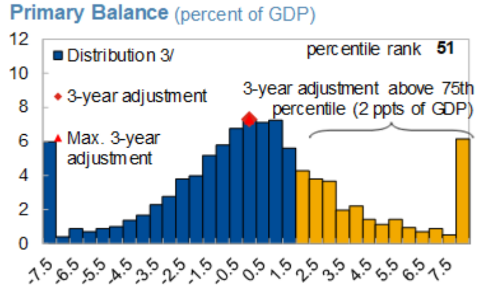
Bond Issuances (bars, debt issuances (RHS, %GDP); lines, avg marginal interest rates (LHS, percent))



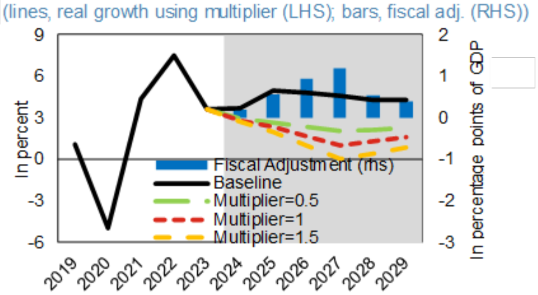
3-Year Debt Reduction (Percent of GDP)



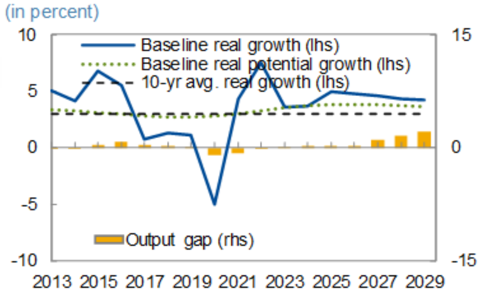
3-Year Adjustment in Cyclically-Adjusted Primary Balance (percent of GDP)



Fiscal Adjustment and Possible Growth Paths (lines, real growth using multiplier (LHS); bars, fiscal adj. (RHS))



Real GDP Growth (in percent)



Commentary: The realism analysis doesn't point to any major concerns and the adjustment will be driven by the tax policy reforms implementation in line with the authorities' strategy and supported by other structural reforms that will boost GDP growth.

Source : IMF Staff.

1/ Projections made in the October and April WEO vintage.

2/ Calculated as the percentile rank of the country's output gap revisions (defined as the difference between real time/period ahead estimates

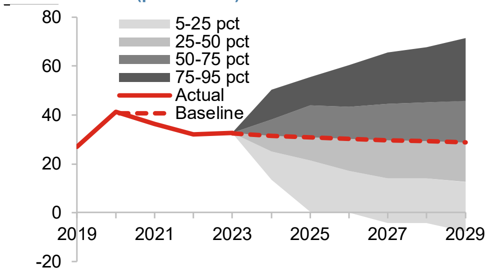
3/ Data cover annual obervations from 1990 to 2019 for MAC advanced and emerging economies. Percent of sample on vertical axis.

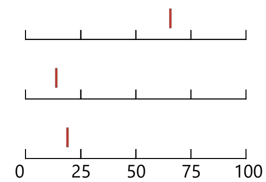
4/ The Laubach (2009) rule is a linear rule assuming bond spreads increase by about 4 bps in response to a 1 ppt increase in the projected debt-to-GDP ratio.

Annex II. Table 6. United Arab Emirates: Medium-term Risk Assessment

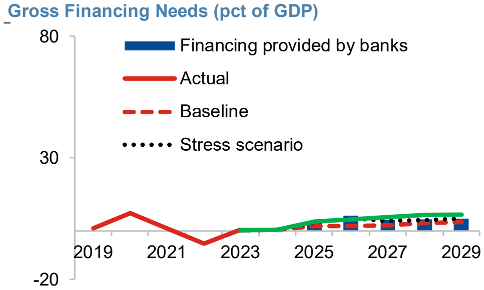
	Value	Contrib 1/	Percentile in peer group 2/
Debt fanchart module			
Fanchart width *(percent of GDP)*	79.0	1.1	
Probability of debt non-stabilizaiton *(percent)*	1.8	0.0	
Terminal debt-to-GDP x institutions index	7.9	0.2	
Debt fanchart index (DFI)		1.3	
Risk signal: 3/		Moderate	
Gross financing needs (GFN) module			
Average baseline GFN *(percent of GDP)*	2.4	0.8	
Initial Banks' claims on the gen. govt *(pct bank assets)*	7.9	2.6	
Chg. In banks' claims in stress *(pct banks' assets)*	5.9	2.0	
GFN financeability index (GFI)		5.3	
Risk signal: 4/		Low	

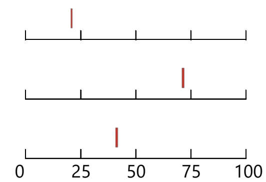
Final Fanchart (pct of GDP)





Gross Financing Needs (pct of GDP)

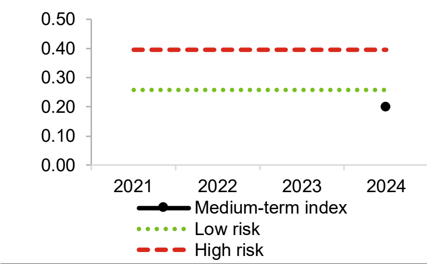




Triggered stress tests (stress tests not activated in gray)

Banking crisis | Commodity prices | Exchange rate | Contingent liab. | Natural disaster

Medium-term Index (index number)



Medium-term risk analysis

	Value	(normalized)	Weight	Contribution
Debt fanchart index	1.3	0.3	0.5	0.1
GFN finaceability index	5.3	0.1	0.5	0.1
Medium-term index		0.2		
Risk signal: 5/		Low		
Final assessment:		Low		

Prob. of missed crisis, 2024-2029, if stress not predicted: 9.1 pct.
Prob. of false alarms, 2024-2029, if stress predicted: 54.5 pct.

Commentary: Medium-term risks are assessed as low, consistent with the mechanical "low" signal. Gross financing needs under the stress scenario are small. Large sovereign net financial assets mitigate risks.

Source: IMF staff estimates and projections.

1/ See Annex IV of IMF, 2022, Staff Guidance Note on the Sovereign Risk and Debt Sustainability Framework for details on index calculation.
2/ The comparison group is emerging markets, commodity exporter, surveillance.
3/ The signal is low risk if the DFI is below 1.13; high risk if the DFI is above 2.08; and otherwise, it is moderate risk.
4/ The signal is low risk if the GFI is below 7.6; high risk if the DFI is above 17.9; and otherwise, it is moderate risk.
5/ The signal is low risk if the GFI is below 0.26; high risk if the DFI is above 0.40; and otherwise, it is moderate risk.

Annex III. External Sector Assessment[1]

Overall Assessment: *The current account in 2023 is estimated to be broadly in line with the level implied by medium-term fundamentals and desirable policies. Supported by central bank reserves and substantial SWFs' assets, the external balance sheet remains strong. From 2024 onward, the projected current account balance is expected to decline as oil prices stabilize and imports pick up, but it will remain above what is needed to ensure sufficient saving for future generations. Data gaps hinder a more comprehensive external sector assessment.*

Potential Policy Responses: *Given the current oil outlook, fiscal discipline to manage oil windfalls and consolidation within a transparent medium-term framework could bring the current account balance closer to the level required for intergenerational equity. Structural reforms to diversify the economy could also help strengthen the external position.*

Foreign Assets and Liabilities: Position and Trajectory

Background. The UAE does not report International Investment Position data. Net International Investment Position (NIIP) is estimated at $871.9 billion (169.6 percent of GDP) at end-2023. NIIP is expected to increase to $942.2 billion (173.6 percent of GDP) by end-2024 because of stronger growth of foreign assets.

Assessment. The external balance sheet is strong and NIIP is expected to remain strong over the medium-term. Substantial accumulated assets represent both protection against vulnerabilities from oil price volatility and savings of exhaustible resource revenues for future generations.

2023 (% GDP)	NIIP: 169.6	Gross Assets: 255	Debt Assets: 36.2	Gross Liab.: 85.6	Debt Liab.: 85.6

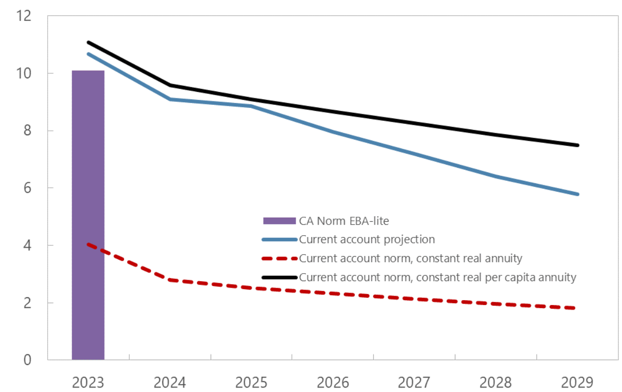
Current Account

Background. The current account is expected to decline from 13.2 percent of GDP in 2022 to 10.7 percent of GDP in 2023 with relatively lower oil exports compared to 2022 and stronger import needs. Despite lower overall hydrocarbon production and a 16-percent reduction of oil export prices, the volume of crude oil exports was relatively stable in 2023 compared to 2022 based on Kpler database. The terms of trade deteriorated by 3.5 percent last year.[1] Since the Covid Crisis, trade in services has contuniously grown with strong activity in both tourism and transportation industries. In 2024, the current account is expected to decline to 8.8 percent of GDP on the back of OPEC+ voluntary cuts. Over the medium term, the current account is expected to decline. With the ambitious Project of the 50 and supported sizeable investment, imports of both intermediate and final goods are expected to pick up. As the diversification strategy bears fruit, non-oil exports are also expected to further increase.

[1] Prepared by Charlotte Sandoz.

Assessment. Given the UAE's oil-dependent economic structure and the wide swings of oil prices in recent years, the Consumption Allocation Rules[2] (on a per-capita basis) based on the PIH continues to serve as staff's primary anchor for external sector assessment. The Consumption Allocation Rules suggest a CA gap of 6.7 percent of GDP for the constant real annuity and -0.4 percent of GDP for the constant real per capita annuity allocation rules, respectively.[3] The CA balance is projected to decline faster than the CA norm over the medium term given the large import content of infrastructure projects that will support economic diversification and export growth in the long run. The CA-regression approach estimates a CA gap of -0.3 percent of GDP. On balance, staff assess a CA gap of -0.3 percent of GDP with a range from -1.5 to 0.9 percent of GDP in 2023.[4]

Consumption Allocation Rules: CA Norms vs. Projections
(Percent of GDP)



Sources: Country authorities; and IMF staff calculations.

UAE: Model Estimates for 2023
(In percent of GDP)

	CA model 1/	**Conso module - Constant real per capita**	**Conso module - Constant real annuity**
		(in percent of GDP)	
CA-Actual	**10.7**	**10.7**	**10.7**
Cyclical contributions (from model) (-)	0.3		
Natural disasters and conflicts (-)	0.0		
Adjusted CA	**10.4**		
CA Norm (from model) 2/	**10.6**	**11.1**	**4.0**
Adjustments to the norm (-)	0.0		
Adjusted CA Norm	**10.6**		
CA Gap	**-0.3**	**-0.4**	**6.7**
o/w Relative policy gap	5.8		
Elasticity	-0.7		
REER Gap (in percent)	**0.4**		

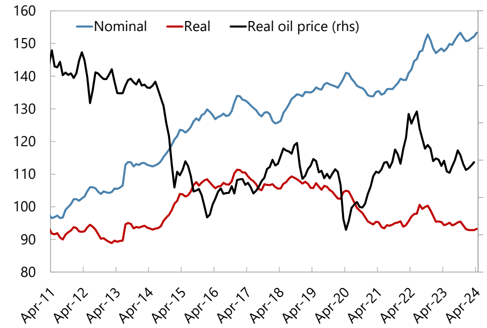
1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Real Exchange Rate

Background. The dirham has been pegged to the US dollar at a rate of 3.6725 since November 1997. Between December 2022 and 2023, the REER depreciated by 3.0 percent, while NEER appreciated by 2.9 percent on average. Since the beginning of the year, the REER has been stable while the NEER has appreciated by 1.6 percent.

Assessment. Consistent with the staff CA gap and based on an elasticity of 0.65, staff assess the REER to be overvalued by about 0.4 percent with a range of -1.4 to 2.3 percent. Exchange rate movements have a limited impact on competitiveness in the short run as oil is the main exported product and there is limited substitutability between imports and domestically produced products.

Nominal and Real Effective Exchange Rates, Jan. 2010–2024 (Index; 2010=100)



Sources: Country authorities; IMF staff calculations.

Capital and Financial Accounts: Flows and Policy Measures

Background. The financial account balance is expected to turn positive in 2023 with net inflows increasing due to relatively high interest rates and the UAE's safe haven status. Net FDI are expected to turn positive from $-2.1 billion in 2022 to 8.4 billion in 2023, supported by numerous bilateral agreements to protect and encourage investments into the UAE. In 2024, the financial account is expected to deteriorate with increasing outward FDI and official capital.

Assessment. The UAE has an open capital account. The large central bank reserves and SWFs' assets limit risks and vulnerabilities from capital flows. A lack of detailed information on capital flows and data gaps on GREs and SWFs activities complicate analysis of the financial account and hinder a more comprehensive assessment.

FX Intervention and Reserves Level

Background. The central bank buys and sells unlimited dollars and dirhams to registered counterparties at the official exchange rate to maintain the peg. Gross FX reserves stood at $186.3 billion (36.2 percent of GDP, 8.2 months of imports and 100 percent of the Fund's reserve adequacy metric) at end-2023. From 2024 onward, reserves are expected to slightly increase as non-oil exports pick up.

Assessment. Reserves play a dual role of buffers for precautionary motives and savings for future generations. Reserves are adequate for precautionary purposes (measured by the Fund's metrics). Fiscal consolidation is warranted over the medium term to strengthen the external position and increase savings for future generations.

[1] The average oil export price is assumed to be $82.3 a barrel in 2023 ($99.0 a barrel in 2022).
[2] See Bems, R., and I. de Carvalho Filho, 2009, "Exchange Rate Assessments: Methodologies for Oil-Exporting Countries," IMF Working Paper 09/281.
[3] Estimated norms are sensitive to model parameters, such as the GDP growth rate, interest rate, and population growth rate.
[4] Staff apply an average CA gap range of +/-1.2 percent of GDP for emerging markets.

Annex IV. Risk Assessment Matrix[1/]

Nature/source of main risks	Likelihood	Expected impact on the economy if risk is realized	Policy Response
Conjunctural Global Risks			
Intensification of regional conflicts. Escalation or spread of the conflict in Gaza and Israel, Russia's war in Ukraine, and/or other regional conflicts or terrorism disrupt trade (e.g., energy, food, tourism, supply chains), remittances, FDI and financial flows, payment systems, and increase refugee flows.	**High**	***Low/Medium*** The initial direct impact from the Russia's war in Ukraine, mostly via higher oil prices and capital and businesses inflows, had a positive impact on UAE growth but added to inflationary pressures in 2022. The conflict in Gaza and Israel didn't materially impact the UAE to date, but intensification and/or spread of the conflict could impact the UAE economy via lower capital, trade and tourism flows, which could have implications for elevated prices in certain real estate segments, and higher risk premium if any of the region's oil facilities are targeted.	Temporarily loosen the fiscal stance to accommodate additional targeted spending to shield the most vulnerable households from increased costs of living. Prepare and communicate future consolidation measures to rebuild fiscal buffers. Continue close monitoring of financial system risks and tighten macroprudential policies as required. Advance structural reforms to enhance competitiveness, facilitate import substitution, and to diversify the economy.
Commodity price volatility. A succession of supply disruptions (e.g., due to conflicts, export restrictions, and OPEC+ decisions) and demand fluctuations causes recurrent commodity price volatility, external and fiscal pressures in EMDEs, cross-border spillovers, and social and economic instability.	**High**	***High*** A higher oil price would further improve UAE fiscal and external positions and lead to higher liquidity within the financial system. Higher hydrocarbon GDP growth will positively impact non-hydrocarbon GDP. While lower oil prices would lead to negative spillovers in the non-hydrocarbon sector. Higher commodity prices would add to inflationary pressures.	Continue adhering to fiscal rules and enhancing fiscal buffers. Fiscal structural reforms to improve fiscal sustainability and reduce reliance on oil revenue should be advanced. Social safety nets should be further strengthened. Monetary tightening in line with Fed, deployment of the DMF, and close monitoring of domestic liquidity conditions should continue. Continue structural reforms to boost non-hydrocarbon growth and diversification, while encouraging policies to ensure a smooth transition to a greener economy, deeper capital markets, and adoption of productivity enhancing technology, fintech, and digitalization.
Monetary policy miscalibration. Amid high economic uncertainty, major central banks loosen policy stance prematurely, hindering disinflation, or keep it tight for longer than warranted, causing abrupt adjustments in financial markets and weakening the credibility of central banks.	**Medium**	***Medium*** A loosening of global monetary policy in response to the slowing global growth could further boost the UAE demand, creating price and wage pressures. While higher-for-longer monetary policy could further slow global growth and adversely impact UAE trade in goods and services and have a knock-on effect on commodity prices.	Carefully calibrate fiscal policy and limit new debt accumulation; strengthen management of fiscal risks and oversight of GREs. Continue close monitoring of financial system risks, tighten macroprudential policies as required. Continue reforms to ease the access to foreign markets and labor to reduce domestic pressures.
Abrupt global slowdown. Global and idiosyncratic risk factors cause a synchronized sharp growth downturn, with recessions in some countries, adverse spillovers through trade and financial channels, and market fragmentation triggering sudden stops in EMDEs.	**Medium**	***Medium/High*** Synchronized abrupt growth slowdown and recession in Europe would adversely affect the UAE through supply chain disruptions, trade, including tourist arrivals, commodity-price, and financial channels, which could have implications for elevated prices in certain real estate segments.	Temporarily loosen the fiscal stance to accommodate additional targeted spending to shield the most vulnerable. Continue ensuring stability of the financial system, tighten macroprudential policies as required. Accelerate structural reforms to boost non-hydrocarbon growth and diversification. Improve social safety net programs to better target most vulnerable populations.

Nature/source of main risks	Likelihood	Expected impact on the economy if risk is realized	Policy Response
Structural Risks			
	Medium	***Medium/Low*** Natural disasters related to extreme weather events could damage infrastructure, disrupt trade, and reduce demand and employment, adding to fiscal burden through additional capital expenditure and transfers.	Scale up investments for adaptation projects, climate resilient infrastructure, and in renewables. Fully incorporate climate risks in prudential policies and financial sector assessments. Improve social safety net programs to better target the most vulnerable populations. Continue to save windfall revenue and pursue fiscal and structural reforms to improve fiscal sustainability, advance green budgeting and PFM, and reduce reliance on oil revenue.
Disorderly energy transition A disorderly shift to net zero emissions (e.g., owing to shortages in critical metals) and climate policy uncertainty cause supply disruptions, stranded assets, market volatility, and subdued investment and growth.	**Medium**	***Medium*** Fiscal revenue and financial buffers would be increasingly strained, limiting policy space to spur growth and diversification, eroding resilience to shocks, and fostering adverse debt dynamics. External balances would weaken through lower oil prices and production and declining global trade in fossil fuels, while financial flows could be also affected. The financial system would face challenges from deteriorating asset quality linked to carbon-intensive activities and weaker overall growth, potentially resulting in stranded assets and further erosion of financial wealth.	Step-up efforts to diversify economy away from the hydrocarbon sector. Front load investments into renewables and green technologies. Improve energy efficiency and effectiveness. Accelerate development of the united UAE MTFF and SALM frameworks. Foster alternative financing strategies, including relying more on green and sustainable finance. Adapt prudential policies to recognize and manage systemic climate risk. Amend regulations and supervisory frameworks to provide a better clarity on a development of enabling environment for green investment.
Cyberthreats Cyberattacks on physical or digital infrastructure and service providers (including digital currency and crypto assets) or misuse of AI technologies trigger financial and economic instability.	**Medium**	***Medium/Low*** As the UAE become more digitalized, cyberattacks could significantly impair the functioning of the financial system, with a broader fallout on the economy.	Continue progress towards integrating the analysis of cybersecurity risks into the CBUAE and freezone frameworks. Continue the enhancement of cyber risk mitigation through appropriate supervision of the financial system.

[1] The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Annex V. Data Issues

Annex V. Table 1. United Arab Emirates: Assessment of Data Adequacy for Surveillance

Data Adequacy Assessment Rating 1/							
B							
Questionnaire Results 2/							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	B	B	C	D	A	B	B
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	B	B	C	D	B		
Granularity 3/	C		C	D	B		
			NA		A		
Consistency			C	D		B	
Frequency and Timeliness	B	B	B	D	A		

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.
1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.
2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance*, January 2024, Appendix I).
3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund is adequate for surveillance.
B	The data provided to the Fund has some shortcomings but is broadly adequate for surveillance.
C	The data provided to the Fund has some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund has serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment. Data provision has some gaps but remains broadly adequate for surveillance. There are substantial shortcomings on external sector statistics, accounts of government-related entities (GREs), and sovereign wealth funds (SWFs). Data on Central Government Debt, External Debt, and International Investment Position (IIP) are not provided. Fiscal statistics granularity and consistency need enhancement. In particular, there is limited data on government sovereign assets, GREs' debt, and contingent liabilities to the government. The UAE statistical agencies are gradually improving the availability and quality of their statistics, but more progress is needed, to improve consistency, frequency, and availability of economic statistics.

Changes since the last Article IV consultation. The timeliness of the national accounts' publication has improved. The CPI basket weights and CPI series using new weights have been disseminated. The CBUAE has enhanced their resource capacity for the BoP and IIP compilation purposes and requested IMF BoP CD to improve the quality of their estimates. The MoF also requested training (conducted in January - February 2024) to build capacities of fiscal data compilers in the Emirates and Federal offices to support the UAE MoF's efforts in improving GFS and PSBS compilation and reporting in line with the Government Finance Statistics Manual 2014 (GFSM 2014) and the Public Sector Debt Statistics Guide (PSDSG 2013).

Corrective actions and capacity development priorities. The authorities remain fully committed to the IMF's enhanced general data dissemination systems (e-GDDS) and continue to work toward subscribing to the special data dissemination standards (SDDS). Nevertheless, further efforts are needed to increase the timeliness, periodicity, and full coverage of data reporting, including of national accounts, fiscal sector, and external sector statistics (jointly with the IMF Technical Assistance). In addition, the authorities will need to disseminate data on central government gross debt, international investment position, external debt, and the data template on international reserves and foreign currency liquidity to meet SDDS requirements.

Use of data and/or estimates different from official statistics in the Article IV consultation. Data from BIS are used to partially estimate IIP. The staff is using estimates based on publicly available information from Bloomberg, Dealogic, Haver, S&P, EPFR, Zephyr, SWFI and other data providers to assess public overall debt and contingent liabilities, foreign assets of sovereign wealth fund, government domestic investment and also estimates for data related to the fiscal operations of the Abu Dhabi government and Abu Dhabi pension funds. Governance indexes are from World Intellectual Property Organization Administration, Property Rights Alliance and World Governance Indicators. Energy-related data are from OPEC, International Energy Agency, BP, Energy Institute, Bloomberg NEF, U.S. Energy Information Administration and Rystad Energy. Bilataral trade data are from UNCTAD. Real estate data are from BIS and REIDIN. AI data are from

Other data gaps. The priority is to improve data on social economic indicators such as population, employment, unemployement, GDP by expenditure. Additional efforts will be needed to collect and disseminate comprehensive climate related dashboards and taxonomies.

Annex V. Table 2. United Arab Emirates: Data Standards Initiatives

United Arab Emirates participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since June 2018.

Annex V. Table 3. United Arab Emirates: Table of Common Indicators Required for Surveillance
As of June 7, 2024

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data[6]	Frequency of Reporting[6]	Expected Frequency[6,7]	United Arab Emirates	Expected Timeliness[6,7]	United Arab Emirates
Exchange Rates	Real time	Real time	D	D	D	D	NA	1D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[1]	Feb-24	May-24	M	M	M	NA	1M	NA
Reserve/Base Money	Feb-24	May-24	M	M	M	M	1M	1M
Broad Money	Feb-24	May-24	M	M	M	M	1Q	2M
Central Bank Balance Sheet	Feb-24	May-24	M	M	M	M	2M	2M
Consolidated Balance Sheet of the Banking System	Feb-24	May-24	M	M	M	M	1Q	2M
Interest Rates[2]	31-May-24	31-May-24	D	D	M	D	NA	D
Consumer Price Index	Dec-23	Mar-24	Q	I	M	M	2M	3W
Revenue, Expenditure, Balance and Composition of Financing[3]–General Government[4]	Dec-23	May-24	Q	Q	A	Q	3Q	9M
Revenue, Expenditure, Balance and Composition of Financing[3]–Central Government	Dec-23	May-24	Q	Q	Q	Q	1Q	1Q
Stocks of Central Government and Central Government-Guaranteed Debt[5]	NA	NA	NA	NA	Q	NA	2Q	NA
External Current Account Balance	2023	May-24	A	A	Q	A	1Q	4M
Exports and Imports of Goods and Services	2023	May-24	A	A	M	M	12W	7M
GDP/GNP	Dec-23	May-24	Q	Q	Q	A	1Q	3M
Gross External Debt	NA	NA	NA	NA	Q	NA	2Q	NA
International Investment Position	NA	NA	NA	NA	A	NA	3Q	NA

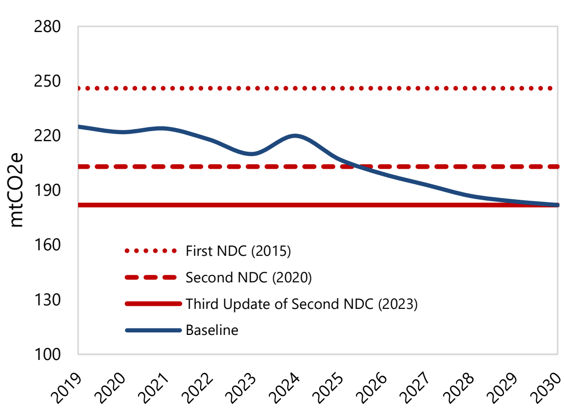
[1] Includes reserve assets pledged or otherwise encumbered, as well as net derivative positions.
[2] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.
[3] Foreign, domestic bank, and domestic nonbank financing.
[4] The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.
[5] Including currency and maturity composition.
[6] Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual.; ("I") irregular; and ("NA") not available.
[7] Recommended frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected.

Annex VI. Green Transition: Progress and Challenges[1]

1. The UAE has intensified efforts to support a smooth energy transition.[2] The UAE has submitted a more ambitious emissions reduction commitment of 40 percent (revised up from 31 percent set previously) under its Third Update of the Second Nationally Determined Contribution (NCD), while ADNOC lowered and accelerated its net zero emissions target from 2050 to 2045. The UAE also released its National Net Zero by 2050 Pathway, aligned with the Paris Agreement, a strategic initiative to achieve net-zero emissions by 2050. However, as the global economy seeks to decarbonize, the UAE, being heavily reliant on hydrocarbon activity as a source of income and economic growth, faces the twin challenges of reducing its reliance on hydrocarbon revenue and adapting its economy and energy structure to climate risks.

2. The UAE has enhanced its plans to bolster energy efficiency and the renewable energy sector. The UAE's Energy Strategy 2050 was updated to stregthen the country's efforts to meet its climate and net zero commitments by 2050. Among these, the UAE aims to (i) triple its renewable energy capacity to 19.2 GW from 14 GW currently and increase its share in the total energy mix to 30 percent by 2030; (ii) optimize the unit cost of electricity generation from about 38 Fil/kWh to a more efficient range of 25-30 Fil/kWh; (iii) lower the total costs of electricity generation from around AED 500 billion to an estimated range of AED 350-400 billion; and (iv) to increase energy efficiency to reach 42-45 percent by 2030. The strategy also targets the creation of 50,000 new green jobs by 2030. The UAE National Demand Side Management Program, which aims to reduce energy and water consumption by up to 40 and 50 percent correspondingly, supports these efforts.

Baseline GHG Emissions vs. Paris Pledge
(In MtCO2e)



GHG Emissions Targets by Sector
(In MtCO2e)

IPCC Sector	Base Year 2019	Target Year 2030
Energy	184	155
Industrial Processes and Product Use	26	12
Agriculture	3	3
Waste	13	14
Land Use, Land-Use Change and Forestry (LULUCF)	-1	-2
Total Emissions	225	182

Sources: UNFCCC, and IMF staff calculations.
Note: The blue line and UAE NCDs cover all national GHG emissions (CO2, CH4, N2O), except for fluoridated gases (F-gases). As the UAE is moving ahead in preparation for ratification of the Kigali Amendment to the Montreal Protocol, the UAE plans to include F-gases in future NDC submissions. The blue line is the baseline scenario from the UAE First Long-term Strategy report.

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[1] Prepared by Yevgeniya Korniyenko.

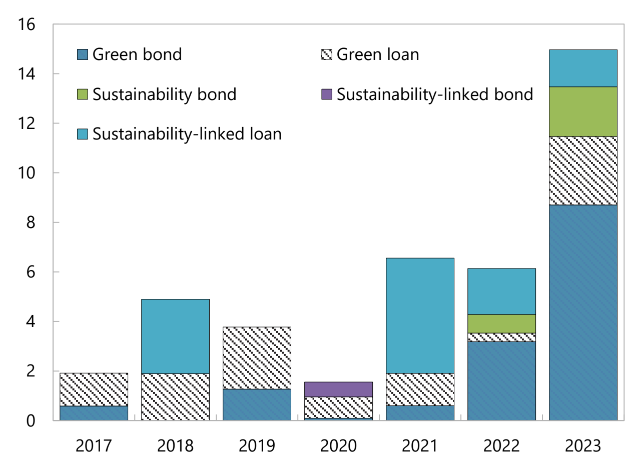
[2] The "global stocktake" COP28 took place in Dubai in December 2023, assessing global progress in implementing the 2015 Paris Agreement. The countries agreed to accelerate the energy transition further to meet ambitious climate goals and submit their revised national climate action plans by 2025.

3. **[The UAE National Hydrogen Strategy 2050](#) will position the country as a leading producer and supplier of low-carbon hydrogen by 2031.** Plans include producing 1.4 million tons per annum (mtpa) of hydrogen by 2031, consisting of 1 mtpa of green hydrogen and 0.4 mtpa of blue hydrogen; and 15 mtpa by 2050. The strategy also seek to develop a resilient hydrogen supply chain, establish hydrogen oases and a dedicated national research and development center for hydrogen technologies, create a regulatory framework, and strengthen regional collaboration. If fully implemented, the strategy would set the stage for substantial hydrogen production growth, green jobs creation, and infrastructure expansion, reinforcing the UAE's commitment to a sustainable energy future by helping to reduce emissions in hard-to-abate sectors, such as land, sea, air transport, chemicals, fertilizers, and metals. The COP28 Hydrogen Declaration should help to foster the development of hydrogen market.

4. **Furthermore, the UAE announced several initiatives that would further support energy transition and green growth.** The UAE National Adaptation Plan Roadmap (NAP) will support the development of appropriate adaptation measures in development and sectoral strategies, institutionalizing adaptation planning in broader development planning. The creation of the National Carbon Registery (NCR), a framework for the establiment of carbon registry and issuance of carbon credit, is pivotal in developing a potential compliance market, ensuring that the UAE's market has access to high-quality carbon credits. Another initiative underway is the development of National Measurement, Reporting and Verification (MRV) Transparency System to quantify, project, and track greenhouse gas emissions and their removals.

5. **The UAE is implementing a comprehensive strategy to foster and scale-up private green finance.** This includes creating an enabling environment for sustainable investments, promoting innovative financial instruments, and collaborating with international partners to mobilize capital for adaptation, mitigation, and energy transition projects. The UAE issuance of green and sustainable bonds and loans more than doubled in 2023, totalling $15 billion, and is expected to grow further under a number of initiatives, such as the the UAE Green Finance Strategy announced by the CBUAE in 2023. Additionally, the UAE announced the establishment of the Alterra $30 billion fund for climate finance led by the UAE and private sector partners; the $4.5 billion Africa Green Investment Initiative by the UAE; the UAE banks' commitment to collectively mobilize $270 billion in sustainable finance by 2030; and the launch of the Global Climate Finance Centre, an independent think tank that will provide practical research stakeholder engagement and capacity building. Other announcements include the issuance

Sustainable Debt Issued by Instrument Type
(Billion $)



Sources: Bloomberg NEF, and IMF staff calculations.

of guiding principles on sustainable Islamic finance, the launch of a Roadmap for Islamic Sustainable Finance, a pledge of $100 million for the new Loss and Damage Fund, and the launch of the BIS-UAE Techsprint project. The UAE also pledged to contribute $200 million each to the IMF's Poverty Reduction Growth Trust (PRGT) and to the Resilience and Sustainability Trust (RST) to support climate resilience in vulnerable countries.

6. Despite commendable progress on climate action, the UAE's economy remains vulnerable to uncertainties around global policies to achieve a lower carbon future. Hydrocarbon GDP is expected to remain an important driver of UAE growth and revenue in the medium term, subject to oil price volatility. A faster- or more disorderly-than-anticipated global shift away from hydrocarbons would impact the UAE's growth trajectory and strain financial buffers. Therefore, it is critical that the UAE continues to prioritize and operationalize climate-related frameworks. Collaborating with partners to scale up climate finance platforms and private finance mobilization is essential. Additionally, further developing mechanisms for climate finance while ensuring effective monitoring, evaluation, and risk assessment of the climate-related portfolio is crucial.[3]

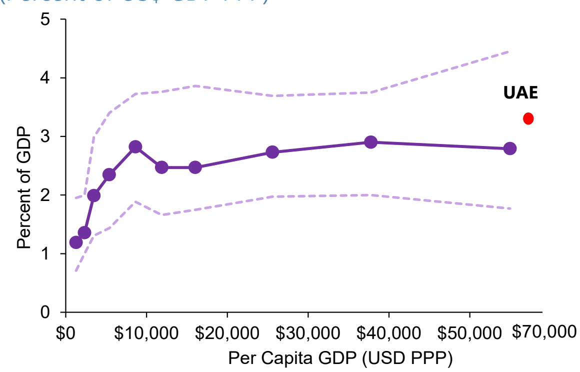
[3] The UAE recently launched the EARTH platform, which will serve as a tool for a comprehensive assessment and monitoring of net zero activities throught a UAE-wide integrated digital dashboard.

Annex VII. The UAE's Corporate Income Tax: A Step Towards International Alignment[1]

1. **International efforts have focused on addressing profit shifting and tax competition in recent years.** The OECD Pillar II rules[2], a key component of the Inclusive Framework agreement, aim to address concerns about base erosion and profit shifting (BEPS) by multinational corporations. These rules seek to establish a global minimum corporate tax rate (currently set at 15 percent) to discourage companies from shifting profits to low-tax jurisdictions.

CIT Tax Effort and Income: 1990–2020

(Percent of US$ GDP PPP)



Sources: IMF WoRLD, WB, and IMF FAD staff calculations.

Note: The purple dots represent median values for each income decile, and the dotted purple lines 25 and 75 percentile bounds. The 2021 UAE Article IV estimated the possible positive impact from the 10 percent CIT introduction on the UAE revenue of up to 3.3 percent of GDP.

2. **Motivated by global efforts, the UAE implemented a general federal corporate income tax (CIT) on June 1, 2023.** This marks a significant shift in the UAE's fiscal landscape and better aligns it with international best practices.[3,4] Additionally, the CIT will create a new revenue stream (Text Chart), allowing the UAE to diversify its revenue base and further reduce its reliance on hydrocarbons. While the introduction of CIT itself is a notable departure from the previous no-or-low-tax regime, the specific features of the UAE's CIT implementation demonstrate a timid approach, considering both international trends and national priorities and considerations:

- **Alignment with International Norms:** By introducing a CIT regime, the UAE demonstrates its commitment to responsible tax practices and establishes a more level playing field for businesses operating globally. This fosters greater transparency and discourages BEPS practices.

- **National considerations:** The global minimum tax rate under Pillar II is currently set at 15 percent. The global average CIT rate is 23.4 percent.[5] The UAE's CIT rate of 9 percent falls below this threshold and is lowest among the GCC with CIT regimes. Additionally, specific

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[1] Prepared by Yevgeniya Korniyenko.

[2] Pillar II minimum tax applies to multinational groups with global revenues above €750 million, with some exceptions (OECD, 2023).

[3] The UAE joined the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) on May 2018 and signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to prevent BEPS (MLI) on 27 June 2018. The UAE has signed 146 double taxation avoidance agreements to date.

[4] The full text of the Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses is available on theMoFwebsite.

[5] https://taxfoundation.org/data/all/global/corporate-tax-rates-by-country-2022/

sectors like oil and gas and extractive industries are exempt from the tax. The gradual implementation is supportive of the UAE's ongoing economic diversification efforts. However, the CIT design can be improved and made more efficient by relieving the normal return (the opportunity cost of the investment) from taxation while enabling a higher tax rate on excess profits. The UAE implementation of the Global Anti-Base Erosion (Pillar II rules) will proceed aligned with global trends.

3. **The MoF, in collaboration with the Federal Tax Authority (FTA)[6], has undertaken several steps to ensure a smooth implementation of CIT**. These include: (a) public awareness sessions on CIT principles and key legislative provisions; (b) issuing necessary implementing decisions, by-laws, and explanatory guides; (c) targeted consultations with specific taxpayer groups (e.g., freezones (FZ)[7]); (d) drafting comprehensive CIT guides for various implementing decisions (including illustrative examples of the application of the CIT); and (e) launching an online platform, EmaraTax portal, enabling taxpayers to complete their registration for CIT online to comply with mandatory deadlines and to provide clarification requests.[8]

4. **The UAE CIT implementation also includes the use of tax exemptions and fiscal incentives, as follow:**

- **CIT Tax Rate:** The tax rate of 9 percent is levied on companies with profits above AED 375,000. In addition to the oil and gas sector, government entities[9] and government-controlled entities are exempt from the tax.

- **Free Zones:** Businesses operating within designated FZs can apply a zero-tax rate on qualifying income, provided they meet specific criteria regarding substance and activity type. A noteworthy feature of the new CIT is the introduction of Qualifying Free Zone Persons (QFZPs).[10] FZ businesses should have reviewed their footprint and profile to ensure compliance with all

[6] The FTA is the organization responsible for the administration of taxes in the UAE, formed by decree in 2016.

[7] There are 46 FZs in the UAE. The free zones, some of which specialize in different types of commodities or services, allow for up to 100 percent foreign ownership of the entities established and operating inside the zones. The entities operating inside of the zones have no taxation or customs obligations in the UAE for activities undertaken inside the zones. This leads to an administrative challenge for the FTA to monitor that the activity inside the free zones does not spill over into the UAE, outside of the laws enacted for the operation of the freezones.

[8] Effective March 1, 2024, an administrative penalty of AED 10,000 is imposed for failure to submit a tax registration application for Corporate Tax within the timeframes outlined in the decision issued by the Federal Tax Authority.

[9] Government entities are exempt unless conducting business under a License issued by a Licensing Authority.

[10] In order to qualify for the zero-tax UAE CIT rate, a QFZP must meet all of the following conditions: (1) it must be a FZ Person (i.e., a juridical person incorporated, established or otherwise registered in a FZ, including branches); (2) maintain adequate substance in the UAE; (3) derive qualifying income (defined by Ministerial Decision No. 265 of 2023 Regarding Qualifying Activities and Excluded Activities, and Cabinet Decision No. 100 of 2023 on Qualifying Income); (4) not have made an election to be subject to the standard UAE CIT regime; (5) comply with all transfer pricing rules and documentation requirements; and (6) meet any other conditions as prescribed by the MoF.

conditions by January 1, 2024. The income of a QFZP which is not Qualifying Income will be taxed at a 9 percent CT rate.[11]

- **SMEs incentives:** The CIT framework provides relief measures for start-ups and SMEs, including exemptions from certain provisions, offering various incentives to facilitate tax compliance. This focus on fostering a supportive environment for SMEs reflects the UAE's commitment to nurturing its domestic entrepreneurial ecosystem.

- **Business restructuring relief:** The CIT Law provides tax relief on mergers, spin-offs and other corporate restructuring transactions where a whole or independent part of a business is being transferred in exchange for shares or other ownership interest, provided that specific conditions are met.

- **Loss offset**: UAE taxpayers can offset tax losses against taxable income of subsequent tax periods, up to a limit of 75 percent of the taxable income for the relevant period. Unused tax losses can be carried forward indefinitely until fully utilized.

5. Despite the gradual approach behind the UAE's CIT implementation, challenges remain. These reflect the CIT framework's complexity, operational adjustments, accounting considerations, and lack of skilled trained tax professionals. Understanding and complying with the CIT implications can be challenging due to the intricate rules and conditions. Businesses may face adjustment costs associated with implementing new compliance procedures and potentially restructuring operations to optimize tax efficiency. Proper accounting practices are crucial to avoid adverse tax consequences. Ensuring smooth administrative processes and providing clear guidance to businesses for navigating the CIT framework are crucial for minimizing disruption and fostering a positive business environment. Additionally, attracting and retaining skilled tax professionals within the UAE will be essential to support businesses navigating the new tax landscape effectively. Addressing these challenges will be critical for ensuring the successful adaptation of businesses and maximizing the long-term benefits of the CIT regime for the UAE's economy. Some elements of the CIT regime, for example the revenue sharing mechanism between federal and local governments and the rate levied on multinationals[12] are still under discussion.

6. In 2023, the FTA requested the IMF to lead a Tax Administration Diagnostic Assessment Tool (TADAT) assessment of the administration of taxes to help address some of the challenges. The structured assessment established sound or good international practice in many of TADAT performance outcome areas that assess taxpayer services, supporting voluntary compliance, and the use of digital and electronic systems and processes. Nevertheless, the FTA should continue developing capacity in the area of enforcing tax compliance and ensuring accurate reporting. While there are good systems to encourage on-time filing and payment, additional work is required to ensure that actual levels of filing and payment are improved, and the timing of dispute

[11] The UAE's Free Zone Corporate Tax regime was evaluated by the OECD on preferential tax regimes, and confirmed to be aligned with the global initiative to prevent tax avoidance and harmful tax practices.

[12] Multinationals will be subject to the CIT under the regular UAE CIT regime until the Pillar II rules are officially adopted by the UAE.

resolutions decreased. There are also a few legal impediments in the areas of access to bank information, the ability to adjust penalties in response to taxpayer behavior, the ability to pay compensation to taxpayers, and the ability to publish information to provide transparency and accountability to citizens. Each of these will need to be reviewed to further enhance the FTA's ability to effectively collect taxes. Tax enforcement incentives may change as a minimum corporate tax rate is adjusted to comply with the currently set international minimum CIT rate.[13]

[13] Tax enforcement incentives may change under a minimum corporate tax, for example low-tax countries could reduce their efforts in tax enforcement (Hindriks and Nishimura, 2022).

INTERNATIONAL MONETARY FUND

UNITED ARAB EMIRATES

June 25, 2024

STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

Prepared By	Middle East and Central Asia Department

CONTENTS

FUND RELATIONS ____ 2

WORLD BANK RELATIONS ____ 4

FUND RELATIONS

(As of May 31, 2024)

Financial Position in the Fund for United Arab Emirates as of May 31, 2024 (imf.org)

Membership Status: Joined on September 22, 1972; accepted Article VIII status in February 1974

General Resources Account	SDR Million	Percent Quota
Quota	2,311.20	100.00
Fund holdings of currency	1,692.56	73.23
Reserve tranche position	619.15	26.79

SDR Department	SDR Million	Percent Allocation
Net cumulative allocation	2,783.59	100.00
Holdings	2,368.84	85.67

Outstanding Purchases and Loans: None

Latest Financial Arrangements: None

Projected Payments to Fund

	Forthcoming				
	2024	**2025**	**2026**	**2027**	**2028**
Charges/interest	8.18	16.28	16.29	16.29	16.30
Total	**8.18**	**16.28**	**16.29**	**16.29**	**16.30**

Implementation of HIPC Initiative: Not Applicable

Implementation of Multilateral Debt Relief Initiative (MDRI): Not Applicable

Implementation of Catastrophe Containment and Relief (CCR): Not Applicable

Exchange Arrangement

The de jure and de facto exchange rate regime in the UAE is a conventional peg to the U.S. dollar, with the mid-point between the official buying and selling rates fixed at AED 3.6725 = US$1.

The UAE has accepted the obligations under Article VIII, Sections 2 (a), 3, and 4 of the IMF's Articles of Agreement, and maintains an exchange system free of multiple currency practices and restrictions on the making of payments and transfer for current international transactions, except for those restrictions for security reasons that have been notified to the Fund, by the authorities, in accordance with Executive Board Decision No. 144 (52/51).

Article IV Consultation

The UAE is on the annual consultation cycle. The 2022 Article IV consultation discussions were held during November 2–17, 2022. The staff report was published on June 26, 2023, and is available at: https://www.imf.org/en/countries/are?selectedfilters=Article%20IV%20Staff%20Reports#

FSAP Participation, ROSCs, and OFC Assessments

FSAPs were conducted in 2003 and 2007.

Technical Assistance:

STA	National Accounts Statistics	October 2017
MCM	Development of Local Currency Domestic Bond Market	November 2017
FAD	Fiscal Risks and Gender Budgeting	February 2018
MCM	Developing Monetary Policy Operations and the Local Currency Government Bond Market	July 2018
STA	Producer Price Index	October 2018
STA	National Accounts	November 2018
FAD	Fiscal Risk Analysis and Management	January 2019
MCM	Systemic Liquidity and Reserve Adequacy	May 2019
FAD	Strengthening Fiscal Risk Analysis and Management	July 2020
STA	National Accounts	September 2020
STA	National Accounts	April 2021
MCM	Liquidity Management and Forecasting	July 2021
MCM	Assessing the Stress Testing Framework of the CBUAE	August 2021
STA	Hedonics for Price Indices	January 2022
ICD	Macroeconomic Framework – Central Bank	September 2022
FAD	TADAT performance assessment	November 2023
MCM	Assessment of Interest Rate Transmission	December 2023
STA	GFS and Public Sector Debt Statistics	January 2024
STA	External Sector Statistics	February 2024
ICD	General Macroeconomic Analysis – Central Bank	April 2024
STA	Real Sector - Prices	May 2024

Resident Representative: None

WORLD BANK RELATIONS

(As of June 2024)

The activities of the World Bank Group in United Arab Emirates can be found at:

https://www.worldbank.org/en/country/gcc/brief/united-arab-emirates-country-program.