

Abu Dhabi will raise foreign investment to 23% of GDP

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- Khalifah Street in Abu Dhabi. The Annual Economic Report 2010 released by the Department of Economic Development says Abu Dhabi has become more open to foreign capital and allows foreign ownership of property up to 100 per cent.
- Image Credit: AHMED RAMZAN/Gulf News

Abu Dhabi: Abu Dhabi plans to raise foreign direct investment to 23 per cent of gross domestic product (GDP) by 2030 and to increase direct investment growth by 9 per cent per year, according to the Annual Economic Report for the Emirate of Abu Dhabi 2010, released Saturday by the Department of Economic Development (DED).

"Abu Dhabi as well aims at increasing non-oil exports to 11 per cent of GDP, which will support the diversification of the production structure and reduce the volatility of GDP," the report said.

The Department of Economic Development is currently working to establish an export development and support centre which will contribute to the promotion of exports, and provide necessary information, and enhance the business environment to help investors in the domestic market to locate external partners and have access to foreign markets and importers," the report added.

Energy sector

"The centre will provide the necessary studies and render advice and guidance in addition to drawing the attention of investors towards potential investment sectors, particularly small- and medium-sized investors," said the report.

It noted that the energy sector is an important source of income in the UAE in general, and Abu Dhabi in particular.

"It is expected that oil will remain the main driving force for development in Abu Dhabi, at least in the foreseeable future," the report added.

Abu Dhabi-based economist Mohammad Amerah, commenting on the report, said the initiatives will reflect positively on the development and growth of Abu Dhabi emirate.

"The emirate of Abu Dhabi offers a host of investment incentives like industrial free zones, a liberalised economic system and a liberalised trade policy besides low custom duties on imports. As well, the UAE as a whole provides a highly secure economic and political system which is business friendly. This is a major attraction for investors," Amerah told Gulf News by telephone.

Expansion

The report says that Abu Dhabi is experiencing a phase of economic expansion.

"It is worth mentioning that the emirate has become more open to foreign capital, where foreigners may own property up to 100 per cent in special cases in free zones," said the report.

The efforts of the emirate to develop the business environment included the modernisation of ports infrastructure, through the construction of Khalifa New Port, which will start operations this year.