Swiss representation in : **Abu Dhabi**	
Country : United Arab Emirates	Date of last update: 06.06.2021

Economic Report 2020-2021

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0 Executive summary

The economic climate in the Emirates was already bleak before the COVID-19 crisis: real estate oversupply, deflation, low GDP growth, slight contraction of the non-oil manufacturing sector. It is in this context that the pandemic has struck at the heart of the two pillars of the country's economy:

1) Low oil prices, which have only recently rebounded to pre-pandemic levels, and production quotas imposed by OPEC+ are likely to not only cause a large budget deficit, but may also affect the entire economy, especially investment. Oil still accounts for 30% of the country's GDP and 55% of government revenues.

2) The reduced global demand and, more importantly, the global shutdown measures have put a stop to activities that are at the heart of the UAE economy's diversification strategy: tourism, aviation, retail. Job losses have led to an exodus among the expatriate and migrant worker population (which accounts for 85% of the resident population), which in turn reduced domestic demand and consumption. Strong estimates suggest that up to 10% of the total population left the country. Overall, a recession of 5.9% is expected for 2020.

While there is no doubt that the emirate's economy will suffer greatly from the pandemic, the country also has assets that other countries in the region lack. These include large capital reserves - the result of years of accumulated oil revenues - and some of the world's largest sovereign wealth funds. These give the country the means to maintain countercyclical fiscal measures over an extended period of time and prevent the economic crisis from turning into a debt crisis and a credit crunch. The country responded quickly to the pandemic, and in March 2020, the central bank injected more than $70 billion into the economy. However, fiscal measures are lagging and direct support to companies may not be enough to avoid a wave of closures. Furthermore, the postponement of EXPO 2020 Dubai by one year is likely to have a considerable economic impact on economic activity in Dubai, which will no longer be able to benefit from the 25 million tourist visits expected. The overall situation in Dubai looks rather grim, considering the high level of debt (110% of GDP) and the sharp population loss of 8.4%. This is the steepest decline in the entire Gulf region, as expatriates and migrant workers have been forced to leave by the economic upheavals of the pandemic[1].

Swiss companies were suffering from the crisis and the sharp economic downturn throughout 2020. SMEs in particular are facing significant liquidity problems and it is not clear whether the stimulus package will be sufficient to help them overcome this situation. Despite this difficult economic situation, the Emirates remain a key destination for companies wishing to establish a regional office, both because of the quality of the infrastructure and the country's great political and macroeconomic stability. Switzerland enjoys an excellent image in the country and remains synonymous with innovation, high quality and a prime tourist destination. The EXPO 2020 Dubai also provides an unique promotional opportunity for Switzerland and its companies in 2021 and 2022. The 6-month event - the first major post-Covid event - will give Swiss SMEs the opportunity to promote their brands, launch new technologies and increase awareness of their products in the region. Furthermore, Switzerland is also able to showcase its natural beauty and touristic infrastructure, not only to the UAE but to the region and the whole world.

[1] https://www.bloomberg.com/news/articles/2021-03-01/dubai-suffered-steepest-population-drop-in-gulf-region-s-p-says

1 Economic problems and issues

When the Emirates entered the COVID-19 crisis, the economic climate was already in poor shape. The GDP growth rate never really took off after the low point of 2017 and the optimistic forecasts of the IMF had to be systematically revised downwards to -5.9% in 2020[2]. This is a far cry from the boom years and the 5% annual growth experienced between 2011 and 2015. This lack of momentum is largely attributable to the non-oil economy, which accounts for 70% of GDP. The real estate sector, which accounts for more than 12% of GDP and is one of the pillars of the country's economic diversification strategy, was already suffering in 2019 from an overabundance of supply, particularly in the hotel sector - Abu Dhabi has 33,000 hotel rooms and Dubai 140,000, more than New York City (120,000) and as many as the whole of Switzerland (140,000). These economic difficulties have resulted in a projected inflation rate of -2.1% in 2020.

It is in this context that the pandemic has struck at the heart of the two pillars of the country's economy: First, the fall in oil prices - which still accounts for 30% of the country's GDP and 55% of government revenues – and the production quotas imposed by OPEC+ are likely not only to cause a large budget deficit, but can have a ripple effect on the entire economy, especially investment. Second, the reduced global demand and, more importantly, the global shutdown measures have put a stop to activities that are at the heart of the UAE economy's diversification strategy: tourism, aviation, retail. Job losses have lead to an exodus among the expatriate and migrant worker population (which accounts for 85% of the resident population), which in turn reduced domestic demand and consumption – strong estimates suggest that up to 10% of the total population left the country. The EXPO 2020 Dubai, in which Dubai had high hopes to boost the country's economy, has been postponed by a year and will not start until October 2021. Overall, a recession of 5.9% is expected for 2020.

Paradoxically, it is Dubai's strength - the rapid development of a non-oil economy centered on trade, transport, tourism, retail and real estate - that is now its Achilles heel. The emirate's total public debt (including Government Related Entities) is, according to the IMF, over 110% of GDP, raising concerns about Dubai's ability to weather the current economic crisis[3]. The rating agency S&P expects Dubai’s debt load to worsen and not recover to a pre-pandemic level until 2023[4]. The most exposed sectors in terms of debt are aviation, real estate and shipping.

For Swiss companies, the Emirates remained an attractive place to set up a regional hub in 2020. Despite a lackluster economic situation, some sectors continued to thrive. In its Doing Business Report 2021, the World Bank places the UAE in 16th place, 5 places lower than in 2019, but still 20 places ahead of Switzerland and well ahead of the other GCC member states. In addition, the policy of diversifying the economy beyond oil offers many opportunities for Swiss companies, particularly in the high-tech industries where Switzerland excels. The field of renewable energies is promising and Swiss companies can provide interesting solutions for projects in the Emirates. However, the 100% tax on energy drinks continues to pose a problem for European producers (some of whose factories are in Switzerland), who are seeing their market share shrink in favor of much cheaper local products. Problems with the application of the free trade agreement also persist. In general, the industry is struggling to find an accessible interlocutor among the authorities to address implementation problems and errors, and the Swiss Embassy is being asked to help. Although it is too early to make a full assessment, it is already clear that the COVID-19 crisis is affecting a large part of the Swiss companies based in the Emirates. SMEs are particularly suffering and are struggling to take advantage of the support measures announced by the authorities.

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[2] IMF, World Economic Outlook Database, April 2020

[3] IMF, Article IV Consultation, January 2019; Reuter 2020 https://www.reuters.com/article/emirates-economy-dubai-bofaml-idUSL4N2DD08F

[4] S&P Global Ratings 2021

2 International and regional economic agreements

2.1 Country's policy and priorities

The UAE is an internationally trade-oriented country for two main reasons: first, the dominance of the oil sector in the UAE economy and the country's arid climate have led to the development of an economic model focused on international trade: large oil exports and imports of the vast majority of goods consumed in the country (including agricultural goods). Second, the UAE has historically developed as a major hub for international trade, taking advantage of its geographic location as a natural economic point of contact between Europe, the Indian subcontinent, China, the Middle East, and increasingly the African continent. Exploiting these geographic strengths lies at the core of the UAE's economic development strategy, particularly its efforts to diversify its economy beyond the oil sector.

The emirates are a founding member of the Gulf Cooperation Council (GCC), which has an ambiguous role in trade policy. The level of intra-GCC trade is low, especially in comparison with other such groupings (see annex 3), and the GCC states remain firmly focused on trade with the rest of the world, on which they depend both as an outlet for their oil exports and as a source of the consumer goods that the region does not produce. From a regulatory perspective, however, some integration has taken place and the customs union among GCC member states came into effect on January 1, 2015, formally establishing a tariff-free zone and a common external tariff of 5%. As a result, GCC member states generally negotiate free trade agreements only collectively (only Bahrain and Oman have FTAs with the United States). Two agreements are currently in force: with the EFTA states and Singapore. In recent years, negotiations for new FTAs have taken place between the GCC and Australia, China, India, Japan, MERCOSUR, New Zealand, Pakistan, the Republic of Korea, Turkey and the EU. These negotiations, which were moving slowly, anyway, were hampered by the GCC's internal disputes and the severance of relations with Qatar by three of its members (Emirates, Saudi Arabia and Bahrain). The crisis was eventually resolved on January 4, 2021. According to the Ministry of Finance, as of mid-2021, the UAE had signed 115 double taxation agreements. In addition, it has implemented international standards for automatic exchange of information and in September 2018 exchanged the first data under the Common Reporting Standard (CRS).

2.2 Outlook for Switzerland (potential for discrimination)

As the GCC has only one free trade agreement in addition to the one with the EFTA states, the latter gives Switzerland a clear comparative advantage, especially in relation to the EU member states. The University of St. Gallen, together with SECO, conducted studies on the use of FTAs in 2019 and 2021. They showed that in 2019, the usage rate of FTAs on the import side was 12.5%. This is a significant increase compared to 0.4% in 2017. However, only 0.8% of all imports were duty-free. The experience of Swiss companies based in the UAE has been generally positive and all indications are that many of the initial difficulties associated with the implementation of the agreement in the UAE have been resolved. Some cases have been reported where customs authorities have demanded payment of duties on goods that were supposed to be exempt. These cases are decreasing and the Embassy's interventions with the authorities seem to have been successful.

Difficulties also remain in cases of subsequent exports to other GCC countries, with Swiss companies using the Emirates as a regional hub. Several GCC states are demanding customs duties for goods that have transited through the UAE, even in cases where the FTA explicitly provides for a mechanism to do so. The problem is particularly important for goods transiting through free zones. The loss of revenue for Swiss companies affected is significant. The Embassy has raised this situation with the UAE authorities who are of the opinion that the levying of customs duties in these cases is contrary to the FTA and have indicated that GCC working groups are working on a solution.

3 Foreign Trade

3.1 Development and general outlook

3.1.1 Trade in goods

Trade is of crucial importance to the UAE: total trade in goods and services accounted for nearly 161% of GDP in 2019 according to the World Bank[5]. As the world's 8th largest oil producer, the UAE has long enjoyed a positive trade balance. The trade surplus amounted in 2013 - at the time of high oil prices - to USD 140 billion, or 33% of GDP, with exports of oil, gas and oil products of USD 129 billion[6]. With falling oil prices, the UAE still has a positive trade balance, but reduced to USD 89 billion in 2018[7]. The share of oil products in exports has been reduced from 35% in 2013 to 23% in 2018 (the figures are 55% in 2013 and 45% in 2018 if re-exports are excluded)[8]. Overall, the UAE has been successful in gradually reducing its dependence on oil, with non-oil exports (excluding re-exports) rising from 2% to 24% of GDP between 1990 and 2018. Non-oil exports are mainly composed of precious stones and metals, aluminum, cigarettes, and polymers.

Given the Emirates' function as a regional hub, the share of re-exports in total exports is significant (45% in 2018): the Emirates is the largest re-export center in the region and the third largest in the world after Hong Kong and Singapore. In 2018, recording, radio and image equipment was the main re-exported good, followed by precious stones and metals and transport equipment.

From a trade perspective, the UAE is firmly oriented towards Asia and the major Western economies. Thus, in 2020, eight of the top ten merchandise export markets were located on the Asian continent (see Annex 3)[9]. UAE crude oil exports are particularly dependent on Asian markets, the destination of 99% of UAE crude exports in 2019[10]. Imports to the Emirates came in 2020 mainly from the China, EU, India, the United States and Japan (see Annex 3).

After several consecutive years of declining exports, the trend has reversed with a 47% increase in exports between 2016 and 2018 (largely due to higher oil prices). However, exports declined by 13.8% between 2019 and 2020. Imports have steadily declined as well from a peak of USD 301 billion in 2014 to USD 265 billion in 2020, a sign of the country's economic difficulties[11].

The rules applicable to goods imported into the UAE are those of the GCC customs union, i.e. a 5% customs duty. Certain food products are exempt from duty. Products containing alcohol are subject to a higher tariff (50%), as well as tobacco products (100%), plus excise taxes of 50% on sugary drinks and 100% on energy drinks.

3.1.2 Trade in services

The surplus in merchandise trade is partially offset by the large deficit in services trade (although this deficit decreased significantly in 2018). The volume of trade in services, on the other hand, is steadily increasing. Tourism has been identified as a key sector for the Emirates' economic diversification strategy and its contribution was USD 48 billion in 2019, or 12% of GDP[12]. Transport and logistics is also a central part of the UAE's development strategy and maritime and air transport services continued

[5] https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?locations=AE
[6] http://www.imf.org/external/pubs/cat/longres.aspx?sk=44129.0
[7] IMF, Article IV Consultation, January 2019
[8] IMF, Article IV Consultation, January 2019
[9] IMF Direction of Trade Statistics (DOTS)
[10] OPEC, Annual Statistical Bulletin 2020
[11] IMF Direction of Trade Statistics (DOTS)
[12] WTTC, United Arab Emirates 2020 Annual Research: Kex Highlights

to develop and expand. The COVID-19 crisis particularly affects the services sector. Tourism has virtually ground to a halt in the first half of 2020, leaving hotels empty or requisitioned for quarantines, and Emirates may cut 30,000 jobs and retire its A380s - symbols of the success of Dubai's air hub model - earlier than expected.

The UAE has made commitments under the General Agreement on Trade in Services (GATS), but has a number of restrictions. For example, according to the latest WTO trade policy review, cross-border provision of insurance services is not allowed for foreign-based companies and there are restrictions on licensing (e.g., limits on the number of branches, permission to open only a representative office, not a subsidiary). The telecommunications sector is also subject to significant restrictions: no license can be issued to a company that is not majority-owned by national interests and no service can be provided without a license. Several voice over internet protocol (VoIP) services such as WhatsApp Call and FaceTime are also blocked, although some of these restrictions were lifted during the COVID-19 crisis to facilitate working from home.

3.2 Bilateral trade

3.2.1 Trade in goods

Switzerland fell to 6th place in 2020 as a destination country for UAE exports, with a sharp decrease in exports to Switzerland of -34%. Gold is a major component of bilateral trade between Switzerland and the UAE and is subject to large annual fluctuations. Exports to Switzerland decreased by -14% between 2019 and 2020. From the perspective of imports to the UAE, Switzerland remained on the 12th place in 2019, with a rise in volumes of 15%.

Gold, jewelry and jewelry together account for 43.2% of Swiss exports and 98.3% of imports from the UAE. The Emirates remain an attractive market for Swiss watches, which account for a quarter of Swiss exports, as well as for machinery (4%), pharmaceuticals (9.4%) and perfumery (2.6%).

Swiss exports to the Emirates (excluding gold) decreased by -28.1%, this while total global exports to the Emirates declined by 7% between 2019 and 2020[13]. Exports of Swiss pharmaceuticals increased by 24% (while they had been steadily declining for four years), watches by 2% and perfumery by 2% (they have been steadily increasing for five years), while exports of machinery decreased by 8%.

Swiss companies have a lot to offer in the Emirates. Firstly, luxury products are at the forefront and very popular with Emirati buyers: watches and jewelry are present in all the country's shopping centers and the local population likes to show off their luxury products. Secondly, despite tough price competition, Swiss quality is still highly valued and Swiss industry has so far been able to profile its high-quality products in an impressive number of projects (machinery, electrical networks, sanitation, elevators, construction, IT, logistics, food, renewable energies, waste management, etc.). Doing business in the Gulf region generally requires a large investment of time, and only Swiss companies that have been present in the Emirates for years have been able to convince with the quality of their products.

3.2.2 Trade in services

Unfortunately, there are no statistics on bilateral trade in services. The Swiss investments discussed in chapter 4.2 are mostly held by Swiss companies active in financial services, hotels, tourism, logistics and other business services. Swiss financial services are highly sought after by the wealthy local population, particularly in the area of asset management.

[13] World Bank Data

4 Direct investments

4.1 Development and general outlook

Statistics on foreign direct investment in the UAE are not very reliable and national statistics are either not available or differ slightly from those of UNCTAD. The IMF does not provide data on UAE bilateral direct investment.

Based on existing data, it can be said that in general the UAE has a good reputation as a business location and is an attractive destination for foreign direct investment. The stock is increasing year on year. In 2019 the UAE was the largest FDI recipient in West Asia, with flows of almost UAS 14 billion, growing by a third from the previous year. In 2019, the stock of foreign direct investment in the UAE stood at USD 140 billion and the stock of UAE direct investment abroad is steadily increasing to reach USD 154 billion in 2018[14].

The UAE has been able to diversify its sources of direct investment. According to official data (from 2016), the UK has remained the main source for many years, followed by several Western industrial countries, major trading partners in Asia, such as India and Japan, and countries in the region[15]. Investment from Iran had more than doubled between 2011 and 2015, but Iran has since 2016 dropped out of the top 10 investors in the UAE. Since the Chinese President's visit to the UAE in July 2018, the UAE has made great efforts to attract Chinese investors.

UAE policy is ambiguous with regard to foreign investment. On the one hand, the UAE imposes strong restrictions through the so-called "51/49" rule, which requires that at least 51% of the capital of any company domiciled in the UAE be in the hands of UAE citizens. On the other hand, the UAE puts great effort into attracting foreign investment and holds a major conference and trade fair for this purpose every year - the Annual Investment Meeting. The UAE has also established a model of free zones in which there is no limit to the proportion of foreign capital in the companies established there. A large number of foreign companies have chosen this model. Two such zones have been established specifically for the financial sector: the Dubai International Financial Centre (DIFC), established in 2004, and Abu Dhabi Global Market (ADGM), established in 2013. Each of these two zones has its own regulatory framework based on common law, a supervisory authority and courts responsible for civil and commercial matters - the national courts remain responsible for all criminal matters. More than 1,500 companies are based in the DIFC, of which about 400 are directly involved in financial services. In order not to hinder the otherwise protectionist investment policy, free zone companies cannot as a rule directly access the UAE market and have to establish an onshore subsidiary or join forces with a local partner.

The "51/49" rule began to be relaxed in 2019. Already in September 2018, the Emirates had adopted a new law (Federal Decree No. 19 of 2018) which allowed for 100% foreign investment in onshore companies. Thirteen sectors were excluded from the outset, including oil, the arms industry, banking and air transport. These rules were concretized in July 2019, with the approval of a list of 122 activities in three sectors for which majority foreign investment is allowed: 19 activities in agriculture, 51 activities in industry and 52 in services. This relaxation is driven by both economic and political imperatives. Rather than simply attracting more foreign investment, the relaxation is designed to support the UAE's strategy of diversifying its economy and attracting innovation. Indeed, only industrial processes using advanced technologies will benefit from the new rules. In addition, the inclusion of the agricultural sector is also in line with the country's food security strategy, which includes increasing indigenous productive capacity. Third, it is clear that this long-awaited reform of the investment rules is an evolution rather than a revolution, because when a choice has to be made between the two, political logic prevails over economic logic. In addition, 100% foreign ownership of onshore companies in the UAE was allowed

[14] UNCTAD Country Fact Sheet United Arab Emirates, 2020
[15] Federal Competitiveness and Statistics Authority

from June 2021. Ten sectors have been added to the Commercial Companies Law where foreign ownership is allowed. This means that the "51/49" law will effectively be abolished (in certain sectors). However, foreign ownership of local companies will only be allowed as long as the company's commercial activities are not considered to have an "strategic impact" on the UAE economy.

Abu Dhabi also announced that for the first time it would allow foreigners to own property in special zones, whereas today a foreigner can only rent a property for a maximum of 99 years. These measures were aimed at stabilizing a real estate market otherwise plagued by an oversupply, a situation that the COVID-19 crisis will greatly exacerbate.

The UAE's main foreign investor is the Abu Dhabi sovereign wealth fund ADIA (Abu Dhabi Investment Authority), financed by oil revenues. With assets of USD 580 billion, it is the third largest Sovereign Wealth Foundation (SWF) in the world after the Norwegian Pension Fund and the China Investment Corporation[16]. Other important sovereign wealth funds in the Emirates are the Investment Corporation of Dubai, Mubadala Investment Company and Emirates Investment Authority. These funds have invested in financial assets, bonds or international real estate. Mubadala is the Abu Dhabi government's tool for investing in the emirate's economic diversification and is thus of strategic importance to Abu Dhabi; its influence grew after it merged with the IPIC fund in 2017 and the ADIC fund came under its direct control in early 2018.

4.2 Bilateral investments

Switzerland is a major investor in the UAE and ranks 9th in the most recent data from 2016. Official UAE figures show a stagnation in the amount of Swiss investments in the Emirates since 2012, around USD 3 billion. Note, however, that the Swiss National Bank data gives a completely different picture: the SNB shows, after several years of constant increase, a repatriation of CHF 523 million of Swiss direct investments in the UAE between 2016 and 2017, then 3.3 billion between 2017 and 2018 for a cumulative stock of nearly CHF 15 billion in 2018.

There are no statistics on Emirati investments in Switzerland.

[16] http://www.swfinstitute.org/sovereign-wealth-fund-rankings/

5 Trade, economic and tourism promotion “Country advertising”

5.1 Foreign economic promotion instruments

The Swiss Business Hub Middle East (SBH ME) is the representative of the official trade and investment promotion agency Switzerland Global Enterprise, integrated in the Consulate General in Dubai with antennas in Riyadh (Saudi Arabia) and Doha (Qatar).

The SBH ME is the central point of contact for Swiss and Liechtenstein small and medium-sized enterprises (SMEs) seeking export opportunities and support in the Middle East. Business partner search, legal clarification and general support in business development are the main activities of the hub. More details under: https://www.s-ge.com/en/united-arab-emirates.

The United Arab Emirates (UAE) leads the world in the presence of Swiss pavilions at trade shows with an average of eight participations per year (GITEX, Arab Health, WETEX, Gulfood, Arabplast, Airshow among others). These pavilions are organized by S-GE with the support of SBH ME.

The SBH ME's economic promotion activities experienced a clear slowdown in 2020 as result of the Covid-19 pandemic, the collapse of oil prices and a general marked slowdown in services activities. The current situation however shows signs of strong recovery in tourism, hospitality and transport, and holds new opportunities in the areas of digitalization - which has become a government priority - health, education and food security. These segments are receiving special attention from SBH ME and are expected to grow faster than others, both in the UAE and the wider GCC.

In terms of the 2020 activities, The Consulate general and the SBH ME clearly focused on the unique opportunity offered by the EXPO 2020 Dubai, the very first post-Covid world event to take place. The 6 months event shall be beneficial for Swiss SMEs to promote their brands, launch new technologies and raise awareness for their products in the region. The objective of the remaining time before the opening on October 1 is to add value to the roughly 15 business events that will be organized and managed by SBH ME and the delegation’s visit to the Expo.

As part of the Swiss economy's contribution to achieving the SDGs, the Embassy has established a platform on the topic of "health digitalization". The exchange of knowledge and the visibility of this platform, through a public event at the Expo, among other things, includes business-promoting elements. Partners to date are Novartis, Roche, Unilab and Asino. The platform is open for further partners.For its support activities to SMEs, the hub relies on his local pool of experts, teams up for specific activities with the Swiss Business council http://www.swissbcuae.com and works along with like-minded partners.

5.2 The host country’s interest in Switzerland

The Swiss financial center enjoys an excellent reputation in the UAE and benefits from its image of quality, trust and discretion. More than 20 Swiss banks are present in the UAE, from where they access the local and regional market; with few exceptions, Swiss banks do generally not open accounts in the UAE but serve as intermediaries for opening accounts in Switzerland.

In Tourism, Switzerland is a popular destination for Emiratis and UAE residents (85% foreigners) thanks to the usual clichés of stability, safety, cleanliness and beautiful nature. Switzerland Tourism has an office in Dubai since 2002 promoting our country as a tourism and business destination within the region. In the context of EXPO 2020, Switzerland Tourism also states that this event is an excellent opportunity to showcase the beauty and touristic infrastructure of Switzerland, not only to the UAE but to the region and the whole world.

In terms of education, Swiss universities are relatively unpopular with Emiratis, who prefer Anglo-Saxon programs for linguistic reasons. The Swiss International Scientific School in Dubai (https://sisd.ae) opened in 2015 and offers a bilingual curriculum leading to the Federal Maturité and the International Baccalaureate.

The EPFL opened in 2009 a branch in the emirate of Ras Al Khaimah (RAK) and offers Master's and PhD programs, particularly in the fields of energy management and sustainability. This presence has allowed RAK to benefit from technology and know-how transfer but the non-replacement of their Swiss representative might impact this trend. Furthermore, the University of Geneva signed a MoU with Zayed University in 2015 to strengthen cooperation between the two institutions and to encourage exchanges between researchers and faculty members as well as the organization of joint projects. Finally, in the wake of the EXPO 2020 Dubai and the active presence of a "Swissnex Mobile" within the Swiss pavilion, it will be necessary to study the extent to which a gradual expansion of educational cooperation in the region is relevant.

ANNEX 1

Economic Structure

	Year 2014	Year 2019
Distribution of GDP		
Primary sector	0.6%	0.7%
Manufacturing sector	52.8%	46.2%
Services	46.6%	53.1%
– of which public services	n/a	n/a

Distribution of employment		
Primary sector	2.3%	1.4%
Manufacturing industry	34.8%	34.2%
Services	63%	64.4%
– of which public services	n/a	n/a

Source : World Bank Data Bank

ANNEX 2

Main economic data

	2019	2020p	2021p
GDP (USDbn)*	421	354	401
GDP per capita (USD)*	39’179	31’982	35’171
Growth rate (% of GDP)*	1.7	-5.9	3.1
Inflation rate (%)*	-1.9	-2.1	2.9
Unemployment rate (%)**	2.3	5	n/a
Fiscal balance (% of GDP)	0.6	-7.4	-1.3
Current account balance (% of GDP)*	8.4	3.1	7.1
Total external debt (% of GDP)***	64.2*p*	n/a	n/a
Debt-service ratio (% of exports)	n/a	n/a	n/a
Reserves (months of imports)***	7.6*p*	8.4 *p*	8.9 *p*

*IMF, World Economic Outlook Database, April 2020
**World Bank Data Bank
***IMF, Article IV Consultation, January 2019

ANNEX 3

Trade partners **year: 2020**

Host country review

Rank	Country	**Exports** from the host country (USD million)*	Share	Change[17]	Rank	Country	**Imports** to the host country (USD million)	Share	Change
1	India	22'600	10%	-20%	**1**	China	36'172	14%	-2%
2	Japan	15'412	7%	-38%	**2**	EU	25'927 EUR million**	11%	-35%
3	China	15'348	7%	8%	**3**	**India**	24'410	9%	20%
4	**EU**	8'625 EUR million**	4%	1%	**4**	United States	17'718	7%	-4%
5	Singapore	9'787	4%	-10%	**5**	Japan	10'970	4%	-13%
6	**Switzerland**	9'390	4%	-34%	**6**	Germany	8'095	3%	733%
7	Saudi Arabia	8'600	4%	-10%	**7**	United Kingdom	6'642	3%	225%
8	Oman	8'488	4%	-15%	**8**	Vietnam	6'387	2%	-5%
9	Hong Kong	6'769	3%	61%	**9**	France	6'189	2%	279%
10	Korea	5'372	2%	-37%	**12**	**Switzerland**	3'711	1%	15%
	Total* **	233'389	100%	-13.79%		**Total*** **	264'886	100%	-8.63%

Source(s) :
*IMF Direction of Trade Statistics (DOTS) – Includes merchandise trade only (preliminary).
**European Commission, Directorate-General for Trade, April 2021.
***Exports 2019: 270'730 USD million; Imports 2019: 289'920 USD million

Change from the previous year in %[17]

ANNEX 4

Bilateral trade

	Export (CHF m)	Change (%)	**Import** (CHF m)	Change (%)	**Balance** (in million)	**Volume** (in million)
2011	2'786	+23.8	496	-34.3	2'290	3'282
2012*	5'099	*)	16'274	*)	-11'175	21'373
2013	8'601	+68.7	2'971	-81.7	5'630	11'572
2014	5'903	-31.4	3'037	+2.2	2'867	8'940
2015	5'093	-13.7	3'701	+21.9	1'393	8'794
2016	4'292	-15.7	16'085	+334.6	-11'794	20'377
2017	4'046	-5.7	9'883	-38.6	-5'837	13'929
2018	4'840	+19.6	10'169	+2.9	-5'330	15'009
2019	**3'738**	**-22.8**	**14'948**	**+47**	**-11'211**	**18'686**
(Total 1)**	(2'829)	(+6.6)	(7'728)	(19.9)	(-4'899)	(10'557)
2020 (Total I-VIII)***	1'723	-28.1	8'455	-13.7	-6'732	10'178

*) The Swiss Customs Administration made changes to the way it calculates imports and exports as of 1 January 2012. Since then, comparisons between 2012 and the previous years have no longer been possible.[18]

**) "Economic" total (total 1): without gold bars and other precious metals, coins, precious stones and gems, works of art and antiques

***) Change (%) from the previous year

Exports	**2019** (% of total)	**2020** (% of total)
1. Precious stones, precious metals, jewelry (71)	48.9	43.2
Raw gold (7108)	16.0	17.3
Jewelry (7113)	24.5	20.7
2. Watches (91)	25.0	27.3
3. Pharmaceutical products (30)	6.7	9.4
4. Machines (84)	3.1	4.0
5. Perfumery, aromas, cosmetics (33)	2.4	2.6
6. Medical and measuring (90)	1.7	2.0
7. Chocolate (1806)	0.5	0.4

Importations	**2019** (% of total)	**2020** (% of total)
1. Precious stones, precious metals, jewelry (71)	98.6	98.3
Raw gold (7108)	45.9	79.1
Jewelry (7113)	50.3	17.5
2. Watches (91)	0.7	1.1

ANNEX 5

Main investing countries **year: 2016**

Rank	Country	Direct investments (AED million, stock)	Share	Variation (stock)	Inflows over past year (USD)
1	United Kingdom	72'553	16.5%	+25.9%	14'906
2	India	24'207	5.5%	+3.6%	841
3	United States	19'013	4.3%	+6.0%	1'080
4	France	17'824	4.1%	-14.1%	-2'923
5	Saudi Arabia	16'180	3.7%	+6.9%	-1'193
6	Austria	15'335	3.5%	+6.1%	881
7	Japan	14'468	3.3%	+0.1%	15
8	British Virgin Islands	13'636	3.1%	+23.1%	2'559
9	***Switzerland***	**13'149**	**3.0%**	**+12%**	**1'411**
10	Kuwait	12'798	2.9%	+10.7%	1'239
	Total (2016)	438'857	100%	+8.7%	35'250
	Total (2019)*	**566'066**	**100%**	**+9.9%**	**50'598**

Annual Economic Report 2018: Ranking of countries according to FDI stock: India, The United States, UK, Japan, China, Saudi Arabia, Germany, Kuwait, France and the Netherlands.

Source(s):
- Federal Competitiveness and Statistics Authority
- UNCTAD World Investment Report 2020
- Ministry of Economy Annual Economic Report 2018

Exchange rate for 2019: 1 USD = 3.67 AED
*FDI inward stock in millions USD in 2019: 154'107. FDI inflows in millions USD 2019: 13'787

Source: http://www.ezv.admin.ch/index.html?lang=fr, General total (total 2): including gold bars and other precious metals, coins, precious stones and gems, works of art and antiques. Total 2 for the years prior to 2012 does not contain gold, silver or coins.

[18] *Imports*: Use the **"country of origin"** concept and not that of "country of production". The *country of origin* is the country in which the goods have been wholly or predominantly obtained or produced. The *country of production* designates the territory in which a product was in free circulation before being imported to Switzerland. Exports/Imports: The **foreign trade figures for gold, silver and coins** are aggregated by country and form an integral part of the statistics on Swiss foreign trade (general total) in the https://www.swiss-impex.admin.ch/ online database.