

UAE expects 'large increase' in foreign investment in 2011

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Sultan Bin Saeed Al Mansouri. (Getty Images)

The UAE's Minister of Economy has said that he expects "a large increase" in foreign direct investments into the country this year.

Sultan Bin Saeed Al Mansouri said the greater inflows in foreign investment would come following legislative reforms in the UAE.

Last month Al Mansouri said a law allowing 100 percent foreign ownership could be introduced as early as the end of 2011.

By UAE law, only nationals are allowed full ownership of companies operating outside of free zones. The law currently requires foreigners to have a UAE national as a partner or sponsor to conduct business.

Latest available data from the central bank shows that in 2009 direct investment into the UAE as a whole fell to AED14.7bn (\$4bn) from AED50.4bn in 2008.

In a meeting with Martin Zeil, the Bavarian State Minister of Economic Affairs, Infrastructure, Transport and Technology, he said that the UAE offered a "safe investment environment" for European countries.

During the meeting, Al Mansouri claimed that 2011-2012 would witness remarkable growth in trade with Europe, state news agency WAM reported.

He added that there were more than 3,000 foreign companies operating in the UAE and said that the UAE received more than \$51bn in foreign direct investment, accounting for nearly 16 percent of the total investment inflow to the Arab economies.

Al Mansouri said that the UAE was taking concerted initiatives to increase the UAE's exports to Germany in order to promote a balance in trade between the two countries.

Germany is the fourth largest trade partner of the UAE with the value of non-oil trade in 2009 amounting to about \$8.5bn, and \$6.6bn in the first ten months of 2010.