COUNTRY CONFERENCE

UAE

Macroeconomic Situation and Market Dynamics

Strong and Sustained Economic Growth

- Recent and projected GDP growth:
  - 2024: +4.0%
  - 2025: +4.8%
  - 2026: +5.0% (IMF forecasts)

Solid Fiscal Stability

- Fiscal deficit:
  - 2024: 5% of GDP
  - 2025: Balanced budget expected
- Public debt: around 32% of GDP, remaining stable

Advanced Economic Diversification

- Non-hydrocarbon sectors: represent 77% of GDP
- Key growth drivers: finance, insurance, construction, transportation, and related services

Stable Political and Financial Environment

- Clear long-term national vision (5-, 10-, and 15-year plans)
- Significant public and private investment supporting this framework

Market Opportunities

- Contract market expansion:
  - USD 37 billion in contracts (Jan–Aug 2025) vs. USD 35 billion during the same period in 2024 — an annual increase of about 5%
- Favorable environment for French companies:
  - Around 1000 French firms already established
  - Strong institutional and governmental support for their activities

Role of the French Foreign Trade Advisors

- A Recognized and Official Network
  - Mandated by the French Prime Minister
  - Active in over 60 countries worldwide

- Support for Exporting Companies
    - Free assistance for French companies seeking to expand internationally
    - Experience sharing and on-the-ground insights from local experts
    - Connection to the local ecosystem, including institutions, partners, and business networks

- Primary Objective
    - Facilitate the company's first contract, a crucial milestone for achieving lasting success in the local market

Key Points of Attention

- Evolve the French "pitch" approach:
    - Shift focus toward client needs rather than self-promotion.
    - Demonstrate concrete added value through real examples and outcomes.
- Avoid early over-diversification:
    - Concentrate on a single differentiating product or service to build a strong, recognizable position in the market.
- Address strong local competition:
    - Work on defining and reinforcing the company's competitive advantage.
    - Ensure the value proposition is clear and compelling.

Perspective from a Major French Group – Veolia

- Water sector as a high-potential market:
    - Strong strategic vision, financial support, and political will to achieve results.
    - Domestic market size is limited for certain products – a regional approach is recommended.
- Strategic geographical position:
    - Ideally located on the Europe–Asia axis, with favorable time zones.
    - Acts as a strategic hub for regional operations and partnerships.
- Key vigilance points:
    - Limited access to financing for SMEs.
    - Administrative complexity in securing the first payment.
    - High cost of living, particularly for housing and office space.
    - Critical importance of securing the first contract; support from French business structures is strongly advised.

Insights on the Local Ecosystem and Digitalization

- Business-friendly environment:
  - Authorities have deliberately created a supportive business climate.
  - Administrative simplification: fast company registration, easier visa procedures, recent initiatives supporting entrepreneurship.

Ongoing challenges:

- Access to financing and bank accounts remains limited, but improvements are expected from the Central Bank, in line with G20 financial inclusion standards, particularly for SMEs.
- Major e-invoicing reform:
  - Full implementation by end of 2027 for all B2B transactions.
  - Real-time invoice sharing mandatory via a digital platform.
- Human resources developments:
- Progress in health insurance coverage.
- Introduction of mandatory pensions soon, enhancing the attractiveness for talent.