



دائرة التنمية الاقتصادية
DEPARTMENT OF ECONOMIC DEVELOPMENT

Abu Dhabi Foreign Trade Report (2022)

October 2023



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Executive Summary

- Global trade is witnessing growing disruptions that would redefine the future of trade flows over the next decade. According to the “Future of trade 2030” report, there are five basic trends that will shape the future of trade: Fair & sustainable trade, Digitalization, Rebalancing, Inclusive participation and Risk diversification
- World merchandise trade annual growth rate slowed to 12.5% in 2022 (compared with 26.6% in 2021), due to the Russian-Ukrainian war, continuing & widening inflation pressures, the cost-of-living crisis, and the slowdown in China.
- In 2022, The Middle East region recorded the highest annual growth rate in merchandise trade (30.8%). Asia accounted for the largest share of exports, while Europe accounted for the largest share of imports in the same year.
- The US remained the top merchandise importer in 2022 (13.2% of total world imports), while China remained the top merchandise exporter in 2022 (14.4% of total world exports)
- In 2022, manufactured goods accounted for almost 63% of world merchandise exports, fell from 69% in 2021 mainly affected by high energy prices, which limited demand.
- All GCC countries witnessed a significant increase in Non-oil Foreign Trade post- pandemic powered by a significant growth in total non-oil exports and imports.
- Despite the significant share of India as a common trading non-oil export partner for most of GCC countries, yet both KSA & UAE lead regionally emphasizing the growing importance of intra-trade in GCC.
- In 2022, Abu Dhabi's non-oil foreign trade increased by 16%, reaching AED 260,434 million. Exports expanded by 25.0% growth rate, while re-exports grew by 4%. Imports also saw a 13% growth rate, largely due to improved industrial and consumer demand.
- Saudi Arabia is the major trading partner across the three channels of trade, absorbing 26% of exports, and 35.6% of re-exports, while originating 13.6% of Abu Dhabi's imports.
- Most important non-oil export goods were exports of "Pearls, stones, precious metals" accounted for (35.6%) of total Abu Dhabi's exports followed by "Base metals " (25.6%), while "Vehicles of transport" accounted for (22.6%) of total imports followed by "Machinery, sound recorders" (21.1%).

Topic #1: Foreign Trade Global Trends



Foreign Trade Global Trends

01



Foreign Trade Global Trends

- Considering ongoing global challenges and rapid developments among all fields, Global trade is witnessing growing disruptions that would redefine the future of trade flows over the next decade.
- According to the “Future of trade 2030” report issued by Standard Chartered, there are five basic trends that will shape the future of trade.



Fair & sustainable trade

Companies are increasingly focused on implementing fair & sustainable trade practices.

Commitments to combat climate change, a rising wave of conscious consumerism and the development of global governance standards for sustainability, will further drive ESG-compliant among global supply chains.



Digitalization

The increased adoption of digital trade platforms will make trade faster, more transparent and secure.

Blockchain, AI and the IoT will be game changers in the future. Technologies that reduce costs and enhance transparency, trust and efficiency across supply chains will continue to gain attraction and help grow global trade.



Rebalancing

Global trade will continue to shift to Asia, Africa and the Middle East.

The move towards higher growth markets in Asia-Pacific, Africa and the Middle East will be driven by rising consumer demand. Supply chain dynamics are also shifting to low cost markets to diversify production, and local suppliers enhance their capabilities to move up the value chain.



Inclusive participation

Globalisation needs to become more equitable to provide smaller businesses the chance to participate in global supply chains.

The growing reach of technology and e-commerce will continue to unlock new opportunities and make global trade more accessible for SMEs than before. Wider adoption of emerging technology, such e-commerce platforms, will benefit smaller companies by providing more flexibility, connection to buyers and suppliers and easier access to finance, supporting inclusive economic growth.



Risk diversification

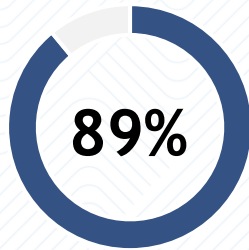
Companies will accelerate diversification of their supply chain locations and partners to protect against future disruptions.

Global supply chains will shift towards new models, where supply chains are diversified to protect against future disruptions, such as trade wars, climate change, technology risks, or even another pandemic. This may result in a broader range of emerging manufacturing hubs within Asia, such as Vietnam, Indonesia and Malaysia.

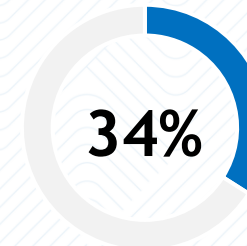
Global Corporates Perceptions:

- Standard Chartered surveyed more than 500 C-suite and senior leaders of global corporates, to get their views on the five trends shaping the future of trade. The results showed that 90% of corporates believe that these five themes would drive the future of global trade until 2030 and form part of their 5-10 year cross border expansion strategy.

Fair & sustainable trade

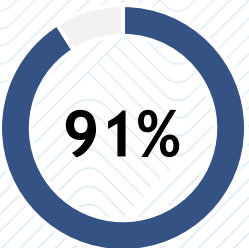


of corporates acknowledge the need to **implement sustainable and fair trade practices** across their supply chains to make trade more equitable and responsible.

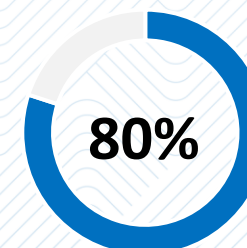


However, only 34% rank **incorporating sustainable business practices** to move towards a net zero future within their top 3 priorities over the next 5-10 years.

Inclusive participation

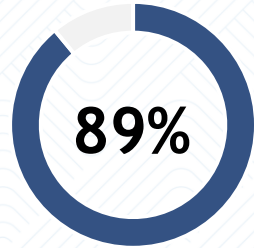


of corporates agree that **globalisation needs to be reset to become more equitable** to give entrepreneurs and SMEs the chance to participate in global supply chains.

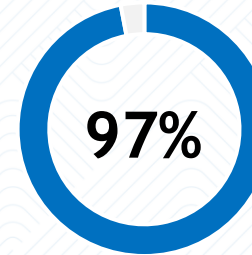


of corporates recognise **partnering with banks to promote access to finance** for robust and inclusive supply chains as a **key priority** for their 5-10 year internationalisation or cross border expansion strategy.

Digitalization

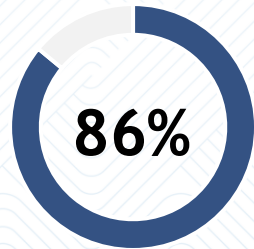


of corporates agree that increased adoption of **digital trade** platforms is a key enabler in making trade faster, more transparent and secure.

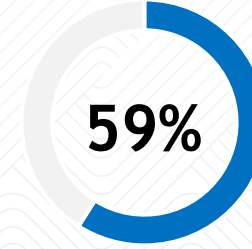


of CEOs recognise the importance of enhancing the security of financial transactions to stop eroding the benefits of global trade.

Rebalancing

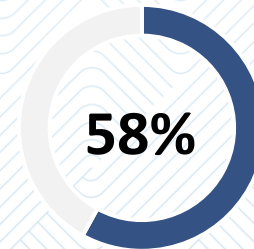


of corporates strongly agree or agree that **global trade** will continue to **shift towards higher growth economies** and new corridors



of corporates agree that **expanding sales in emerging markets** is a key priority.

Risk diversification



of corporates identify **de-risking the supply chain** and realigning footprint for **protection against future disruptions** as a top priority.

Topic #2: Foreign Trade Global Developments



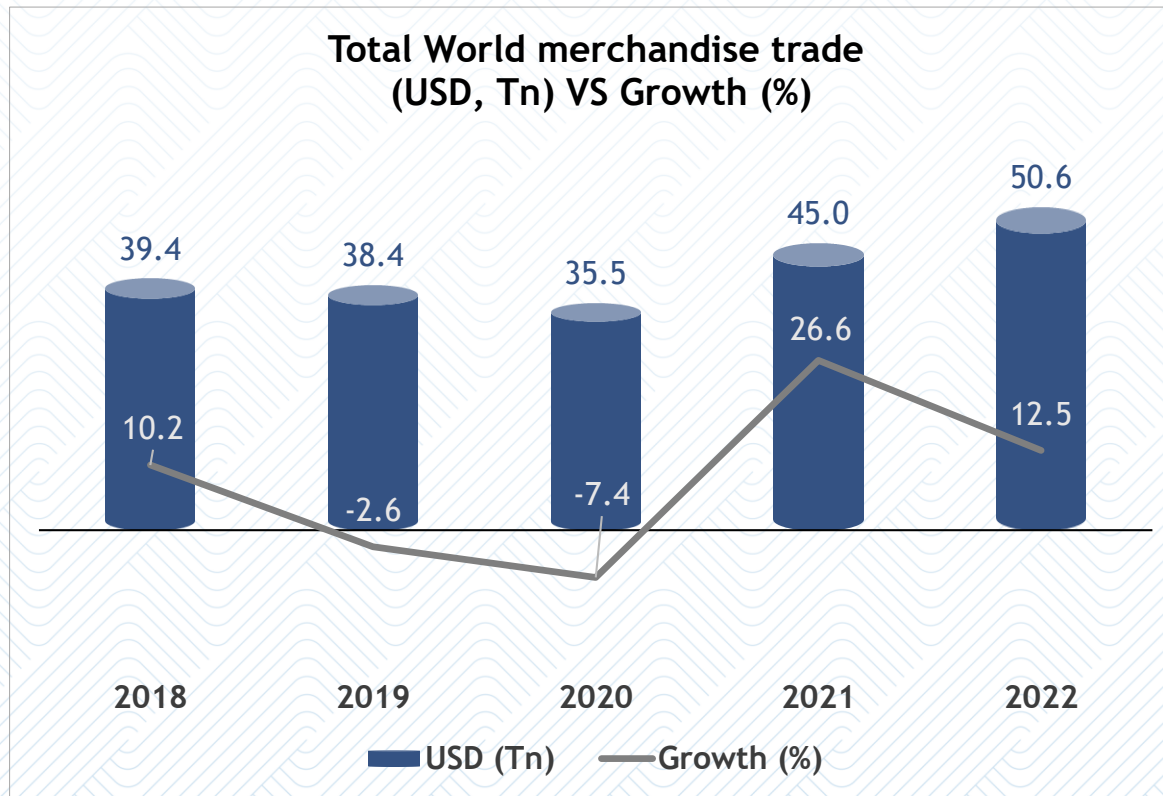
Foreign Trade Global Developments

02



World merchandise trade

- World merchandise trade annual growth rate slowed to 12.5% in 2022 (compared with 26.6% in 2021), due to the Russian-Ukrainian war, continuing & widening inflation pressures, the cost-of-living crisis, and the slowdown in China.
- Total exports increased by 11.4% in 2022 compared with 2021, while total imports increased by 13.6% in the same period.
- The world witnessed a continuous trade deficit in trade balance, as it recorded a deficit of USD266.3 Bn in 2018, and increased to reach USD 744.3 Bn in 2022.
- According to WTO, trade growth is expected to be weaker in 2023 as high interest rates continue to weigh on economic activity.



Merchandise trade by region

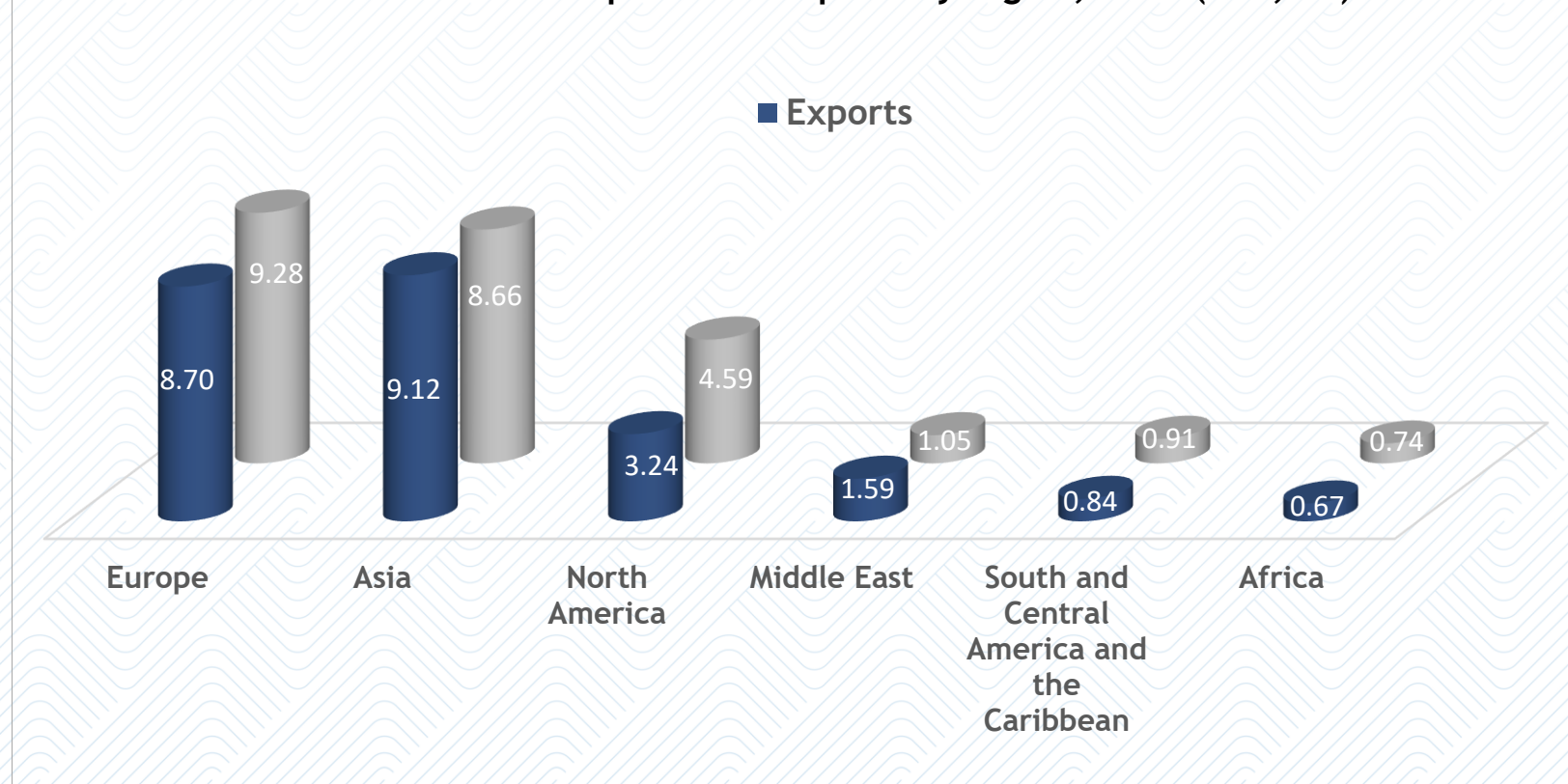
- In 2022, The highest annual growth rate in merchandise trade value was achieved by the Middle East (an oil-rich region), as it registered 30.8%, followed by South & Central America (20.0%) and Africa (17.9%).
- Asia accounted for the largest share of exports among regions in 2022, while Europe accounted far the largest share of imports in the same year.

Total Merchandise trade Growth rate
by region, 2022 (%)

Region	Growth Rate
Europe	11.9%
Asia	8.3%
North America	16.5%
Middle East	30.8%
South & Central America & the Caribbean	20.0%
Africa	17.9%

Source: Calculated by ADDED research team

Merchandise trade exports and imports by region, 2022 (USD, Tn)

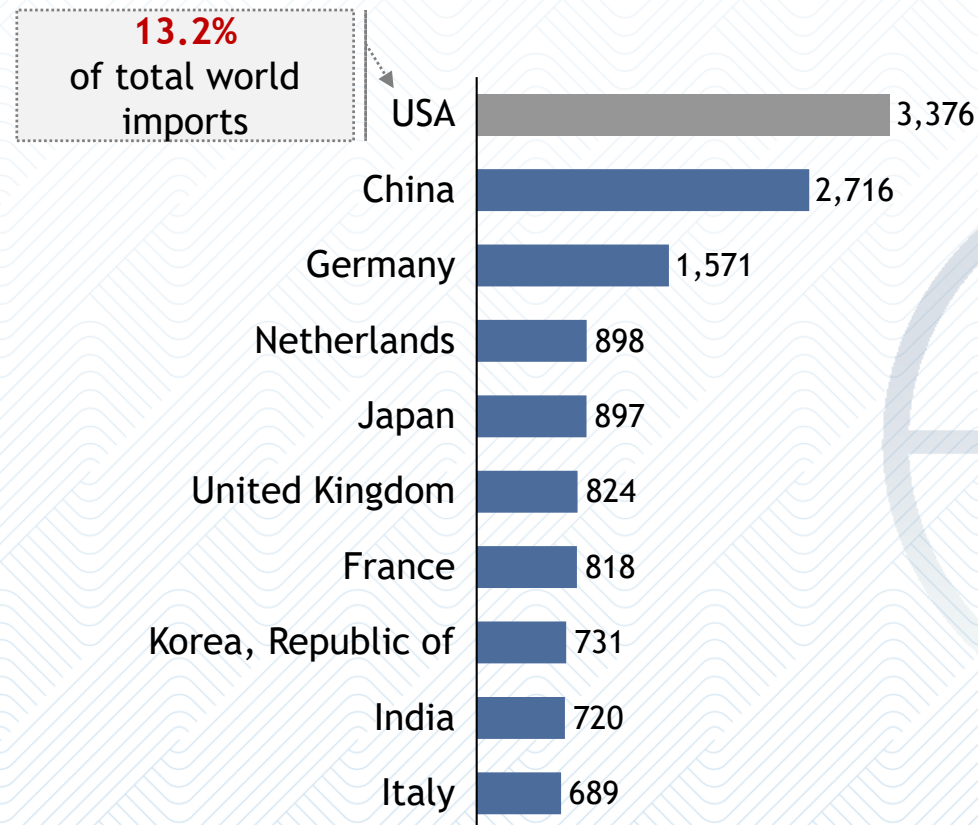


Source: WTO Stats

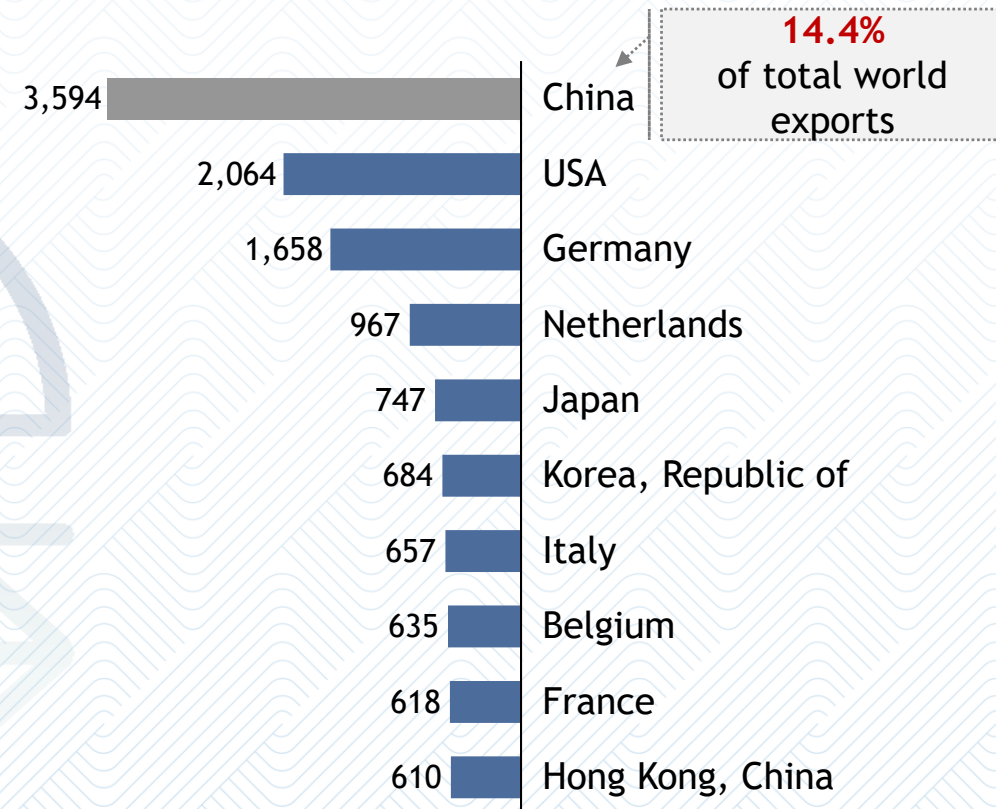
Leading merchandise traders

- The United States remained the top merchandise importer in 2022, with a share of 13.2% of total world imports. Followed by China (10.6%), and Germany (6.1)
- China remained the top merchandise exporter in 2022 with a share of 14.4% of total world exports (declined from 15% in 2021). The United States and Germany ranked 2nd and 3rd (8.3% and 6.7% respectively)

Top merchandise importers, 2022 (USD, Bn)

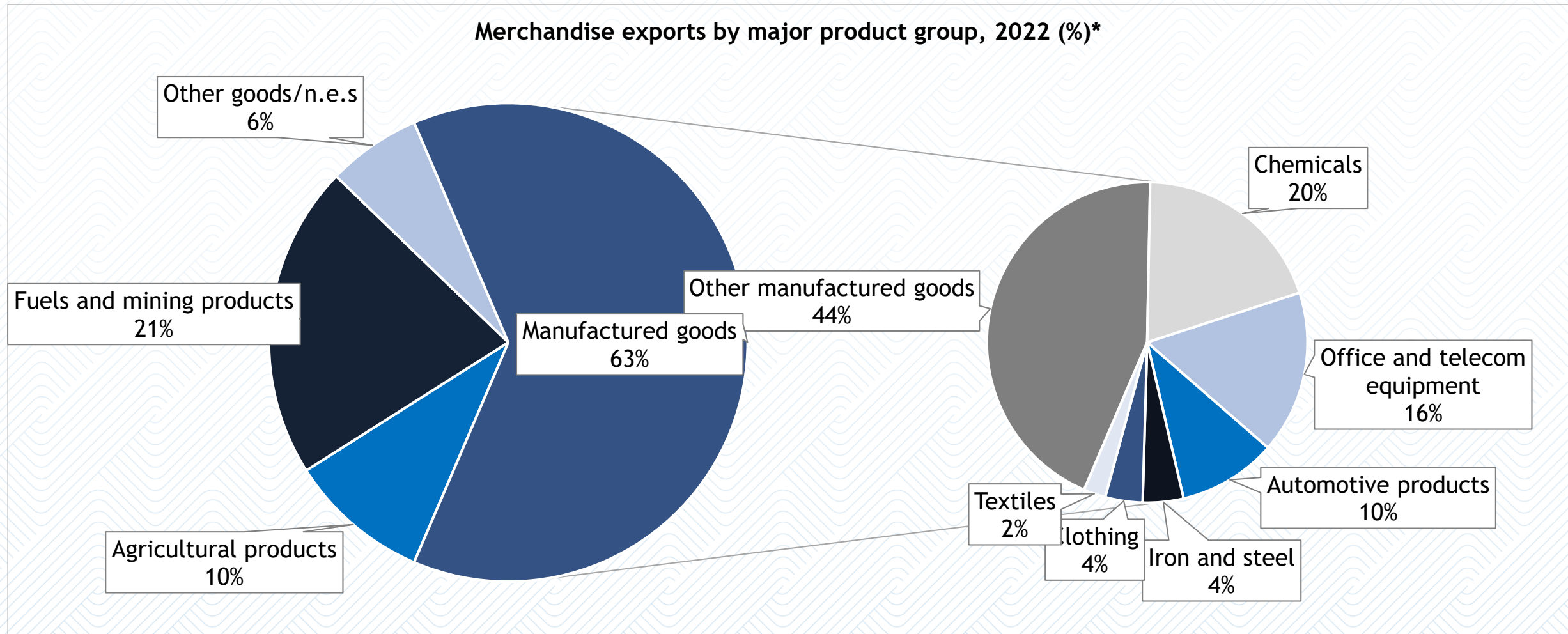


Top merchandise exporters, 2022 (USD, Bn)



Merchandise exports by major product group

- In 2022, manufactured goods accounted for almost 63% of world merchandise exports, fell from 69% in 2021 mainly affected by high energy prices, which limited demand.
- Chemicals products followed by Office & Telecom Equipment had the highest shares in world exports of manufactured goods in 2022 (20% and 16% respectively).



Source: [WTO, World Trade Statistical Review 2023](#)

* WTO estimates (Data including intra-trade of the European Union, excluding re-exports of Hong Kong, China).

Topic #3: Gulf Cooperation Council Countries (GCC) Non-Oil Foreign Trade



GCC Non-Oil Foreign Trade

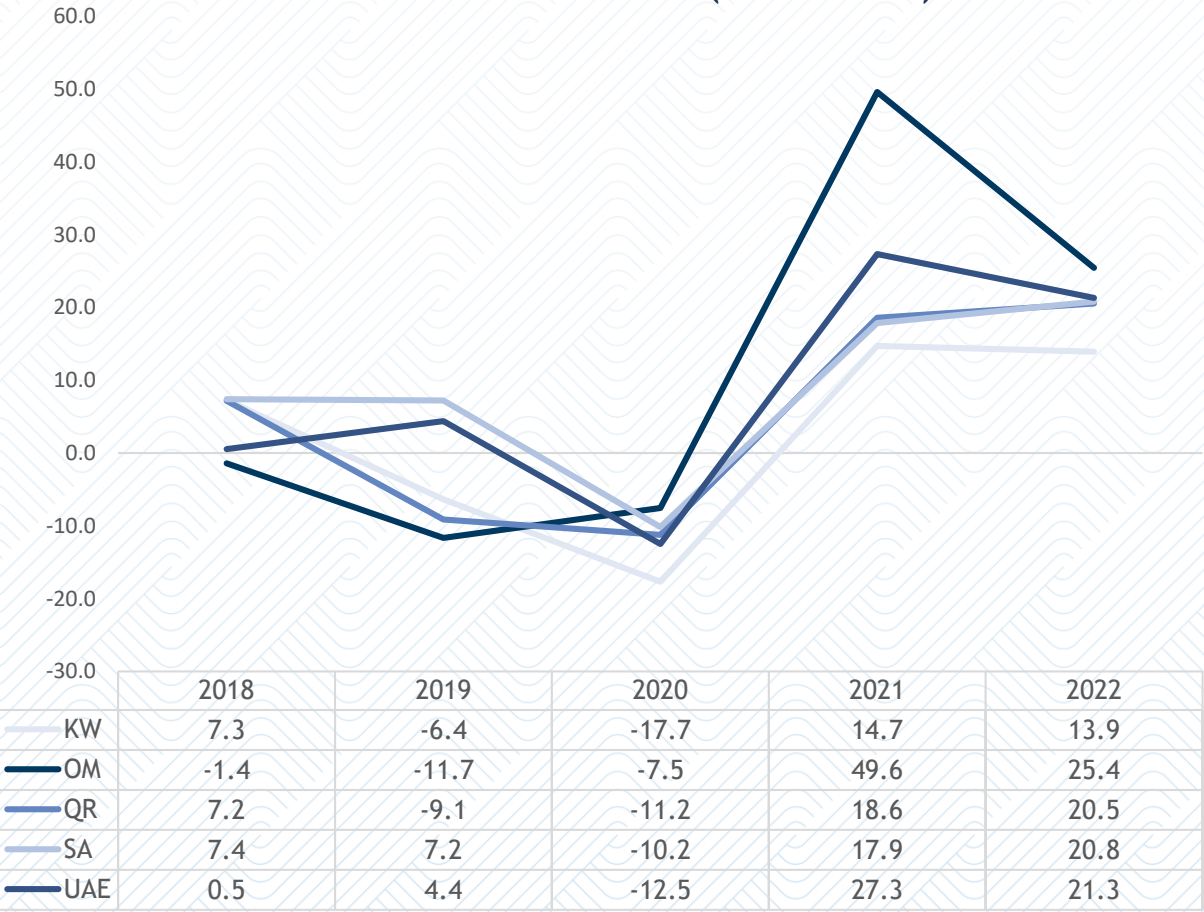
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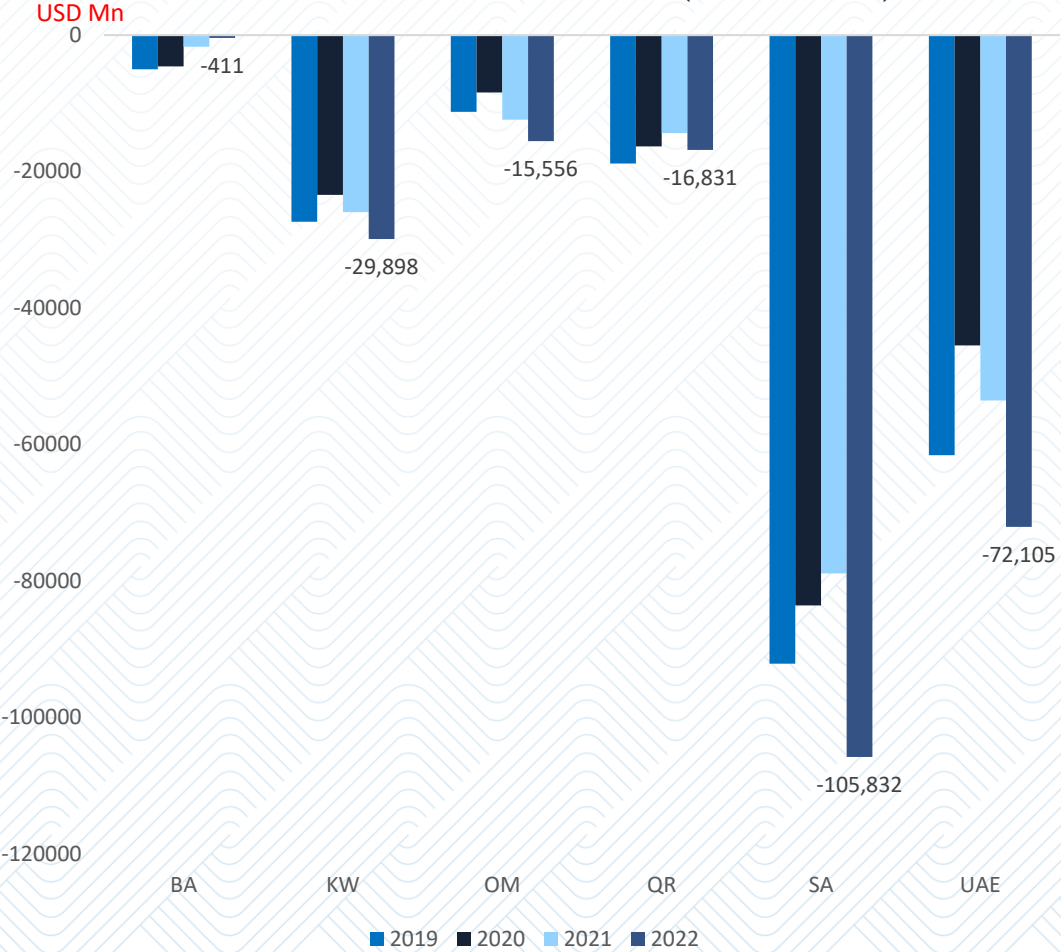
GCC Countries' Non-oil Foreign Trade

- The UAE's non-oil foreign trade reached AED 2.17 trillion in 2022, a 21.3% increase from 2021, with non-oil exports setting a new record at AED 368 billion. The UAE's imports increased by 23% to AED 1216.0 billion in 2022, surpassing the previous high of AED 991.6 billion.
- All GCC countries witnessed a significant increase in Non-oil Foreign Trade post- pandemic powered by a significant growth in total non-oil exports and imports.
- Most GCC countries witnessed a growing deficit among their trade balance in 2022, due to continuing recovery within domestic demand post-pandemic

Total Non oil Trade Growth (2018-2022)



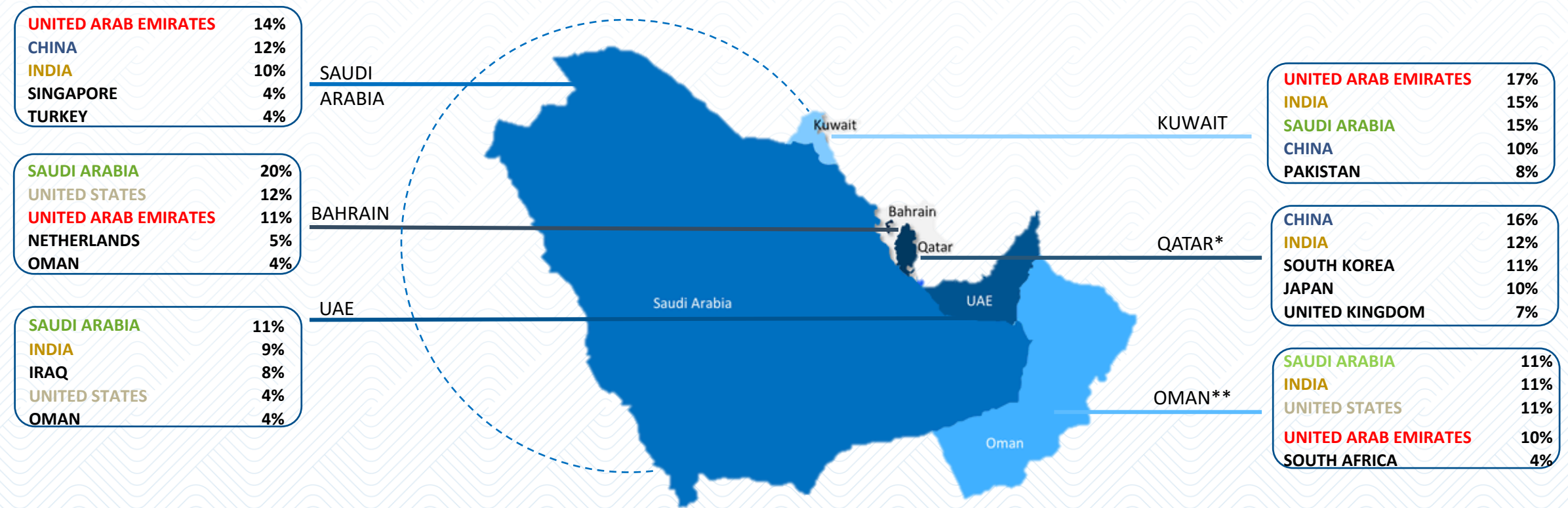
GCC Countries Trade Balance (2019-2022)



Source: National sources including FCSC , researcher calculation.

TOP 5 Non-Oil Export Partners Of GCC Countries

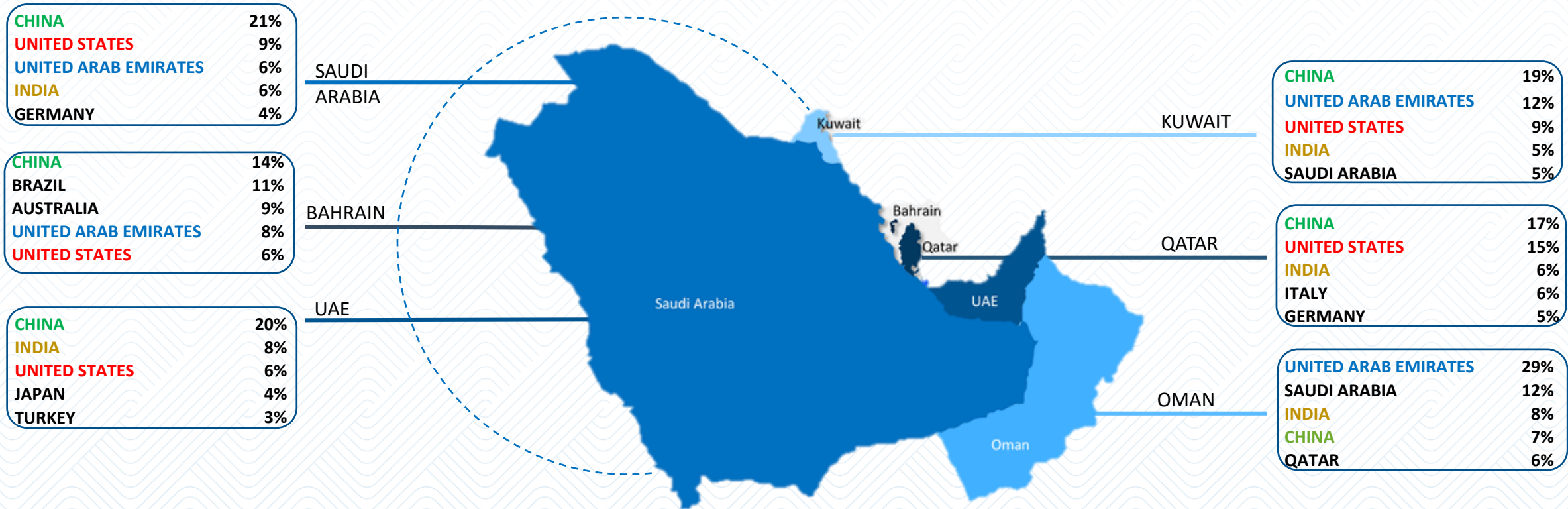
- Desptie the significant share of India as a common trading non-oil export partner for most of GCC countries, yet both KSA & UAE lead regionally emphasizing the growing importance of intra-trade in GCC
- UAE approved its leading position as a prime destination exports market for 4 GCC countries.



NOTES:
*Qatar Total Export including oil export
** Oman data represent only Non-oil Export without the Re-Export
Source: National sources including FCSC , researcher calculation.

Top 5 Import Partners of GCC Countries

- China is the primary trading import partner followed by India, both are the top two trading partners in Asia.
- UAE comes in the top 5 import partner in 4 of GCC countries.



Source: National sources including FCSC , researcher calculation.

Top 3 Merchandise Goods

- In line with the expansion of economic diversification policies across most GCC Countries, the region foreign trade structure has diversified remarkably to satisfy the needs of local residents, domestic investors and foreign investors.
- Several GCC countries have been capitalizing on their strategic location as reexport hubs of transport equipment.

UAE

Imports By HS-Sections (%)

Pearls, Stones, Precious Metals And Its Articles	27.7
Machinery, Sound Recorders, Reproducers And Parts	25.6
Vehicles Of Transport	8.5

Non-Oil Exports (%)

Pearls, Stones, Precious Metals And Its Articles	39.6
Base Metals And Articles Of Base Metal	20.3
Foodstuffs, Beverages, Spirits And Tobacco	7.7

Re-Exports (%)

Machinery, Sound Recorders, Reproducers And Parts	36.4
Pearls, Stones, Precious Metals And Its Articles	20.0
Vehicles Of Transport	11.6

Qatar

Total Import SITC rev. 4 (%)

Machinery and Transport Equipment	35.2%
Miscellaneous Manufactured Articles	22.1%
Manufactured Goods Classified Chiefly By Material	14.0%

Total Non-oil Export (%)

Chemicals and Related Products n.e.s.	60.7%
Manufactured Goods Classified Chiefly By Material	17.5%
Machinery and Transport Equipment	12.3%

Oman

Import (%)

Mineral Products	28.8%
Electrical Machinery & Equipment	14.2%
Base Metals & Their Articles	10.6%

Non-Oil Export (%)

Mineral Products	31.0%
Base Metals & Their Articles	19.6%
Products of the Chemical	19.4%

Re-Export (%)

Transport Equipment	29.1%
Electrical Machinery & Equipment	25.7%
Foodstuffs, Beverages & Tobacco	11%

Saudi Arabia

Imports By HS-Sections (%)

Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof	19.4%
Transport Equipment and Parts Thereof	14.5%
Products of The Chemical and Allied Industries	10.0%

Total Non-Oil Export (%)

Products of The Chemical and Allied Industries	35.8%
Plastics and Articles Thereof; Rubber and Articles Thereof	28.3%
Base Metals and Articles of Base Metals	9.3%

Topic #4: Abu Dhabi Non-Oil Foreign Trade



Abu Dhabi Non-Oil Foreign Trade

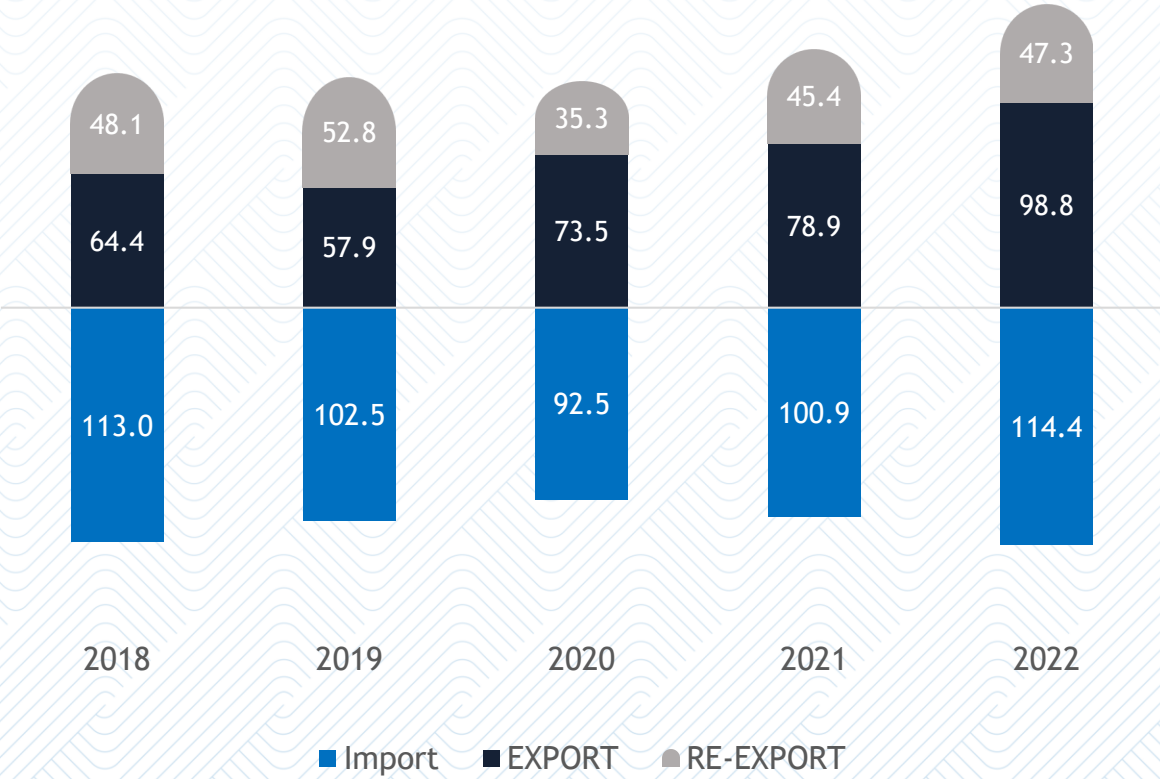
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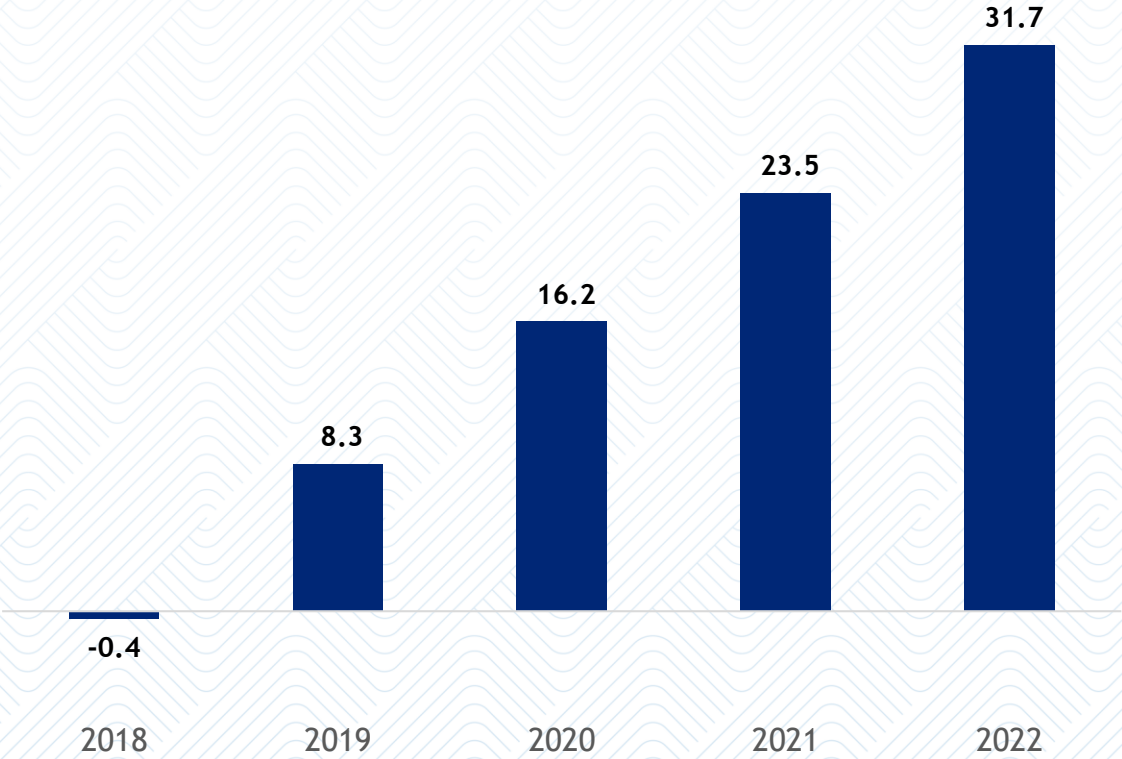
Abu Dhabi Foreign Trade Developments

- In 2022, Abu Dhabi's non-oil foreign trade increased by 16%, reaching AED 260,434 million. Exports expanded by 25.0% growth rate, while re-exports grew by 4%. Imports also saw a 13% growth rate, largely due to improved industrial and consumer demand.
- Abu Dhabi's trade surplus reached 31.7 AED Bn in 2022, with a 6.7% CAGR in non-oil total export and 0.3% CAGR in import during (2018 to 2022).

Abu Dhabi Non-oil foreign goods trade
(AED bn), 2018 -2022



Abu Dhabi Non-Oil Trade Balance
(AED bn), 2018 -2022



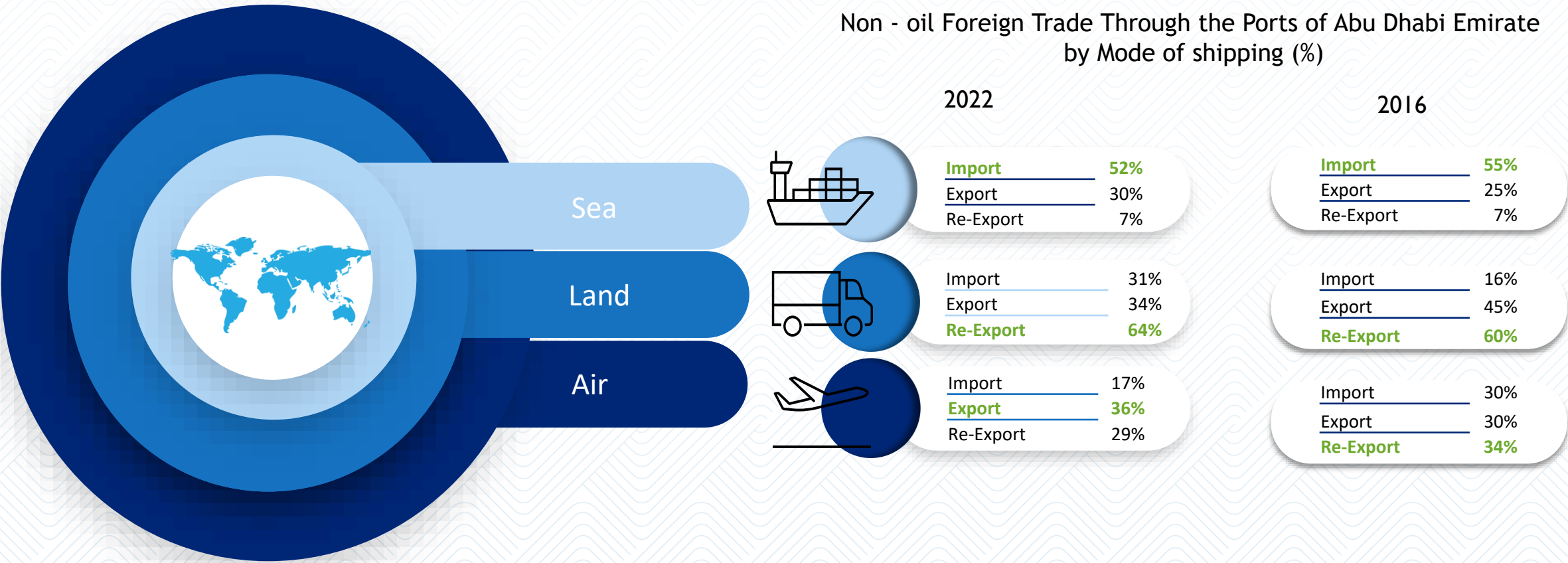
Abu Dhabi Top 5 Trade Partners 2022

- The Arab countries are the leading destination of Abu Dhabi's non-oil total exports at 56%, while Asian countries (excluding Arab countries) accounted for the largest share of imports (32%) in the same year.
- Saudi Arabia is the major trading partner across the three channels of trade, absorbing 26% of exports, and 35.6% of re-exports, while originating 13.6% of Abu Dhabi's imports.



Abu Dhabi foreign trade by mode of transport in 2022

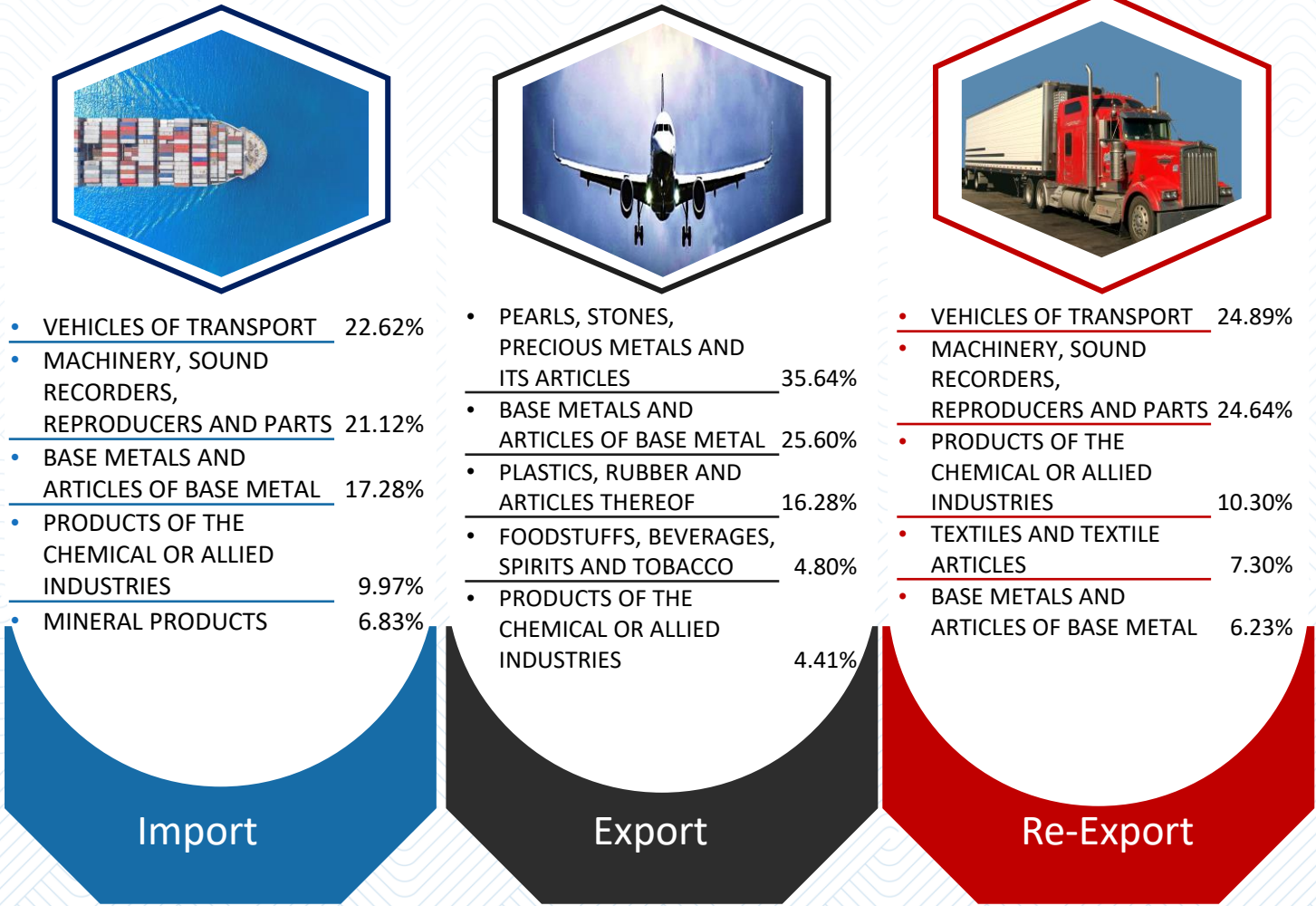
- The breakdown of the Emirate’s trade by mode of shipping shows that land freight is the dominant mode of shipping as it relates to total exports, contributing 44% in 2022 (52% in 2016), while sea freight is the prevailing mode of shipping on the import side, with a 52% share in 2022 (55% in 2016).



Abu Dhabi Top 5 Merchandise Goods 2022

- Most important non-oil export goods were "Pearls, stones, precious metals and its articles" (35.6%), which increased by 9.5% CAGR (2016-2022), and "Base metals and articles of base metal" (25.6%) which increased by 11.0% CAGR (2016-2022).
- The two most significant imported merchandise goods were "Vehicles of transport" (22.6%), and "Machinery, sound recorders, reproducers and parts" (21.1%).

Top 5 Merchandise Goods 2022



Top 3 Merchandise Goods 2016

Import

<u>MACHINERY, SOUND RECORDERS, REPRODUCERS, AND PARTS</u>	27.66%
<u>VEHICLES OF TRANSPORT</u>	25.04%
<u>BASE METALS AND ARTICLES OF BASE METAL</u>	15.16%

Export

<u>PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, IMITATION JEWELLERY</u>	29.58%
<u>PLASTICS, RUBBER AND ARTICLES THEREOF</u>	22.15%
<u>BASE METALS AND ARTICLES OF BASE METAL</u>	19.57%

Re-Export

<u>VEHICLES OF TRANSPORT</u>	23.32%
<u>MACHINERY, SOUND, RECORDERS AND REPRODUCERS, AND PARTS</u>	21.43%
<u>PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, IMITATION JEWELRY</u>	11.81%

End of report

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