

CHANGING OF THE UNITED ARAB EMIRATES' FOREIGN TRADE PRIORITIES

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Abstract: *A remarkable increase of interest to the world political and economic processes in the Middle East requires their deep analysis in individual monarchies of the Persian Gulf. That is why the main objective of this research is to evaluate the changes in the geographical and commodity structure of the United Arab Emirates (UAE) foreign trade, which determine increased influence of foreign economic relations on the country's integration into the world economy at the beginning of the 21st century. The research is based on survey data, and analytical reviews of the UAE and various international organizations, such as UNCTAD, The World Bank, WTO, UN, etc.*

The UAE competitive industries and services were created during a very short period. The relatively good positions in numerous international development rankings and indexes have shown transformations of the UAE participation in the global economy towards innovative development.

The structural transformations in the country's economy have entailed the changes in the commodity and geographical structure of its foreign trade. This resulted in a decrease of crude oil exports (from 72% in 1995 to 58% in 2014) and growth of non-oil exports (increase of share of innovative and high-tech products in exports and re-exports). Also, the new direction of the UAE foreign trade was identified – East and South Asia region (more than 60%).

It was shown that significant share of foreign commercial transactions within the UAE occurs through activity in Free Trade Zones (1/3 of the UAE foreign trade turnover), especially free zone of Dubai. The effective operation of FZE in the UAE is now the main instrument of transformation processes, which turned the country into the third largest re-export hub in the world (after Hong Kong and Singapore).

Key words: UAE, foreign trade, export, import, free zones, GCC

JEL codes: F10, F14, O53

1. Introduction

During the period of globalization, there are such problems as optimization of interaction and ensuring national economic interests of individual countries' economies in the world economic system. Significant changes in the positions of various countries, which occurred in recent decades (especially rise of China and India), suggest major shifts in the field of energy supply on the Asian continent. Therefore, the Gulf States focus their cooperation with Asian countries, and they perform not only as buyers of energy resources, but expand import of industrial goods and food. Increasing trade relations with developing countries of Asia accompanied by

intensification of relations in the field of investment. It is also important to consider the fact that migrant workers from Asia make up more than half of the labour force of the countries of the Arab States of the Gulf Cooperation Council (GCC).

The UAE economy (one of GCC leaders) is currently one of the most dynamically developing in the modern world. The country's GDP is about \$669 billion (2016). GDP per capita in 2016 was very high – \$67 900. The GDP growth rate in 2016 was 3%. The volume of foreign trade of goods and services is constantly growing. Flows of foreign investment (after a noticeable drop due to the financial crisis in 2008-2009) are growing again (UNCTAD, 2015). Despite of export orientation of the national economy, and due to the country's development strategy, the UAE are gradually developing into a modern state with a high standard of living. Importance of innovative entrepreneurship grows. The economy is based not only on oil export, but also on the development of knowledge-intensive industries, transport and logistics structures and international tourism.

The country is still among world leaders in oil production (182.4 million tons in 2016; the 7th largest producer in the world) (BP, 2017). However, it is important to remember that since July 2014, world market oil prices have been falling – and still it is a main export resource of the UAE economy. Of course, revenues from oil exports declined. However, the UAE has basic advantages, including low cost of oil production, financial reserves, which the country can optionally use, as well as dependence of their currency to U.S. dollar (3.67 dirham per 1 U.S. dollar remains unchanged since 1971). In this context, it is advisable to talk about changing of the UAE position in world economic system, and about rise in the degree of involvement in it through traditional and new forms of foreign economic relations.

The purpose of this article is to evaluate changes in the geographical and commodity structure of the UAE foreign trade, which have an impact on foreign economic relations arising in the process of the UAE integration into the world economy and international division of labor at the beginning of the 21st century.

2. Methodology and Data

Research of many foreign scientists (Al-Hammadi et al., 2010; Al-Mubarak and Busler, 2012; Foley, 2012; Mina, 2008) made an impact on development of foreign trade and foreign economic relations of developing countries. Growing interest of domestic and foreign researchers to the region confirms the relevance of analyzing economic processes in the Gulf countries and in particular contribution of the UAE (as one of the leaders of the GCC) to the world economy (Kaufmann, 2011; Mina, 2014; Sbia et al., 2014; Sophia, 2014).

For example, Abdalla and Abdelbaki (2014) investigate determinants of economic growth in GCC countries. The results of that analysis show that foreign direct investment and gross capital formation for Bahrain are the main determinants of economic growth. For Kuwait, Qatar and Saudi Arabia, exports and gross capital formation are the main determinants of economic growth. Exports and foreign direct investment are the main determinants of economic growth in the United Arab Emirates.

The report “The GCC in 2020: Broadening the economy” (The Economist Intelligence Unit, 2010) characterizes long-term trends that will shape the GCC economies over the next decade. All GCC states seek to develop non-oil sectors of the economy in order to diversify its economy. There are three main reasons for this: Previous oil price slumps have made the risks of oil dependence clear. Oil and gas provide few jobs, and the region's rapidly growing young population can no longer be absorbed by the public sector. Over the longer term, the GCC needs to prepare for the post-oil age. Technological changes could significantly affect demand for oil even before reserves run out. The report identifies four clear areas of comparative advantage for the GCC, and outlines key trends in each sector over the next ten years: energy-intensive manufacturing, for example petrochemicals, plastics, and aluminum; mining and mineral-based industries; trade and logistics; and tourism, hospitality and aviation.

The key success factor here is the progress of education reforms. The best-case scenario, as hoped for by policymakers, is that the GCC states will manage to convert their current tangible oil wealth into intangible human capital, by investing in the education and skills that are needed for a transition from economies based on the primary sector to more diversified economies with more value-added, skilled sectors. Such a transition will be difficult and faces significant risks.

Two of the top five Global Innovation Index performers in this region are from the six-member GCC: United Arab Emirates (41st) and the Kingdom of Saudi Arabia (49th). Many of the GCC countries are diversifying their economies following a decades-long dependence on oil, turning their focus towards more innovation-driven and diverse sources of growth and overcoming relative shortcomings in areas, such as Institutions, market and business sophistication (www3).

This article based on survey data, and analytical reviews of the UAE (statistical data of The UAE Federal Competitiveness and Statistics Authority; information and analytical data of Department of FZE of the UAE – Official Website for the UAE Free Zones (www4) and various international organizations, such as UNCTAD, United Nations, World Bank etc.

3. Change of the UAE position in the world economy

The research showed that there is an increase of influence of foreign economic relations (trade and investment) on the UAE integration into the world economy because of structural shifts in economy and foreign trade.

Nowadays the UAE government's efforts aim to reduce dependence on hydrocarbons as main source of economic growth and welfare. There are already a separate manufacturing industries, services sector is developing (including financial), new branches are created, various economic projects are carried out, tourist business is rapidly developing.

Structural changes in the UAE economy transformed commodity structure of foreign trade, as a result share of crude oil exports decreased and volume and range of non-oil exports increased (share of innovative and high-tech products in exports and re-exports increased).

The UAE is now a major international producer of aluminum (2.34 million tons in 2015, the 4th place in the world, after China, Russia and Canada and about 5% of the world total). Activities in steel industry, aviation and defense industries are developing. It is known that the world exhibition Expo 2020 will be held in the UAE and it gives us reason to expect very significant investments in the construction sector and further development of the industry. Other priority directions of economic activities are the fields of real estate and services, including financial services and international tourism and transport-logistics infrastructure and the sector of information and communication technologies.

Areas of the UAE integration into the global economy should be noted. It is not only external trade and foreign investment, but also participation in the global financial system, increase in intensity of the UAE participation in international trade of services (including high-tech and commercial), active attraction of foreign labor force, scientific and technical cooperation, active participation in regional integration (GCC), development of international tourism, effective operation of free economic zones (FZE) in the UAE, thereby increase of re-export etc. (Ahmed et al., 2013; United Arab Emirates Ministry of Economy, 2013).

The UAE economy switches to a new development model based on the concept of balanced development with reduction of national economy's dependence from the oil sector as main source of income and with the formation of new innovative industries (Abdalla Alfaki and Ahmed, 2013). This not only facilitates development of the manufacturing industries, service industries, export diversification, encouraging foreign trade, but also strengthens the country's position in the world economic system (www6).

The knowledge economy rests on four main areas: education and science, information infrastructure, economic incentive and institutional regime and innovation system. The UAE has chosen the course of socially oriented innovative development. Some success in all areas was reflected in the improvement of the UAE position in the global economy.

Efforts to diversify the economy in order to reduce the role of the hydrocarbon sector, combine with a commitment to mastering the latest technologies, trade secrets and business skills at the disposal of foreign investors to the widespread use of ICT. In addition, it is reflected in high positions of the UAE in international rankings (table 1).

Tab. 1 Leading countries and the UAE in the international rankings

Global innovation Index (GII), 2016	Networked Readiness Index (NRI), 2015	The ICT Development Index, 2015	Global Competitiveness Index (GCI), 2015-2016
1 Switzerland	1 Singapore	1 Rep. of Korea	1 Switzerland
2 Sweden	2 Finland	2 Denmark	2 Singapore
3 United Kingdom	3 Sweden	3 Iceland	3 USA
4 USA	4 Netherlands	4 United Kingdom	4 Germany
5 Netherlands	5 Norway	5 Sweden	5 Netherlands
.....
4 USA	7 USA	11 Japan	3 USA
16 Japan	16 Japan	15 USA	6 Japan
.....
39 Latvia	21 Israel	30 Malta	15 Taiwan
40 Greece	22 Estonia	31 Qatar	16 New Zeland
41 UAE	23 UAE	32 UAE	17 UAE
42 Turkey	24 Belgium	34 Slovenia	18 Malaysia

Source: (Cornell University et al., 2014; World Economic Forum, 2015; www7; www8)

Analysis of government economic programs and plans of the national economy's development showed that in the UAE the balanced development concept is adopted and it includes reduction of the national economy's dependence from the oil sector as the main source of development and income (United Arab Emirates Ministry of Economy, 2013). By the way, the investment of the profits of this sector in building of balanced economy that can ensure economic growth and prosperity for current and future generations continues.

Infrastructure of non-oil sectors aims to provide a comfortable climate for their growth. Public, private and foreign investments of many companies and banks go there. The largest TNC in the world created in the country their head offices. There is a noticeable focus on diversification in the foreign trade sector with the aim to make the country an important commercial (retail) hub of the region, especially in connection with the growth of re-export. This requires the construction of a giant sea ports (FZE). Significant funds have been investing in the infrastructure of airports, highways and communication networks that will lead to the creation of a global center of air transportation in the Middle East.

Structural shifts in the UAE national economy predetermined changes in the structure of foreign trade of the country, primarily in the product (table 2).

Tab. 2 Commodity structure of export and import UAE, 1995-2014 (%)

	All products	Agricultural raw materials	Fuels	Minerals, ores and metals	Industrial products		
					Chemical products	Machinery and transport equipment	Other industrial products
EXPORT							
1995	3.3	0.3	72.4	5.1	2.9	6.3	8.8
2005	2.9	0.2	61.7	10.1	3.1	13.1	8.2
2014	3.6	0.2	58.1	16.4	3.3	8.8	9.4
IMPORT							
1995	10.3	0.9	1.7	2.6	6.6	36.3	40.2
2005	5.9	0.5	4.1	11.2	5.2	43.5	27.6
2014	7.6	0.5	6.3	14.3	5.7	32.6	31.1

Source: (UNCTAD, 2015)

Statistical analysis showed that nowadays the base of stability and dynamic development of the national economy is the diversification of exports and imports. The share of fuel sector in exports decreased (72% in 1995 to 58% in 2014). Volumes and range of non-oil exports grow. Nowadays among export commodities, there are gold and jewelry, products of chemical industry (polyethylene and propylene derivatives), primary aluminum, etc.

Authors' calculations based on the Science and Engineering Indicators (National Science Board, 2016) confirm the thesis that share of high-tech products increases in the commodity structure of exports. In the period from 1999 to 2014, the volume of export of high technology goods from the UAE increased by 6 times (from 1.2 to 7.6 billion dollars).

It is necessary to pay attention to the scale and intensity of the UAE participation in international trade of services. According to the UAE Ministry of Economy (2013), in the services' structure of exports and imports there is a growing share of knowledge-intensive services, and recorded negative balance (almost five times import of services higher than export of services) (www2). Knowledge-intensive services include education, medical and business services, financial and communication services. Although the country's share in world exports of knowledge-intensive services is still small – 0.16% of the world, but per capita this indicator is at the level of advanced countries of the world (in 1997 the figure was \$1280 and increased almost by 10 times – up to \$10 170 in 2012 (the growth rate is very high – as in China). This indicator now exceeds the corresponding figures of knowledge-intensive services' exports per capita in many developed countries and is catching up world leaders: Norway (\$10 793), USA (\$11 728) and Switzerland (\$16 589) (National Science Board, 2016). The growth of knowledge-intensive exports from the country is an important indicator of diversification of exports of goods and services.

According to the World Tourism Organization (2015), the income from tourism in the UAE is the highest among the countries of the Middle East – more than \$10.4 billion in 2014 (for comparison, Saudi Arabia – \$7.7 billion; Qatar – \$3.46 billion; Bahrain – \$1.05 billion). In other words, international tourism is one of the areas of economic growth and social stability of the country, and is an important channel of involvement in the world economy.

Changes in the structure of the economy, the development of non-oil sectors, structural changes in the sectors of industry and services, in the commodity structure of exports and imports of goods and services contributed to the changes in directions of foreign economic relations. There was a steady growth of national

exports because of measures taken: strengthening export, opening new markets, overcoming barriers to national products in traditional markets through free trade agreements and economic cooperation agreements.

4. Changing geography of the UAE foreign trade relations

Statistical analysis revealed a shift in the geography of the UAE foreign trade in direction of developing countries, primarily Asian countries. The following tables illustrate the changing geography of foreign trade relations of the UAE (tables 3 and 4).

Tab. 3 Dynamics and geographical structure of export from the UAE, 1995-2014 (%)

Years	Export (million dollars)	Developed countries		Developing countries			Transition economy
		Total	Japan	Total	East, South and South-East Asia	West Asia	
1995	27 753	55.2	46.4	44.3	32.4	9.7	0.5
2005	115 453	42.0	27.5	57.2	44.7	8.1	0.8
2012	324 424	22.8	16.2	76.6	62.4	9.7	0.6
2014	360 000	21.5	14.7	77.8	61.7	11.3	0.6

Source: (UNCTAD, 2015)

Growth of the UAE export (from \$28 to \$360 billion in the period from 1995 to 2014) accompanied by noticeable decline in the share of developed countries in the geographical structure of the country (from 55% to 21%) and growth of specific weight of developing countries (from 44 to 78%). Especially notable is the shift in direction of Asia (73% in 2014). East, South and South-East Asia are leaders. The share of this region grew from 32% to 62% from 1995 to 2014. This reflects changing priorities in foreign trade and transferring the UAE export direction to Asia region. Other countries of the Middle East region also focus on Asia region. The change in the composition of the UAE export trading partners should be considered (table 4).

Tab. 4 Geographic structure of the UAE exports by leading countries, 2005-2014 (%)

Country	2005	Country	2008	Country	2009	Country	2014
Japan	29.8	Japan	28.8	Japan	22.0	Japan	14.7
Korea	11.8	India	11.9	India	19.2	China	13.3
Iran	8.6	Korea	11.8	Korea	9.0	India	11.4
Thailand	6.7	Thailand	6.8	Thailand	6.5	Iran	9.6
India	5.9	Singapore	3.9	China	4.2	Korea	5.6
The total share of the top five countries, %							
	63		63		61		55
The total share of the first three countries, %							
	50		52		50		40

Source: (UNCTAD, 2015; www10)

Analyzing the composition of the top ten countries where the UAE exported products during the period from 2005 to 2013, we can say that there have been noticeable changes. China in 2005 was only the 6th export partner, in 2009 – the 5th and now it already takes the 2nd position. At the same time, Iran is on the 4th position – about 10% (after the lifting of economic sanctions against that country).

These changes are associated primarily with rapid economic growth and development of China and India, and increased attention to them as foreign economic partners of the UAE. The share of the UAE exports to these countries increased respectively from 5.9% and 4.0% in 2005 to 11.4% and to 13.3% in 2014. By the way, among those countries where the UAE export their products, Japan is on the 1st place. However, the share of this country in the UAE exports significantly decreased (from 30% to less than 15%). Japan, nowadays, is closely followed by China, India, Iran, the Republic of Korea, Thailand, Singapore, Pakistan. Moreover, the share of the top five countries account now for about 55 per cent of exports from the UAE (and in 2005 more than 60%), while the share of the first three (Japan, China, India) is 40% in 2014 (table 4).

Very similar picture of important and significant changes of trade operations is observed with import of products to the UAE (table 5).

Tab. 5 Dynamics and geographical structure of the UAE import, 1995-2014 (%)

Years	Import (million dollars)	Developed countries		Developing countries			Transition economy
		Total	European Union	Total	East, South and South-East Asia	West Asia	
1995	23 778	53.4	32.8	46.1	35.5	8.9	0.5
2005	80 814	53.1	36.2	45.3	34.2	8.2	1.6
2012	251 921	39.0	20.7	60.3	45.8	10.1	0.7
2014	272 254	38.4	21.6	60.3	45.4	10.0	1.3

Source: (UNCTAD, 2015)

If earlier developed countries dominated among importers (more than 53%, 1995) and especially in the EU (33%), currently the UAE import a large share of products from developing countries (over 60% in 2014), especially from the East, South and South-East Asia (over 45%). The UAE buy products among China, India, USA, UK, Germany, Japan, Italy. The degree of concentration of imports among the leaders is similar as in exports. The share of the top five account for more than 50% and the first three – about 40% (table 6).

Tab. 6 Geographic structure of the UAE import by leading countries, 2005-2014 (%)

Country	2005	Country	2008	Country	2009	Country	2013
China	11.3	China	15.1	India	17.7	China	16.6
United Kingdom	9.2	India	10.8	China	16.1	India	14.3
USA	9.0	USA	8.9	USA	8.4	USA	10.4
India	8.9	Germany	6.7	Germany	5.9	United Kingdom	6.6
Germany	5.7	Japan	6.2	Japan	4.5	Germany	5.6
The total share of the top five countries, %							
	44		48		53		53
The total share of the first three countries, %							
	30		35		42		41

Source: (www10)

Thus, it is possible to formulate the following conclusion. With growth of volumes of the UAE export and import, there is reduction of developed countries and increase the share of developing countries. There is a shift in foreign trade towards Asia region (especially Eastern Asia). Undoubtedly, the economic prospects of the UAE and other GCC countries will remain closely linked to Asia. As the Asian economy in the coming years will be the growth drivers for the global economy. The demand for energy in these countries will continue to grow faster than in other regions of the world. Gulf countries – largest energy exporters in the world market.

5. Free economic zone as an important factor of activation of foreign economic relations

Investment flows play an important role in the UAE economic development and in the process of integrating it into the global economy. The investment climate in the UAE is extremely conducive; banking sector in country is powerful and profitable. There is the UAE government's ban, that the foreign entrepreneur or foreign company cannot own more than 49% of the shares of the company in the UAE and the rest must belong to a local sponsor. FZE help to solve this problem.

Effective activity and diversification specialization of FZE in the UAE contributes to the growth of re-export. FZE is one of the most important areas of intensification of foreign economic relations of the UAE, at regional and global level. Only during the period from 1985 to 2007 in the UAE 31 FZE appeared, and at the beginning of 2015, the number of such zones in the UAE increased to 50. Most of them are concentrated in the Emirate of Dubai. The first one was Jebel Ali (Jebel Ali Free Zone; JAFZA, www1), established in 1985. In 1987 FZE opened in Fujairah, Ahmed Bin Rashi, Umm al Quwain; in 1995 – Sharja Airport, Hamriya (Hamriyah). About 25% of FZE were actually created through diversification on territory of already existing seaports or international airports. Such areas include the most famous in the world Dubai Airport Freezone (DAFZ; since 2006), Sharjah Airport (since 1995), Hamriyah (since 1995), etc. (www4)

It is important to emphasize that a large proportion of trade transactions between UAE and trading partners around the world, in a very large extent is carried out through the FZE (1/3 of the foreign trade turnover of the country). According to the Federal customs service of the UAE, during 2009-2014, the daily volume of import in the UAE via the FZE was 101 thousand tons (based on the official working hours and days – 8 hours a day, 5 days a week) and 13 thousand tons per hour (www4; www5).

There is a trend of transition from large (multi-functional) industrial zones to specialized areas – innovative, educational, media, and other types of FZE. It matches the national interests of the country. Considering the profiles of the leading UAE FZE in 2015, we emphasize that their structure is quite diverse, in the UAE there are all possible types of free economic zones: consulting, commodity, innovative, specialized on the cultivation of flowers, and so on. Among the leading FZE of the UAE, major share continued to be fully diversified FZE.

Free economic zones attract thousands of foreign companies to invest in the UAE. The first one – JAFZA was established with the aim of attracting investment and as a tool for more active integration of the UAE into the global economy. JAFZA is now one of the best ten most modern ports in the world (the 9th place by volume of carried cargo). FZE already includes about 5 500 companies from over 120 countries. In 2014 in JAFZA saw a high jump in inflow of new foreign companies – 679 units (www1). In DAFZ FZE companies successfully operate as small and medium businesses, and there are world's largest TNCs (Heinz, Airbus, Chevron, Audi, DHL, Johnson&Johnson, Chanel, BP, etc.). Many TNCs have moved their headquarters on the territory of FZE. The presence of main offices of the largest TNC companies on the territory of a state markedly stimulates the development of the process of integration of countries into the world economy.

In the period from 2009 to 2013 the Emirate of Dubai was leader among the seven Emirates by volume of trade through the FZE (about 90%). In 2009 the foreign trade turnover through FZE of the Emirate amounted to 264 billion dirhams, in 2013 – 467 billion dirham. Currently, 40% of exports of Dubai goes through the FZE of the Emirate. Dubai is followed by the Emirates of Sharjah (2009 – 20 billion dirhams; in 2013 – 33 billion) and Fujairah (2009 – 1.5 billion dirham; 2013 – 14.5 billion) (www5).

In recent years geographical structure of the UAE re-export through the FZE has changed. Exploring the major trading partners of the UAE that conduct operations using FZE, we can say that the re-export world leaders is the Middle East and North Africa (55%), and then the countries of the Asia region, Australia and Oceania (27%). China is the world re-exports leader, its 1/3 of turnover goes through the UAE. Main partners in re-export through FZE among the countries of the GCC are Oman, Saudi Arabia, Qatar (table 7).

Tab. 7 Geographic structure of the UAE re-export by leading countries, 2005-2014 (%)

Country	2005	Country	2008	Country	2009	Country	2014
China	41.4	China	35.7	China	37.9	China	33.0
Oman	18.2	Oman	33.2	Oman	32.6	Oman	22.4
Saudi Arabia	13.9	USA	15.2	USA	14.5	USA	20.0
USA	12.5	Kuwait	4.3	Qatar	4.7	Saudi Arabia	18.5
Mauritius	3.8	Qatar	4.0	Kuwait	3.5	Qatar	2.2
The total share of the top five countries, %							
	90		92		93		96
The total share of the first three countries, %							
	74		84		85		75

Source: (www5)

The first five leaders accounted for 96%, while the share of the first three (China, Oman, USA) currently account for 75% of re-exports of the UAE. Commodity composition of re-exports through FZE composed by mobile phones, oil, IT equipment, monitors and projectors for computers, cars, diamonds, gold, tobacco products. In the commodity structure of imports via FZE mobile phones also dominate, followed by oil, gold, IT, appliances, cars. There is a significant proportion of innovative products in the commodity structure of foreign trade (particularly re-exports).

The FZE of the UAE are one of the leading and most developed not only in the region of the Middle East, but all over the world.

6. Conclusions

The analysis of statistical data of the UAE foreign trade helped us to make the following conclusions. There is a steady growth of national exports. Export base strengthened by finding new markets for goods, overcoming barriers to national products in traditional markets through free trade agreements. Government have a success in harmonization of standards and simplification of procedure of business activities at different levels. Favorable conditions for investors are made, etc.

Structural changes in the UAE economy have entailed the changes in the commodity structure of foreign trade. This resulted in a decrease of crude oil exports (from 72% in 1995 to 58% in 2014) and growth of non-oil exports (increase of share of innovative and high-tech products in exports and re-exports).

The change of development of the UAE foreign trade and investment cooperation was determined by changes in the commodity structure of foreign trade and a correction of the model of the UAE participation in

the global economy towards innovative development. Clearly visible the turn of foreign trade towards the countries of Asia region – more than 60% (especially towards East Asian countries – 45%).

The effective operation of FZE in the UAE is now the main instrument of transformation processes in the economy and an important factor of foreign economic relations' activation and integration of the UAE into the global economy. It is revealed that about half of re-export and one third of the total imports of the UAE are made through the FZE. Activities of numerous free economic zones has turned the UAE into the third largest re-export hub in the world (after Hong Kong and Singapore).

Acknowledgments

The publication was prepared with the support of the RUDN University Program "5-100".

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