

An analytical study of the competitiveness of the economies of the United Arab Emirates during the period: “2012-2022”

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Abstract---The study aims to shed the light on the issue of competitiveness, which has become increasingly important in light of globalization, where economic growth has become extremely difficult issue for some countries to integrate into the global economy, and achieving advanced levels in the ranking of global reports on the competitiveness of global economies. For this, the study attempts to determine the competitive position of the United Arab Emirates economy in the global competitiveness report according to the World Economic Forum during the period 2012-2022 by measuring some indicators. One of the most significant outcomes of the study is that the United Arab Emirates' economic indicators ranked first in the Arab world and advanced internationally according to the World Economic Forum report during the study period.

Keywords---competitive ability, Economic Forum report, basic requirements index, efficiency enhancement index.

JEL classification code: o5, F29

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1. Introduction

The global economy has currently witnessed many developments and transformations resulting from ocean fluctuations and the effects of globalization, which is witnessing the rapid development of technologies, as well as the spread of the integration phenomenon between companies and institutions in the global market; in addition to the openness of markets and the reduction of customs barriers. All of this led to an increase in the intensity of competition since it became necessary for all countries to prepare their economies to face international competition to reach competitiveness levels that qualify it to occupy strong positions built on solid foundations, and occupy advanced positions at the global level. This is what made the issue of competitiveness receive great attention from governments, international organizations, and global bodies, whether at the micro or macro level by identifying the factors that govern it and the indicators for measuring it. Many international economic and financial institutions periodically issue indicators through which they evaluate the performance of countries and classify them in a unified manner to evaluate performance. The global competitiveness reports issued by the World Economic Forum are considered among the main sources for investors and actors in the public and private sectors where the report expresses the total

Based on the above, the following question can be raised:

What is the competitive position of the United Arab Emirates economy in the global competitiveness report according to the World Economic Forum during the period 2012-2022?

Sub-questions:

To answer this question, the following sub-questions arise:

- What position does the United Arab Emirates occupy in the ranking of the general indicator of global competitiveness issued by the World Economic Forum?
- How do we evaluate the performance of the United Arab Emirates economy according to the basic requirements index during the period 2012-2022?
- How do we evaluate the performance of the United Arab Emirates economy according to the efficiency enhancers index during the period 2012-2022?
- How do we evaluate the performance of the United Arab Emirates economy according to the innovation system index during the period 2012-2022?

Study hypothesis

The economic indicators of the United Arab Emirates occupy a good competitive position according to the World Economic Forum during the period 2012-2022.

Study objectives:

Through this study, the following objectives are required to be achieved:

- Providing a theoretical and analytical framework for the competitiveness indicator issued by the World Economic Forum by defining its index and components.
- Evaluating the development of the United Arab Emirates' competitiveness according to the global competitiveness index during the period 2012-2022.

Study methodology:

In order to cover the aspects of the topic, answer the research problem, and test the study hypothesis, the descriptive approach has been used which is the appropriate and the most appropriate approach to address the topic problem. As for the applied study, a case study is used by collecting and analyzing statistics and data on the competitiveness index issued by the World Economic Forum for the United Arab Emirates.

2. The experience of the United Arab Emirates in the field of global competitiveness

The United Arab Emirates was particularly chosen as a leading country at the Arab and regional levels because it achieved advanced ranks in the global competitiveness report. In the light of the current circumstances that the Arab region is going through, the great challenges facing some of its countries, and the exposure to the achievements of the United Arab Emirates during the period studied is of great importance, and helps providing important experiences and applicable lessons the rest of the Arab countries would benefit from.

2.1 Definition of competitiveness

The difficulty of defining the concept of competitiveness is due to the difference in visions according to the level of analysis in which it has been classified into enterprise competitiveness, sector competitiveness, state competitiveness, as well as the visions of economic scholars. We review below the most prominent definitions of competitiveness according to their levels.

- **Definition of competitiveness at the enterprise level :** It is defined as “the institution’s ability to come up with new production methods, capable of being embodied are more effective than the production methods available to the rest of the competitors in the international market, that is, reaching productive creativity, and the necessity of the institution relying on technology through creativity and innovation in the production process to produce products that are compatible with, as well as consumer tastes at the local and global levels.(Shihab, 2011)

- **The definition of competitiveness at the sector level:** It is very similar to the concept of competitiveness at the enterprise level, which indicates that an industry which has competitive ability is one that includes institutions capable of competing in local and global markets. Competitiveness at the sector level is defined as: “the ability of institutions in a particular industrial sector in a country to achieve sustained success in international markets, without relying on government support and protection.” (Massadawi, 2005).

- **Defining competitiveness at the macro level (international competitiveness):** Porter, who is considered the first to present the theoretical framework for the concept of state competitiveness in his book “The Competitive Advantage of Nations,” which was published in 1990, stated that a state’s competitiveness “reflects the rate of productivity with which the state exploits its human resources.” Financial and natural, and productivity determines the standard of living in the country or region concerned.” This is what Porter argued that the only concept which has meaning regarding a country’s competitiveness is productivity (Radwane, 2011). This approach led him to move attention towards studying the macro and microeconomic factors affecting productivity, that is the main driver of competitiveness and achieving long-term growth. According to him, the state’s possession of competitive industries makes it a competitive state, where high and constantly rising living standards are the primary economic goals. To achieve these goals the state needs to employ its resources with the highest productivity. (Radwane, 2011)

2.2. Diagnosing the reality of the United Arab Emirates economy

The United Arab Emirates is characterized by a stable investment, economic, and political environment, capable of continuing economic growth despite the recessions witnessed by the global economy over various periods, and declines in oil prices. The United Arab Emirates has close relations with trade associations, and institutions in order to support its position, which has adopted a free and open economy when it is a pioneer in international trade and competitiveness. This is due to several features, including: (Zermi, 2022)

2.2.1. Strategic location

The United Arab Emirates has benefited from its geographical location which has made it a major center for international trade, and an economic point of contact between Europe, the Indian subcontinent, China, the Middle East, and Africa. Benefiting is also at the heart of the country’s economic development strategy, especially its strategy to diversify the economy outside the oil sector.

2.2.2 Strength of financial reserves

The United Arab Emirates has strong financial reserves, and an important banking sector which helps it providing a safe investment environment sufficient for the government to continue providing the necessary financing for all its projects, fulfilling its financial obligations, and spending its general budgets without financial stumbles.

2.2.3 Sovereign Funds

According to the classifications of the Sovereign Fund Foundation (SWFT) which specializes in studying government investments, and the statistics of the largest sovereign funds in the world, the Abu Dhabi Investment authority is one of the largest sovereign funds in the Middle East region, and the fifth largest fund in the world with an estimated amount of 792 billion US dollars. This fund contributed to increasing the state's weight, influencing in the global financial and economic system, enhancing the country's level of financial suitability, and protecting the economy from the risks of external shocks resulting from oil price fluctuations in international markets.

2.2.4. A promising economic environment

The United Arab Emirates occupies advanced positions as a promising and stimulating environment for investment as the country enjoys flexible economic laws, ease of doing business, stability of its currency against the US dollar, ease of transferring it without imposing any restrictions on the re-export of profits or capital, favorable tax legislation, the advantages of free zones and specialized economic zones in the country, and the competitive cost of labor.

2.2.5 Continuity of government spending

Government spending includes infrastructure projects in various parts of the country including road networks, tunnels, federal buildings, the federal train project, and other federal initiatives in the emirates of Sharikah, Umm Al Quawain, Ajman, Ras Al Khaimah, and Fujairah which are designed to ensure that these emirates would enjoy the same benefits available in the emirates of Abu Dhabi and Dubai.

2.2.6 Diverse economic strategies

The United Arab Emirates adopts economic strategies that stimulate economic diversification which have achieved success in increasing the contribution of non-oil sectors to the national economy, such as information technology, manufacturing industries, aviation, travel and tourism, banking, foreign trade, real estate, services, and alternative energy.

2.2.7 Freedom of Zones

The United Arab Emirates established important and advanced infrastructure amounting to (fifty) free zones, which was keen to include many sectors and major commercial activities in the fields of industry, trade, health, technology, education, engineering and technical consultations, etc. It was distinguished by its great ability to manage all this diversity in investment activities.

2.2.8 Foreign direct investment

According to the global foreign direct investment report for the year 2023 issued by the United Nations Conference on Trade and Development (UNCTAD), the value of inward foreign direct investment in 2022 to the United Arab Emirates amounted to 22.737 billion US dollars (83.5 billion UAE dirhams), an increase over the year 2021 by \$2.07 billions (7.6 billion dirhams) with a growth rate of 10%, ranking 16th globally in foreign investment flows. Direct incoming in 2022, The UAE ranked first in the West Asia region accounting for 47.1% of the total inflows to the region, amounting to \$48.3 billions. It also ranked first in the Middle East and North Africa region accounting for about 32.4% of the total inward foreign direct investment flows to this region amounting to \$70.2 billions. (-Foreign investment into the United Arab Emirates, 2023)

2.3. Development of the competitive performance of the United Arab Emirates economy according to the global competitiveness index

The development of competitiveness of the economy of the United Arab Emirates means the rank it reached during a particular year compared with the previous year in relation to the number of participating countries, so this is achieved by arriving at the value of the general index score with the performance difference.

Table 1: The general index development of competitive performance of the United Arab Emirates economy

Annual reports	General score	index	Emirates rank	Number of participating countries	Performance teams
Competitiveness report for the year 2012-2013		5.19	12	144	3
Competitiveness report for the year 2013-2014		4.8	19	148	7-
Competitiveness report for the year 2014-2015		5.01	19	144	0
Competitiveness report for the year 2015-2016		5.24	12	144	7+
Competitiveness report for the year 2016-2017		5.26	17	139	-5
Competitiveness report for the year 2017-2018		5	16	137	1
Competitiveness report for the year 2018-2019		4.5	25	140	9-
Competitiveness report for the year 2019-2020		5.28	18	152	7
Competitiveness report for the year 2020-2021		5.3	12	149	6
Competitiveness report for the year 2021-2022		5.4	11	148	1

Source: World Trade Organization report dated April 9, 2022. Google: <http://mofaic2023.gov.ae> - World Economic Forum reports from 2012 to 2022.

from the table that included competitive reports for the last ten years, we notice the progress that the United Arab Emirates has made in the global competitiveness index for the year 2012-2013 with a score of 2.7 to 3 in which its ranking advanced from 16th place out of 143 participating countries to 12th

place out of 144 participating countries. The reason behind that is due to the rise in innovation index, factors, as well as the reliance on the oil and crude manufacturing industries.

-The United Arab Emirates recorded a slight decline in the score of the Global Economic competitiveness index in 2013-2014 falling behind in the ranking by seven places; thus achieving 19th place globally out of 148 participating countries with an index score of 4.8. As for the performance difference, it reached a percentage of 0.39. This decline refers to the decline in the macro-economic environment while it maintained the same competitive position of .19 in the year 2014-2015; the general index score increased to 5.01. This is due to the increase and improvement of basic requirements as a whole, the improvement in the quality and efficiency of the market, as well as the economic stability that the country has experienced.

-The country is returning to economic strength and leadership again as it advanced seven places to occupy 12th place in the international ranking which had reached 144 participating countries, and this is what we see in the performance difference which had reached 0.23 to 5.24 in the year 2015-2016. This progress is due to the factors that enhance efficiency, and the significant increase in the proportion of foreign labor due to the job opportunities it creates. This year is also considered the beginning of the reforms undertaken by the United Arab Emirates government that support economic growth.

3. Evaluating the competitive development of the United Arab Emirates economy according to global competitiveness indicators

The development of the competitiveness of the United Arab Emirates economy is assessed by evaluating the parameters mentioned in the annual reports for a certain period in terms of the number of participating countries, by the value of the new general index score compared to the performance difference in the value of the general index score in the old year. This makes it easier to know the ranking of their competitiveness positions.

3.1. Development of the basic requirements index for the United Arab Emirates economy:

The performance of the basic requirements index for the United Arab Emirates for the period 12/20/2022 is calculated by recording the performance difference each year from the previous year, which enables us to interpret the index performance.

Table 2: The basic requirements index for the United Arab Emirates during the period 2012-2022

General index	General index	Health education		and		Macro-economic environment		Infrastructure		Institutions		Years		
		Performance teams	Ranking	Value	Performance teams	Ranking	Value	Performance teams	Ranking	Value	Performance teams			Ranking
20	4.9	-	30	5.8	-	19	5.59	-	16	5.2	-	20	2.9	2013/2012
15	5.1	4	26	5.9	4	15	6.45	-1	17	5.1	-2	22	3.6	2014-2013
17	4.8	-5	21	6.2	2	13	6.61	1	15	5.0	2	20	4.8	2015-2014
18	4.9	-3	19	6.7	-1	14	6.47	+2	13	5.5	3	17	4.4	2016-2015

16	5.1	0	19	6.9	3	11	6.52	1	12	5.8	6	11	4.6	2017-2016
19	5.3	3	16	7.1	-6	17	6.58	2	10	5.9	1	10	4.9	2018-2017
24	4.4	-11	27	5.8	-8	26	5.83	14	24	5.6	11	21	4.7	2019-2018
14	5.4	-13	14	5.7	5	20	6.02	13	11	6.4	6	15	5.0	2020-2019
13	5.6	4	10	6.1	7	13	6.72	3	9	6.3	2	13	5.1	2021-2020
11	5.7	-1	11	6.8	3	10	6.9	2	7	6.7	1	12	5.3	2022-2021

Source: Prepared by the two researchers based on the following global competitiveness reports: World Economic Forum 2022. Report of the Ministry of Economy for Dubai. World economic forum the global competitiveness reports 2012-2022.

- From the table shown above, we note that the United Arab Emirates witnessed a remarkable development in the institutional environment of the national economy as it rose during the study period from rank 20 to rank 12 in 2022. Despite its decline in its ranking in the 2011-2012 report to rank 22, it achieved its best ranking in the 2017-2018 report where it ranked 10th globally. It also recorded a remarkable development in the value of the index raising its score of points from 2.9 to 5.3. In spite of its decline in the global ranking to 21st place in the 2018-2019 report, it witnessed relative stability in its score of points at a rate of 4.7 which indicates the stability of the indicators in the field of institutions, in which this advancement is due to the support for the role of modern administration in leading the state, and the reality of the quality of services provided through (transparency in setting government policy, reliability of police services, protection of the interests of small shareholders...).

-As for the infrastructure, it recorded advanced ranks in this indicator until the 2018-2019 report in which it witnessed a significant decline, as it was ranked 24th. It witnessed relative stability in its score of 5.6 after it returned to achieving progress again in its global ranking to record its highest rank in the 2021-2022 annual report where it ranked 7th globally with a score of 6.7 points, which confirms that the UAE is one of the world's leading countries in supporting and developing the infrastructure sector through (quality of comprehensive infrastructure, quality of roads, quality of railway infrastructure, quality of port infrastructure, quality of air transport infrastructure,) In all of these sub-indicators of the infrastructure index, the United Arab Emirates ranked first in the world.

-We note that the macro-economic environment index also witnessed remarkable growth as the United Arab Emirates began ranked 16th in the 2012-2013 report with a score of 5.59, to achieve 10th place globally in the 2021-2022 annual report with a score of 6.9 points as the best value in the index. This growth in the macro-economic environment, according to the report of the federal competitiveness and statistics authority, is due to the significant growth in the economy as a result of the increase in domestic demand, and the growing contribution of non-oil sectors (such as tourism, transportation, storage, communications... and others) to the gross domestic product. All of that is a result of the economic diversification policy pursued by the state, as well as an increase in the average per capita share of gross national income.

-Despite the relative stability achieved by the United Arab Emirates in its global ranking during the study period, it suffers a slight delay in the global ranking in the field of health and education compared to the rest of the other fields, whereas it remains first on the Arab level. From the previous table, we find that in the 2012-2013 annual report the index recorded a value of 5.8, ranking 30th globally; After that it witnessed a remarkable development in its ranking where it achieved great progress as it ranked 11th in the 2021-2022 report with a score of 6.8 in its points. This is thanks to the great efforts made by the state in strengthening both sectors through the following:

- With regard to the health sector: The state attaches great importance to this field by improving the quality of health care. The Federal Center for Competitiveness and Statistics announced that the total number of hospitals in the country reached 166, including 54 government and 112 privates; while the number of medical centers and clinics reached more than 5301 centers and clinics for the year 2022.

The results, according to the same source, indicate that the United Arab Emirates has achieved first place in the world concerning indicators related to the health sector (positive health index, health facilities index, increase in hospital capacity, and increase in the number of qualified doctors and nurses...)

-As for the education sector: The statistics issued by the United Arab Emirates's annual reports indicate the extent of its keenness to ensure quality, equitable, comprehensive education for all, and to enhance lifelong learning opportunities. The state provides the right to free education to its citizens in schools and government educational institutions, where the United Arab Emirates ranked first globally in indicators related to education through (language skills, critical thinking sector in teaching, knowledge transfer index, and smart education...)

3.2. Development of the efficiency enhancers Index:

The Efficiency Enhancers Index for the United Arab Emirates economy is calculated during the period 2012-2022 recording the performance difference each year from the previous year, so that we can interpret the indicators performance.

Table 3: The efficiency enhancers index for the United Arab Emirates during the period 2012-2022

Years	Higher education	Efficiency of commodity markets				Efficiency of labor markets				Market size	Technology adoption	General index score	General index
		Value	Ranking	Performance teams	Value	Value	Ranking	Performance teams	Value				
2013/2012	6.75	15	15	-	7.3	6	6	-	5.6	-	12	4.9	21
2014-2013	-	14	14	5	6.8	11	14	-5	5.9	14	9	5.01	4
2015-2014	6.5	10	10	1	7.4	9	9	3	5.4	22	8	5.0	16
2016-2015	6.4	11	11	3	7.2	7	12	2	6.1	9	14	5.8	17
2017-2016	6.8	9	9	1	7.9	1	18	6	6.8	4	18	5.9	15
2018-2017	6.7	8	8	1	7.6	3	14	-2	6.7	7	7	5.3	18
2019-2018	5.6	21	21	13	5.87	14	8	-11	5.38	11	15	4.6	26
2020-2019	5.9	22	22	11	5.24	21	9	-5	5.58	13	14	4.4	29
2021-2020	6.38	10	10	12	7.03	8	11	13	6.68	6	10	6	13
2022-2021	6.45	12	12	2	7.3	6	9	2	6.9	3	6	6.2	12

Source: Report of the United Arab Emirates' Ministry of Economy

It is evident from the table above that there was a fluctuation in the value, and ranking of the index in the field of efficiency enhancers for the United Arab Emirates economy, as it ranked 21st globally during the year 2012-2013 with a value of 4.9 in the general index score, then it declined again in its ranking to the 29th place in the 2019-2020 annual report. This is due to the Corona pandemic which has affected all sectors. then, it improved its ranking, and ranked 12th in the 2021-2022 annual report with a value of 6.2 in the index score. In general, we notice a clear growth in efficiency enhancers index during the study period by the United Arab Emirates' efforts to improve its position, and international competitiveness. So, for further analysis of this indicator, its sub-indicators can be considered.

-As for the higher education sector, it witnessed fluctuations in the United Arab Emirates' ranking globally, as it started at 15th place in the 2012-2013 report then advanced in its global ranking to the best position during the study period in the 2017-2018 annual report at 8th place with a value of 6.7 in the index score; However, it also declined significantly in the next two reports, 2018-2019/2019-2020 to rank 21st and 22nd where its points ranged between 5.6-5.9, respectively. This decline reflects a kind of boom, and instability in some of the sub-indicators of this index. It then returned to achieving somewhat advanced ranks in the two reports 2020-2021/2021-2022 where it ranked 10-12, respectively with an increase in the index score of 6.38-6.45 respectively. The ranking of the United Arab Emirates in somewhat advanced ranks in the field of higher education is due to the efforts made to develop and grow this sector since the state has attached great importance to improving educational policies and systems, and the effectiveness of the applied curricula and teaching methods. Moreover, it has paid great attention to scientific fields and improving the level of students' ability to Analysis, interpretation, and problem solving to obtain first positions in the Arab world with advanced positions internationally. The state has made great efforts in training employees, as it established a training and development system for government employees that include procedures and standards aimed at raising the efficiency of the staff, and providing it with skills and qualifications in order to achieve efficient employee's performance.

-The goods market efficiency index also witnessed fluctuations in the United Arab Emirates' ranking at the global level during the study period where it moved from 6th place in the 2012-2013 report to its best ranking in the 2016-2017 report ranking first in the world. It was also able to raise its score of points from 7.3. to -7.9 in the index score which reflects the stability of the indicators, and the efficiency of the commodity market in them; However, it declined after that, ranking 21st globally in the 2019-2020 report. This is due to the closure of the markets owing toto the Corona epidemic; it returned to progress again and achieved rank 6 in the 2021-2022 report and maintained its score of points as it scored 6 points in the index score. This progress is due to an increase in the growth rates of the various economic sectors, and the percentages of their contribution to the total domestic product, as well as encouraging the state to stimulate investment on it. It made paying taxes easier for companies by establishing an online registration and payment system for social security contributions. Reducing customs burdens and procedures to the lowest possible extent, then ensuring that transit and re-export work is not hindered in any way, and encouraging the agricultural sector with supporting farmers by paying 50% of the costs of agricultural supplements: fertilizers, pesticides, and seeds. This policy contributed to developing the food industries, and raising the effectiveness of the agricultural sector which enabled it to achieve advanced ranks globally.

-From the table, we notice that the United Arab Emirates occupied different ranks in labor market efficiency; starting with rank 14-22 during the study period in two reports 2013-2014/2014-2015 with an index score estimated at 5.9-5.4 respectively, but after that it made great quality leap and obtained its best ranking in the 2021-2022 report where it ranked 3rd globally with a score of 6.9 intheindex value. This improvement was the result of many efforts taken by the United Arab Emirates by providing a suitable work environment for workers, which was reflected positively on raising the efficiency of the labor market by taking many measures, some of which we mention:

- **Flexibility in determining wages:** workers receive their wages according to their level of skills and abilities, and according to their jobs.
- **The effect of taxes on work incentives:** The government does not impose any taxes on the personal income of individuals. This constitutes as an incentive to work and invest in the United Arab Emirates.
- **The state's ability to attract talent:** by providing a competitive environment (the absence of income taxes, flexibility in determining wages, advanced infrastructure, large volume of investments...) are all factors that work to attract talent from various countries of the world, and this is evidenced by the growth of employment to the state in a big way.

We note from the table above that there is a noticeable development in the size of the markets of the United Arab Emirates during the study period, as it advanced from rank 12 to rank 6 as its best ranking in the 2021-2022 annual report. It was able to raise its score of points during the study period from 5.78 to 6.96. The reason for the growth in the size of the market in the United Arab Emirates is due to its occupying advanced positions in many fields: the goods market, the labor market, and the financial market. This reflects the large size of the market in the country, and it is divided, according to the global competitiveness report, into a local market, and a foreign market; in which it is based on the statistics of the "World Trade Forecasts and Statistics" report. We note that the United Arab Emirates ranked 11th in the world in terms of merchandise exports during the year 2022 with a total of 599 billion dollars. As for imports, it ranked 18th in the world at the same year recording a value of 425 billion dollars, so this is an evidence that the foreign market is larger than the local market.

In contrast to the previous indicators, we notice that in the technology adoption index in general, the United Arab Emirates ranked slightly behind compared to other indicators. Despite that, it is trying hard to occupy advanced ranks as we notice from the previous table that it advanced during the study period from 17th place with a value of 5.2 in the score in the 2012-2013 annual report to the 9th place globally; However, it declined in its score and value of the index with an estimation in the 2021-2022 annual report of 3.4. Despite all that, this does not negate its obtaining advanced ranks in some sub-indicators, which are:

- The United Arab Emirates has the latest technology, and ranks first in the field of mobile phone network coverage, mobile phone subscriptions, and Internet coverage in schools...
- Technology absorption at the corporate level: it ranked first in absorbing and using information and communications technology.

3.3. Development of the innovation index' performance for the United Arab Emirates

The extent of the Innovation index' performance development for the United Arab Emirates is calculated during the period 12/20/2022 with recording the performance difference each year from the previous year, so that we can interpret the performance of the indicators.

Table 4: Development of the innovation index' performance for the United Arab Emirates

General index ranking	General index score	Creativity and innovation			Business progress			The years
		Performance teams	Ranking	Value	Performance teams	Ranking	Value	
45	5.02	-	40	5.72	-	31	5.04	2013-2012
40	5.92	2	38	5.62	3	28	5.22	2014-2013
41	5.8	-2	40	5.0	-1	29	5.21	2015-2014
49	5.01	-5	45	4.05	-5	34	4.94	2016-2015
43	5.3	4	41	4.92	15	19	6.49	2017-2016
36	5.6	6	35	5.6	1	18	6.56	2018-2017
39	5.9	-2	37	5.04	-9	27	5.4	2019-2018
37	6	1	36	5.25	2	17	6.52	2020-2019
35	6.2	2	34	5.2	12	13	6.74	2021-2020
33	6.4	3	31	5.9	1	12	6.89	2022-2021

Source: Prepared by the two researchers according to data from global competitiveness reports for the period 2012-2022. Report of the United Arab Emirates Ministry of Economy.

The table shown above shows that the United Arab Emirates suffers from a lag in this indicator as it ranks at the bottom of the previous indicators. Despite that, it is hardly trying to improve its position and ranking globally where it advanced from 45th to 33rd place in the 2021-2022 annual report. She was able to raise her total points from 5 to 6. This situation is due to the lag in the sub-indicators of this general index. Therefore, we will analyze its sub-indicators:

-It is clear from the table that the country suffers from a lag in its ranking on the business development Index. In spite that, it is making continuous progress where it ranked 31st in the 2012-2013 annual report with a score of 5.04, despite its decline to 34th place in the 2015-2016 annual report. It came back to advance again and ranked 19th in the following year recording an increase in the ranking by 15 places. In the 2021-2022 annual report, it obtained its best ranking during the study period and ranked 12th raising its total of points to 6.89.

-The United Arab Emirates market is considered as the most attractive for startups in the Middle East since the secure investment environment has helped attract investments to finance many startups; in addition to entrepreneurs adopting creative ideas that rely on technology to provide services in many sectors (e-commerce sector, consumer services, financial services and insurance sector...). All of these sectors occupy advanced global ranks in the country. Taking into account the significant growth in the online sales sector, and the increase in e-commerce sites, all of this will increase the volume of marketing in the United Arab Emirates at the local and global levels.

The Creativity and Innovation Index in the United Arab Emirates also suffers from a significant lag at the high level, as the country ranks very low compared to previous indicators. We find that it ranked 40th in the 2012-2013 annual report with an index score of 5.72. After that, it advanced a little to 38th place, then returned again to lagging behind in the 2015-2016 annual report with a performance difference of 5 over the previous year, then advanced again and obtaining 31st place as its best ranking in the 2021-2022 annual report with a value of 5.9 in the index score. Despite the lag that the state suffers from in this indicator, it has attached great importance to developing and protecting individual property, and developing human capital to develop the creative sense. According to the Ministry of Economy, the number of patents granted has reached more than 5 thousand in 2023, an increase of 19.5% over the year 2022.

4. Mechanisms to enhance the competitiveness of the United Arab Emirates' economy

The United Arab Emirates government's strategies generally aim to enhance economic competitiveness through diversification by expanding sectors, such as tourism, business, and financial services, in addition to logistical services. From S&P Global's point of view, this is likely to take a decade or even a generation to come, and structural impediments will impede the transition to more diversified economies. Diversification remains a goal of the United Arab Emirates government. (S&P Index).

The government has developed national development plans or what it calls "visions" with periods extending between 20 and 25 years, usually including strategies with a middle period of five years, which help assessing whether the country is on track to achieve its near-term economic goals. The United Arab Emirates seeks to strengthen the mechanisms of United Arab Emirates economic competition, including:

4.1. Developing long-term strategies

It is based on the future economic vision of the state; clearly defining the overall and sectoral goals. It is based on developing the scientific and technical capabilities of citizens through increasing investment in education, training and qualification.

4.2. Information technology development

and disseminating it to all economic sectors, especially in education, trade, and the government sector.

4.3. adopting development programs

in order to develop the spirit of organization and initiative in entrepreneurship, the focus is on establishing joint investment companies, and creating incentives to support activities in the field of creativity in private business.

4.4. Circular Economy Policy 2021-2031

The United Arab Emirates' council of ministers adopted the circular economy policy which is a comprehensive framework that defines the United Arab Emirates' trends in achieving sustainable management, and effective use of natural resources by adopting consumption and production methods and techniques to ensure the quality of life of current, and future generations, then enhancing the efficiency of natural resource consumption and reducing waste. The policy includes a number of main objectives including: (-Foreign investment into the United Arab Emirates, 2023)

-Promoting environmental health.

-Supporting the private sector in its transition to cleaner production methods and technologies.

-Reducing environmental stress and meeting basic needs in order to achieve the United Arab Emirates' vision of being one of the global leaders in the field of green development.

5. Conclusion

The United Arab Emirates has developed its own definition of the concept of competitiveness which is summed up in the ability to achieve prosperity for the country in the long term while maintaining a balance between productivity and quality of life for the nation, and the citizen. The United Arab Emirates has occupied advanced positions in many global reports and economic indicators such as global human capital, the global innovation index, and ease of doing business, health and education, development of the technology and communications sector, and other indicators. Therefore, we accept the hypothesis of the study, which states: "The Economic indicators of The United Arab Emirates occupy a good competitive position according to the World Economic Forum during the period 2012-2022. "

The country continues to lead the Arab countries in terms of competitiveness where this improvement shows how quickly the United Arab Emirates economy is adapting due to the growing economic diversification policies which was reflected in the strengthening of the macro-economic environment, and its ability to confront oil price shocks and the decline in global trade.

The United Arab Emirates government is focusing its efforts on the transition to a knowledge-based economy by encouraging innovation, research, and development, strengthening the regulatory framework for key sectors, and encouraging sectors with high added value in a way that develops the business environment and enhances the attractiveness of investments.

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S&P index. S&P Index: It is an index that is primarily concerned with market sentiment, and is considered the primary measure of the development of the American economy, and is monitored by analysts from all over the world.

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