



2021

Survey on Business Conditions of Japanese Affiliated Companies in the Middle East

– Japanese affiliated companies in the Middle East show a clear recovery
in operating profits, high interest in decarbonization in the Gulf states –

Japan External Trade Organization (JETRO)

Overseas Research Department

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Key Points

**Japanese affiliated companies in the Middle East
show a clear recovery in operating profits,
– high interest in decarbonization in the Gulf states –**

01

Operating Profit Forecast/ Future Business Outlook

In 2021, the percentage of companies expecting a profit increased in all countries to 65.2%, the highest level in the past five years. An increasing number of the companies expected a year-on-year increase due to a rebound from the previous year's decline and growth in sales caused by COVID-19. As for the future business outlook, about 40% of the companies chose expansion, up 7.0 points from the previous year.

02

Investment Environment in the Middle East

About 50% of the companies highly rated the market size and growth potential of the business environment in the Middle East. On the other hand, more than 50% of the companies said that sudden introduction or a change in the system and inadequate or unclear legal systems were challenges. Many companies cited the unstable political and social situation in Iran, Israel and Turkey, and soaring real estate rents in the UAE and Israel as issues.

03

Business Areas with Future Promise

As for promising fields, the most common answer was resources and energy. Renewable energy and decarbonization-related fields such as hydrogen and ammonia accounted for a high percentage. As for the countries of focus, Saudi Arabia and the UAE were ranked first and second, respectively, with many companies citing decarbonization as the reason.

Survey Overview

Objective

- To understand the actual conditions with regard to the business activities of Japanese-affiliated companies in the Middle East (10 countries: United Arab Emirates (UAE), Turkey, Saudi Arabia, Iran, Jordan, Israel, Kuwait, Qatar, Bahrain, and Oman) and provide the results to the public.

Companies Surveyed

- A questionnaire survey was locally conducted for Japanese affiliated companies with bases in each of the surveyed countries in the Middle East.
Valid responses were received from 230 companies
(106 from the UAE, 45 from Turkey, 24 from Saudi Arabia, 13 from Israel, 10 from Qatar, 13 from Iran, 10 from Jordan, 5 from Kuwait, 2 from Bahrain, and 2 from Oman)

Period

- September 1 - September 30, 2021

Response Rate

- The valid response rate was 90.2%. The survey was sent to 255 Japanese-affiliated companies in 10 Middle Eastern countries.
Valid responses were received from 230 companies.

Remarks

- This was the 9th survey for the UAE and the 8th for Saudi Arabia. It was the 7th survey that covered all industries for Turkey, and the 5th survey that had been performed in Qatar. For all other countries, It was the 4th time it had been held.
- JETRO informed the companies to be surveyed of the URL for the questionnaire, and asked them to complete and return it, or sent them questionnaires in Japanese/English by e-mail.
- All response rates are shown as percentages (%). The response rate is rounded off to the second decimal place. As a result, some of the total figures do not add up to 100%.
- In this report, "N" stands for the number of valid responses (parameter).

Map

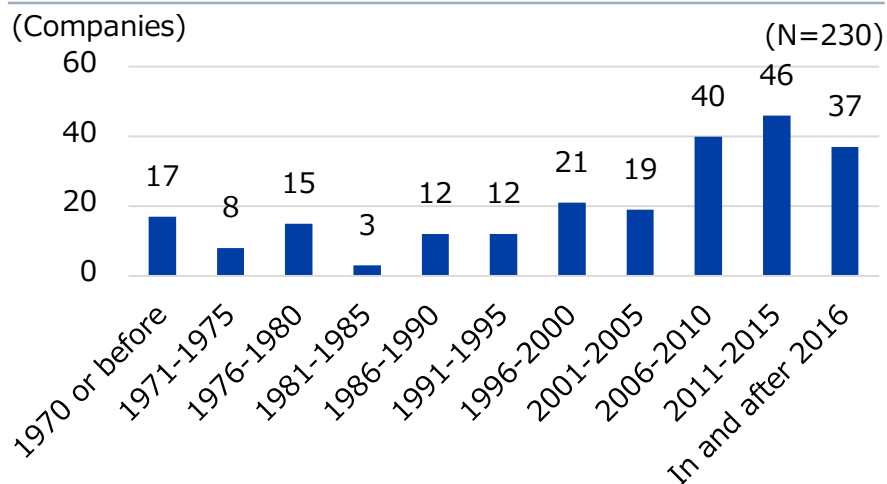


No. of Japanese-affiliated Companies (as of October 1, 2020)	No. of Locations	Y-o-Y
United Arab Emirates	339	-2.3%
Turkey	259	-0.8%
Saudi Arabia	113	0.0%
Israel and the Gaza Strip, etc.	92	-1.1%
Qatar	31	-3.1%
Iran	27	-6.9%
Jordan	22	0.0%
Oman	19	0.0%
Kuwait	19	-5.0%
Bahrain	18	0.0%
Lebanon	7	0.0%
Yemen	0	0.0%
Iraq	-	-
Syria	-	-
Total	946	-1.6%

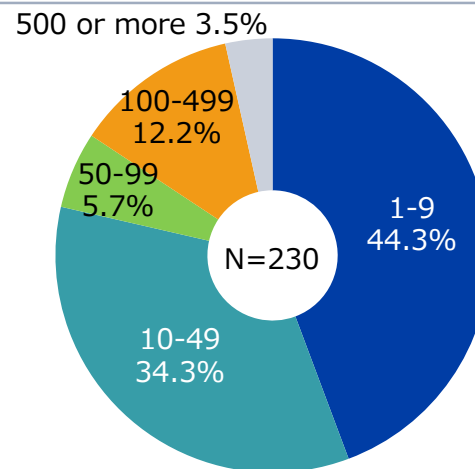
Source: Ministry of Foreign Affairs, "Annual Report of the Number of Japanese-affiliated Companies Operating Overseas (FY2020)"

Profile of Respondent Firms

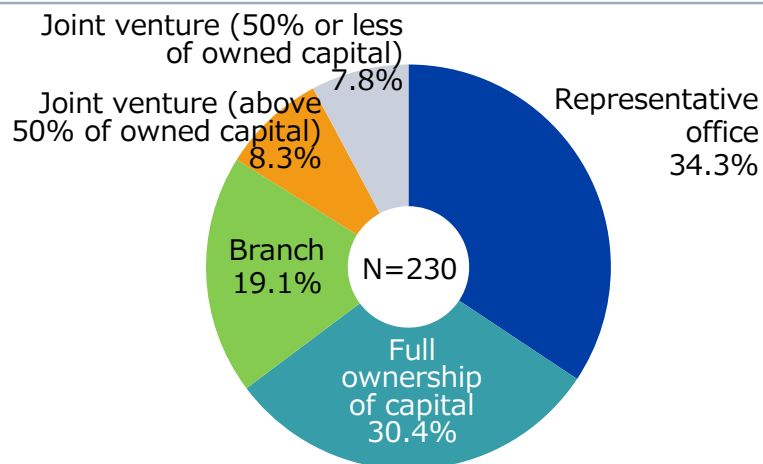
Year of Establishment



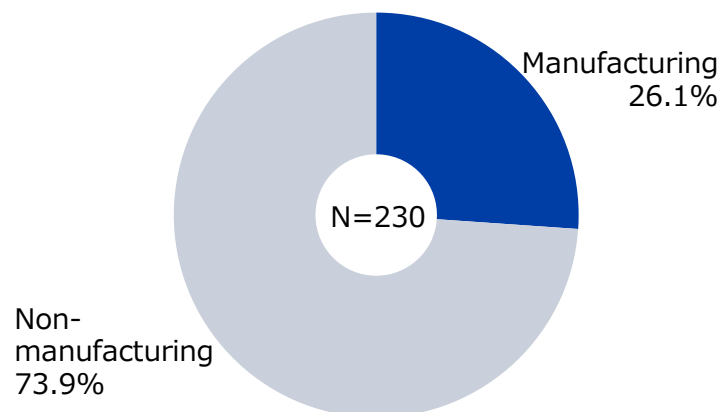
Total Number of Employees



Form of Overseas Base



Industry (Manufacturing/Non-manufacturing)



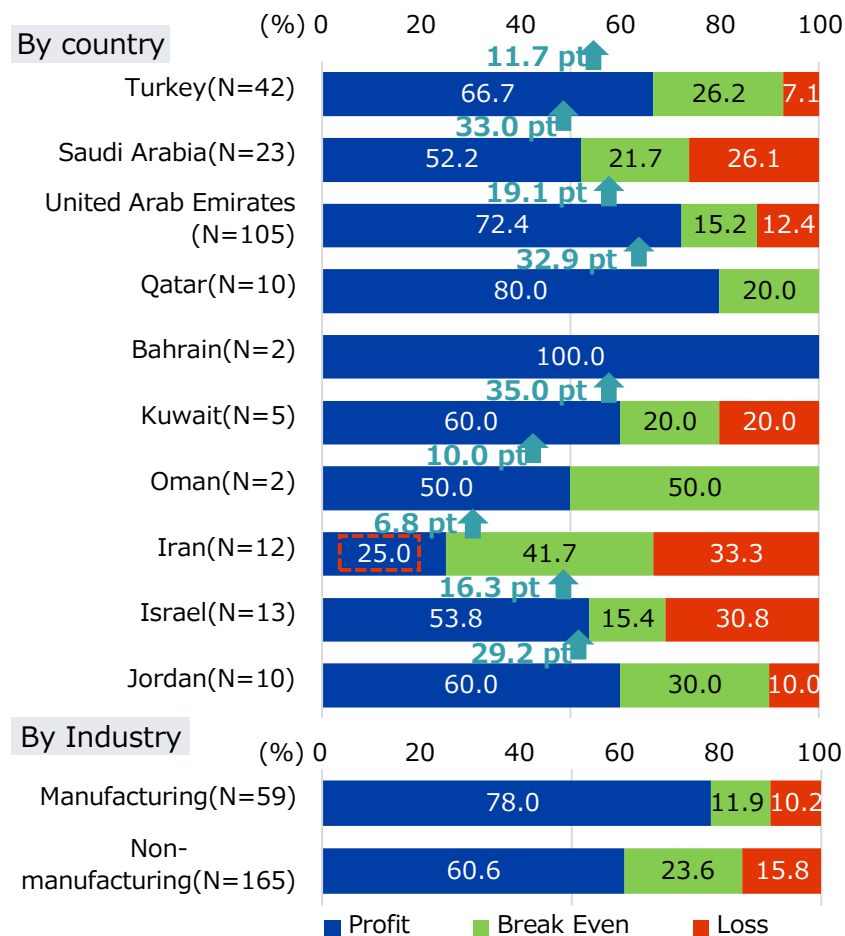
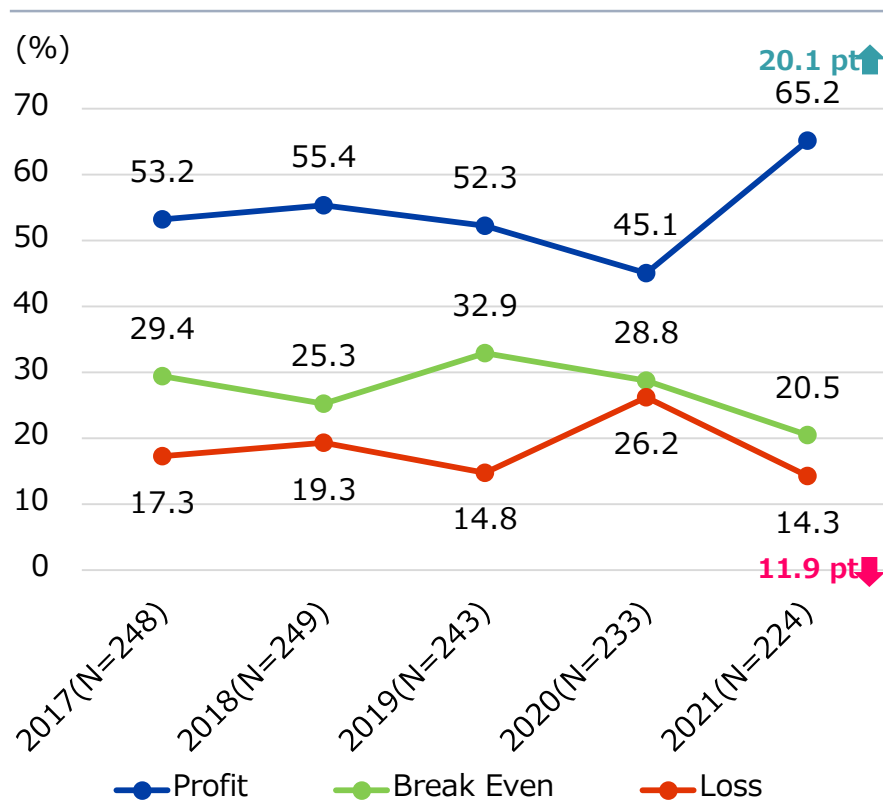
Note: Branches and representative offices that did not obtain an operating profit reported the operating profit of higher-level organizations, such as their head office, in the relevant market.

I. Operating Profit Forecast

1 | 2021 Operating Profit Estimate (Trends, by Country)

- The percentage of companies expecting an operating profit in 2021 stood at 65.2%. This was a significant increase of 20.1 points over the previous year.
- In most countries, with the exception of Iran, more than half of the respondents expected a profit. For Saudi Arabia and Qatar, the number of companies that expected a profit increased by more than 30 points year on year.

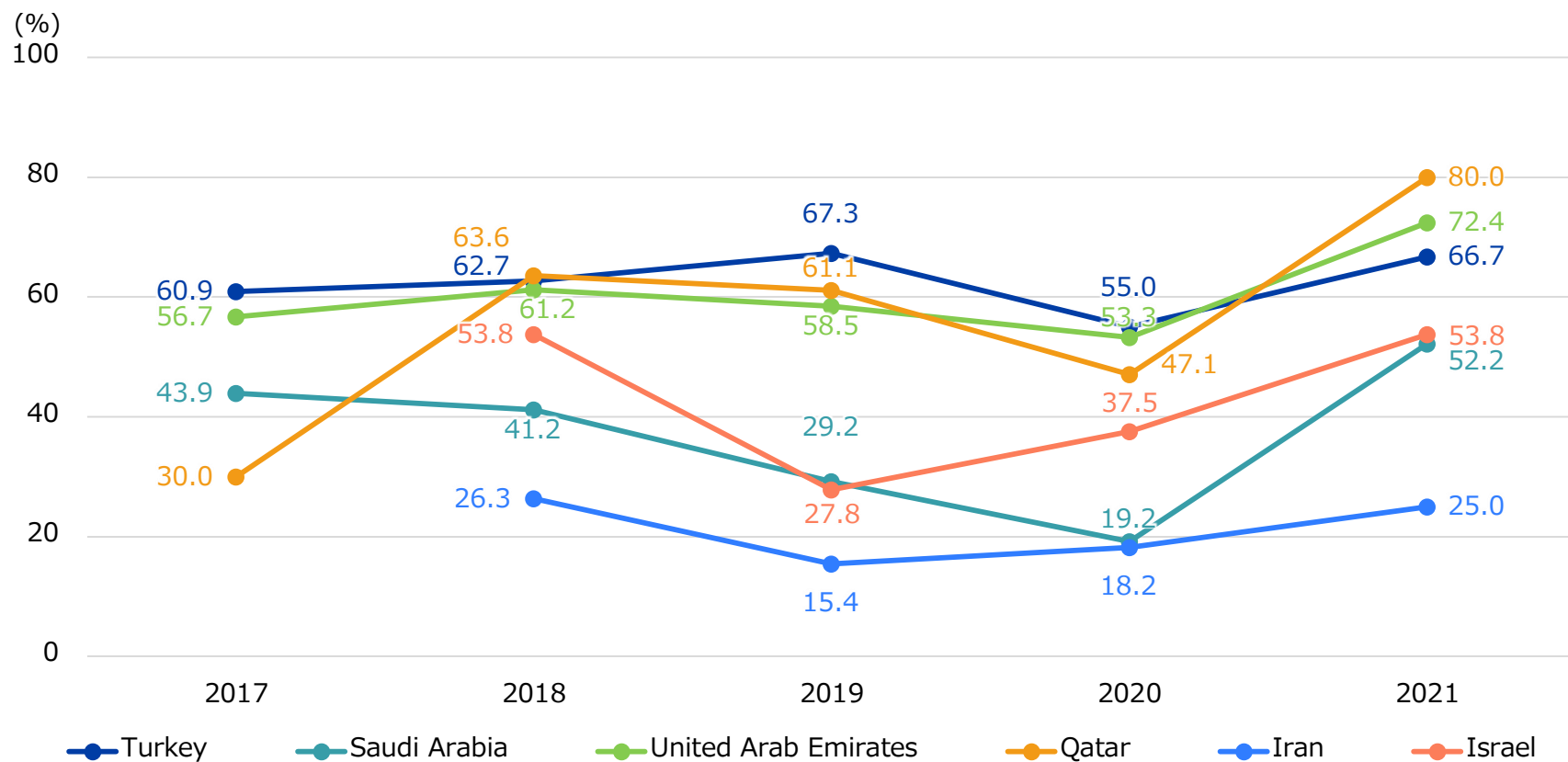
Operating Profit Estimate Trends



2 | 2021 Operating Profit Estimate (Trends of the Proportion of Companies Expecting a Profit, by Country)

- In 2021, the percentage of companies expecting a profit rose in all countries.
- In Iran, the percentage expecting a profit was 25.0%, below the 33.3% expecting a loss.

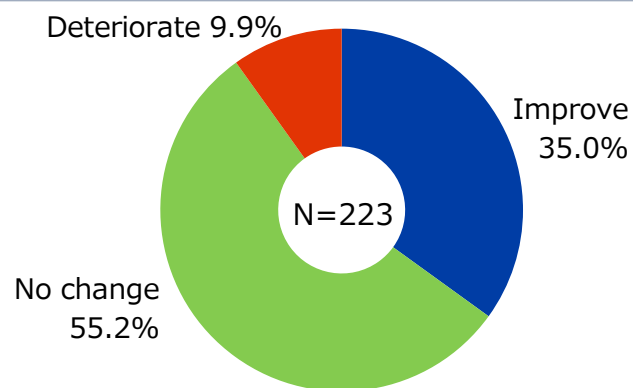
Trends in the Percentage of Companies Expecting a Profit



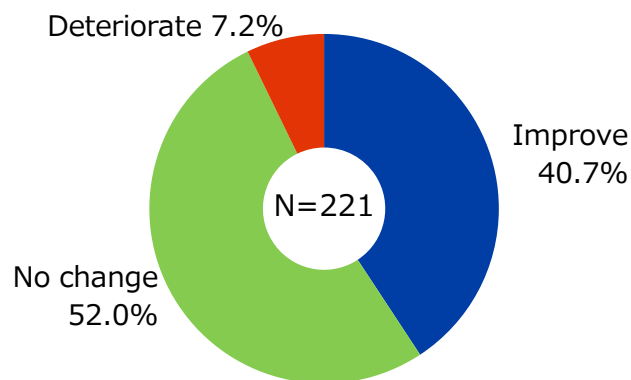
3 | 2021 Operating Profit Estimate and 2022 Operating Profit Forecast (Y-o-Y)

- For both 2021 and 2022, the percentage of companies who answered “remain the same” surpassed 50%, which was the highest.
- From 2021 to 2022, the percentage of “improve” increased while that of “deteriorate” fell.

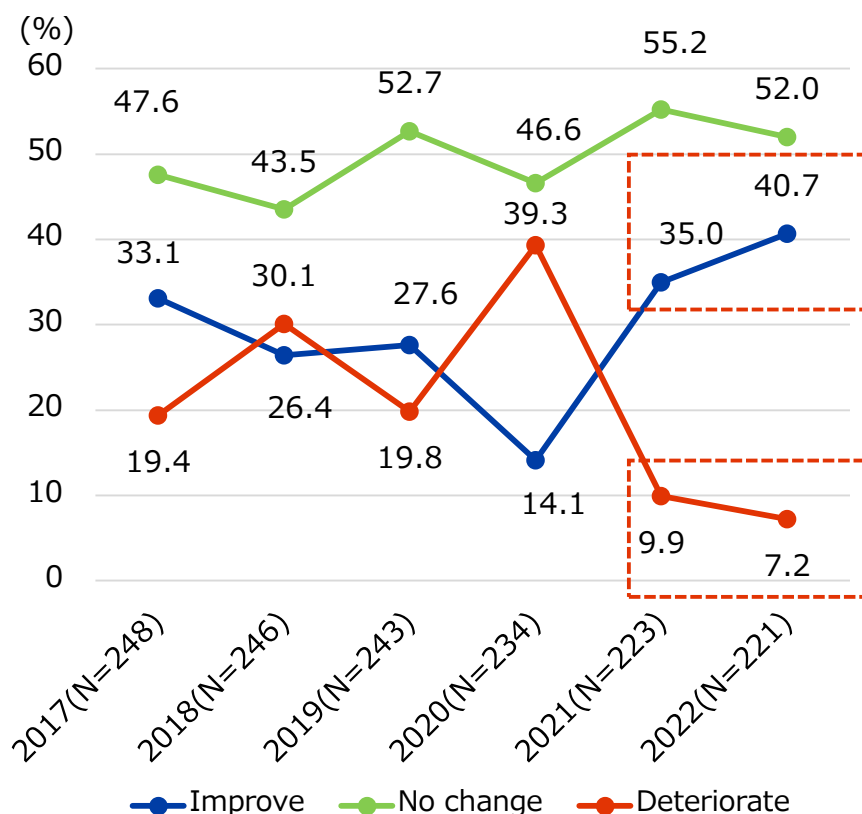
2021 Operating Profit Estimate (Y-o-Y)



2022 Operating Profit Forecast (Y-o-Y)



Operating Profit Forecast Trends (Y-o-Y)

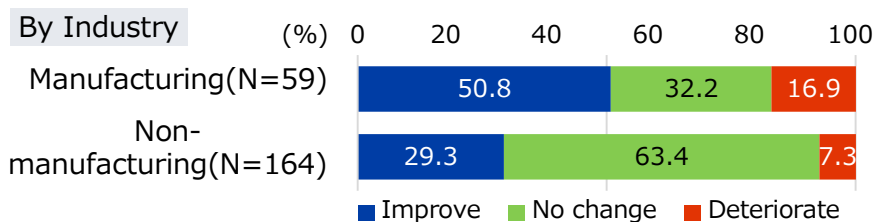
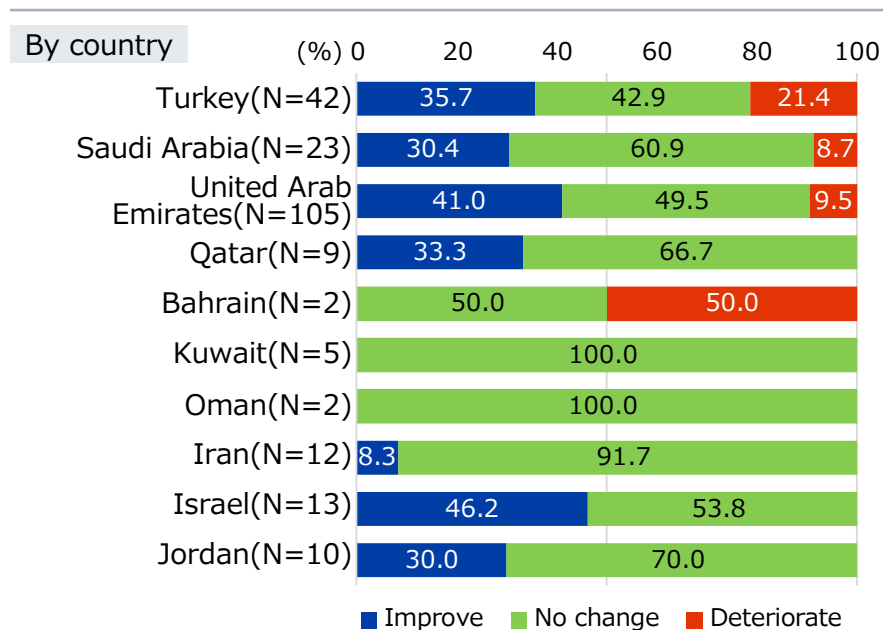


Note: estimate for 2017 - 2021; outlook for 2022

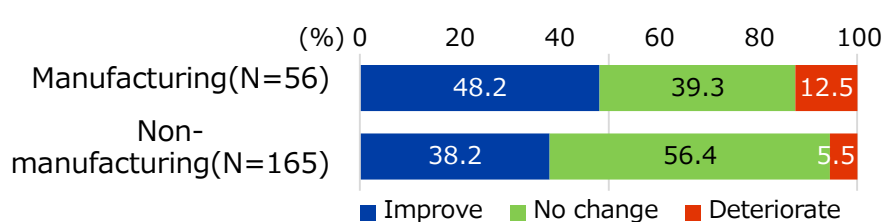
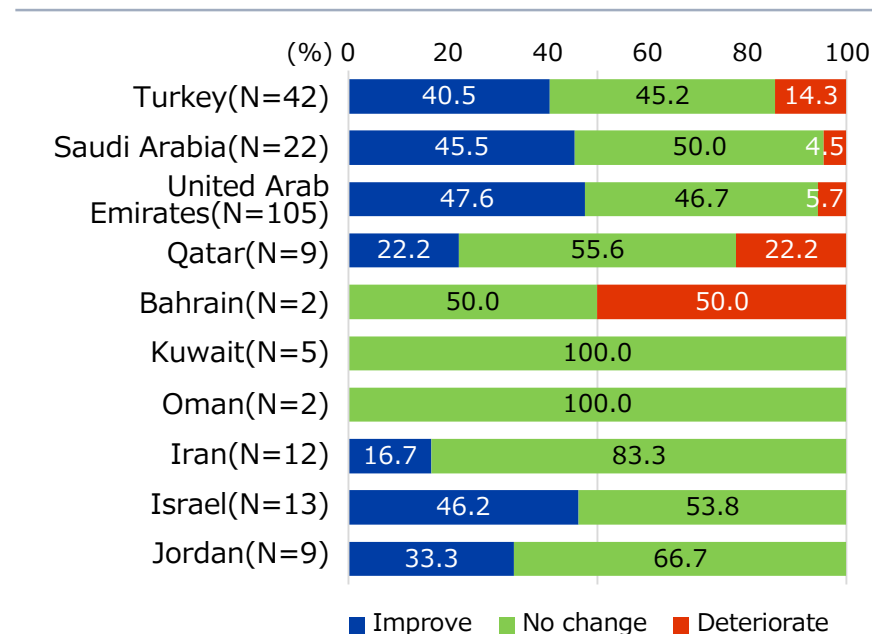
4 | 2021 Operating Profit Estimate and 2022 Operating Profit Forecast (by Country, by Industry)

- As for year-on-year comparisons by country, the most common answer was “remain the same” both for 2021 and 2022.
- For 2022, more than 40% of companies in the UAE, Israel, Saudi Arabia, and Turkey expect improvement.

2021 Operating Profit Estimate (Y-o-Y)



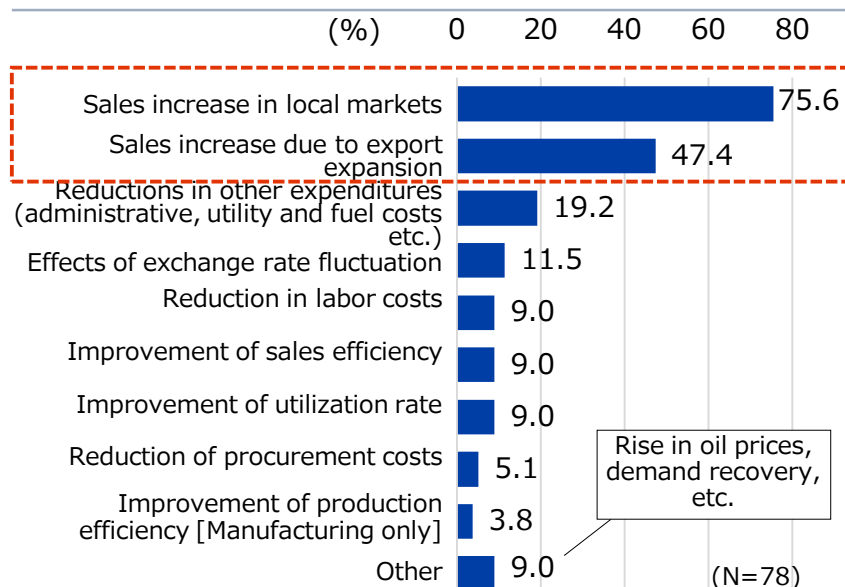
2022 Operating Profit Forecast (Y-o-Y)



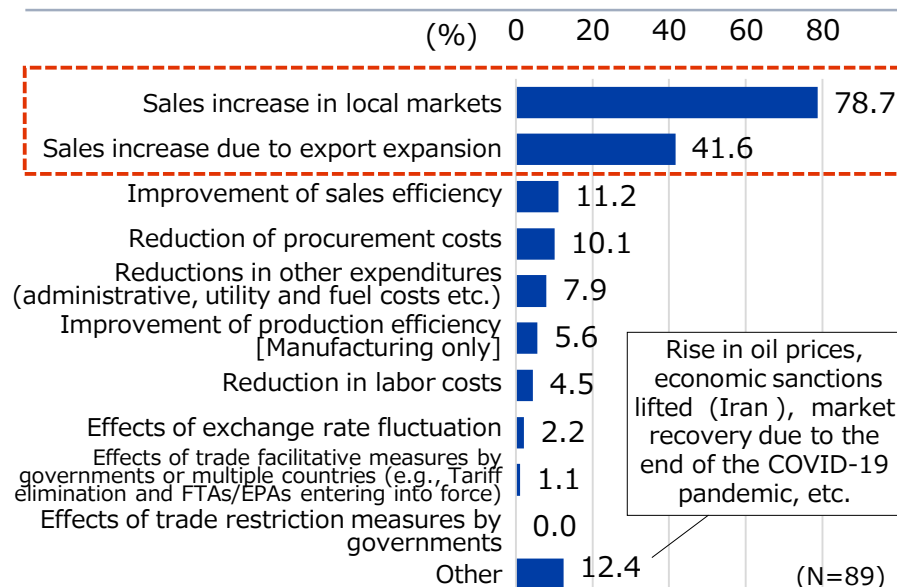
5 | 2021 Operating Profit Estimate and 2022 Operating Profit Forecast (Reasons for Improvement)

- For both 2021 and 2022, about 80% answered “sales increase in local markets,” which was the highest. This was followed by “export expansion,” at more than 40%.
- About 60% of companies said the reason for improvement in 2021 was “reactionary increase from the sales decrease in the previous year due to the COVID-19 pandemic.”

Reasons for Y-o-Y Improvement of 2021 Operating Profit Estimate (Multiple answers)



Reasons for Improvement of 2022 Operating Profit Forecast (Multiple answers)



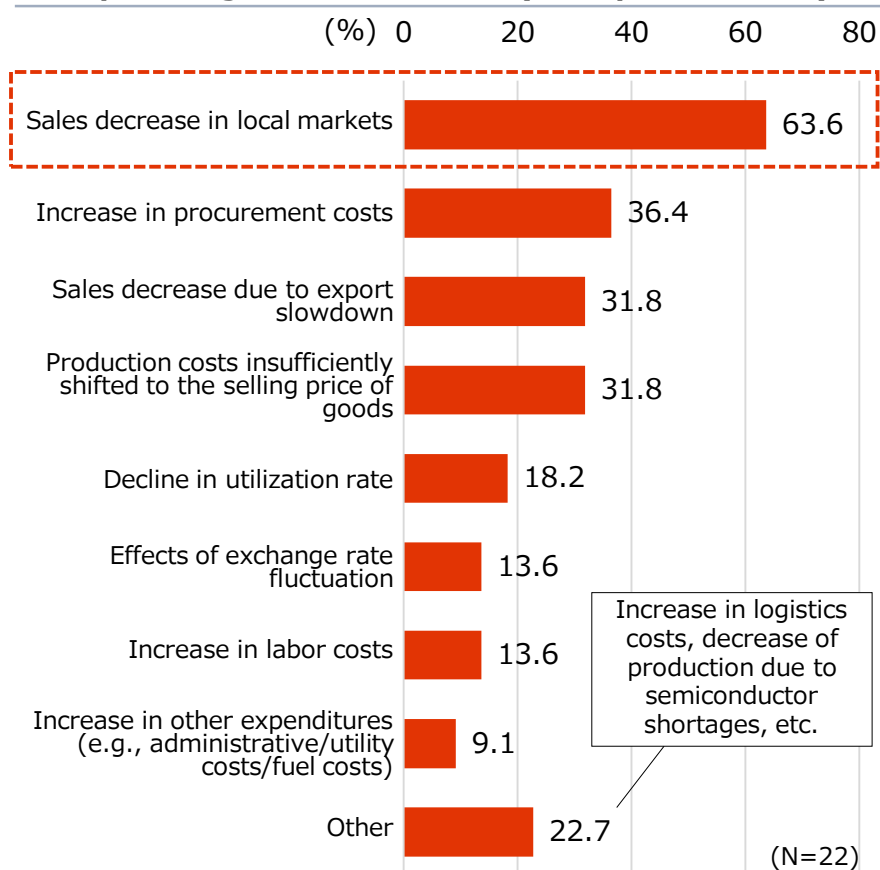
Reasons for Y-o-Y Improvement in 2021 Operating Profit Estimate (Multiple answers)

Reasons for improvement (Descending order)	Due to reactionary increase from sales decrease in the previous year attributable to the COVID-19 pandemic	Due to sales increase caused by the COVID-19 pandemic	Other factors
1 Sales increase in the local market (N=55)	58.2%	16.4%	41.8%
2 Sales increase due to export expansion (N=37)	59.5%	21.6%	35.1%

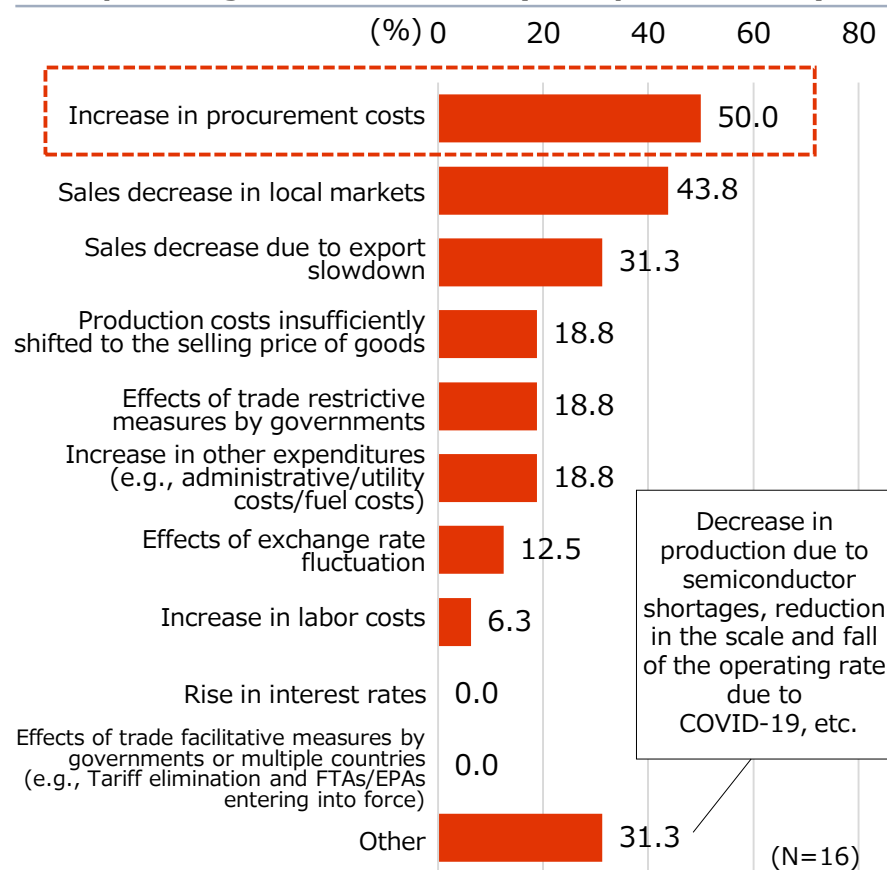
6 | 2021 Operating Profit Estimate and 2022 Operating Profit Forecast (Reasons for Deterioration)

- For 2021, “sales increase in the local market” was the highest.
- Meanwhile, for 2022, “increase in procurement costs” was the highest. Many companies expect the effects of the disruption in international logistics caused by COVID-19 and other factors to continue this year.

**Reasons for Y-o-Y Deterioration in 2021
Operating Profit Estimate (Multiple answers)**



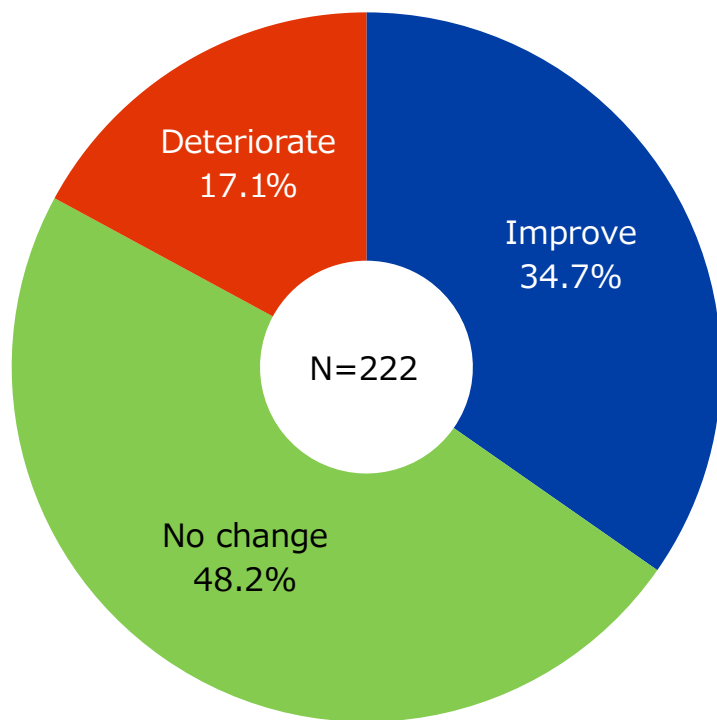
**Reasons for Deterioration of 2022
Operating Profit Forecast (Multiple answers)**



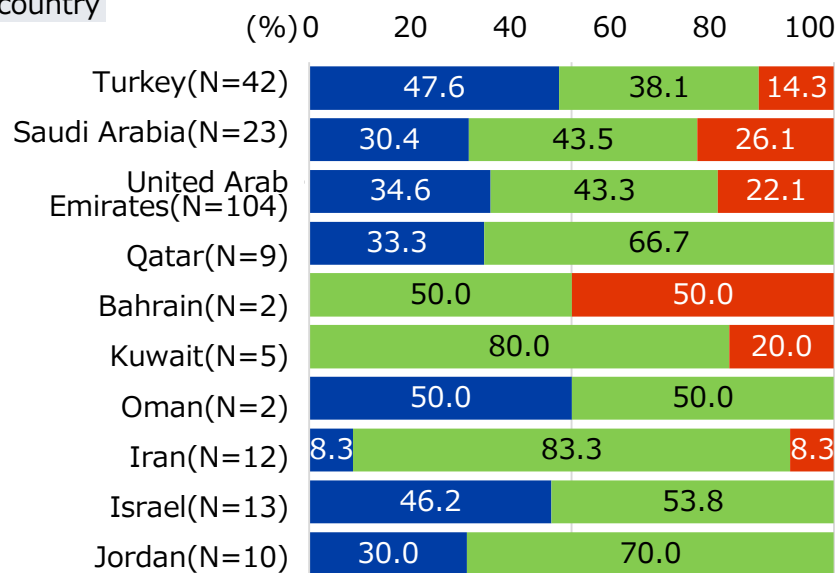
7 | 2021 Operating Profit Estimate (Comparison before and after the spread of COVID-19)

- According to the comparison before and after the spread of COVID-19 (2019/2021), 48.2% of companies answered "remain the same," which was the highest level.
- 34.7% of companies said operating profit would improve. On the other hand, 17.1% answered that it will deteriorate.

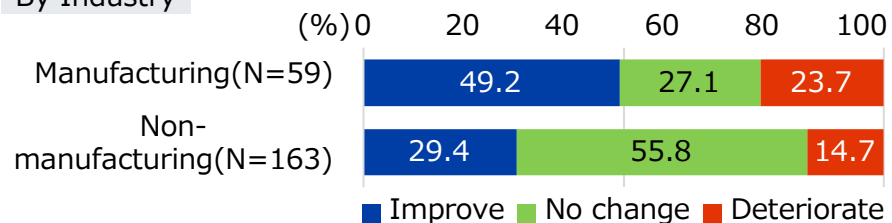
2021 Operating Profit Estimate (Comparison with 2019 results before the COVID-19 pandemic)



By country



By Industry

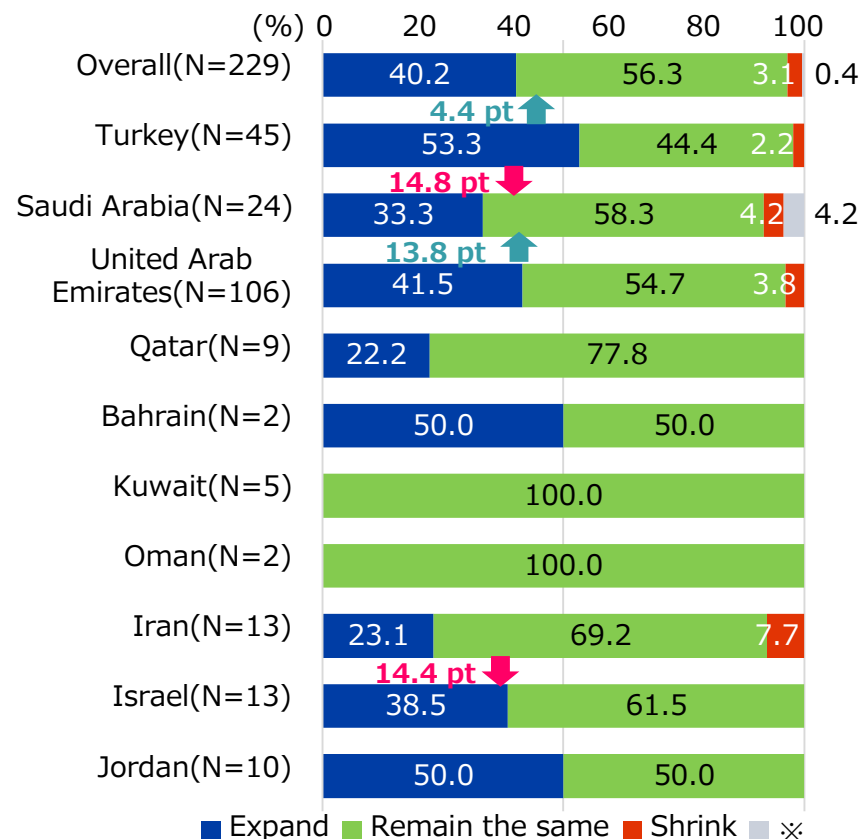
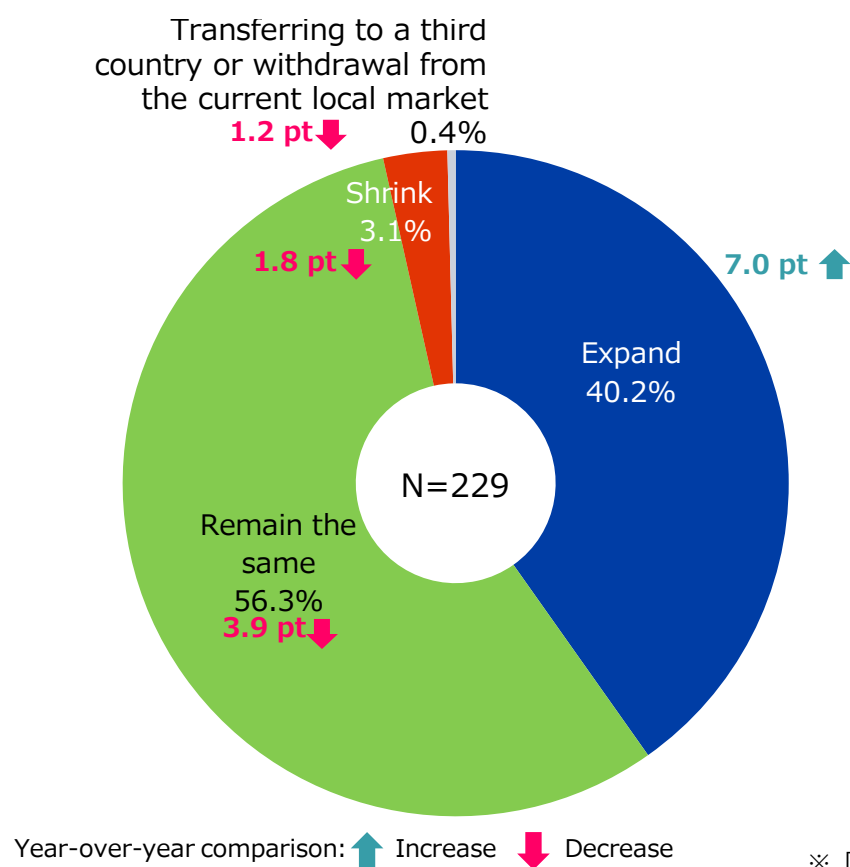


II. Future Business Outlook

1 | Future Business Outlook (Overall, by Country)

- When asked about future business outlook, 56.3% of the companies answered “remain the same,” which was the highest level, down 3.9 points year on year.
- The percentage of companies that answered “expand” increased 7.0 points year on year to 40.2%. By country, 53.3% of the companies in Turkey answered “expand,” which was the highest level. For UAE, “expand” was up 13.8 points from the previous year. For Israel and Saudi Arabia, it was down by 14-points.

Direction of Business Operations in the Next One to Two Years

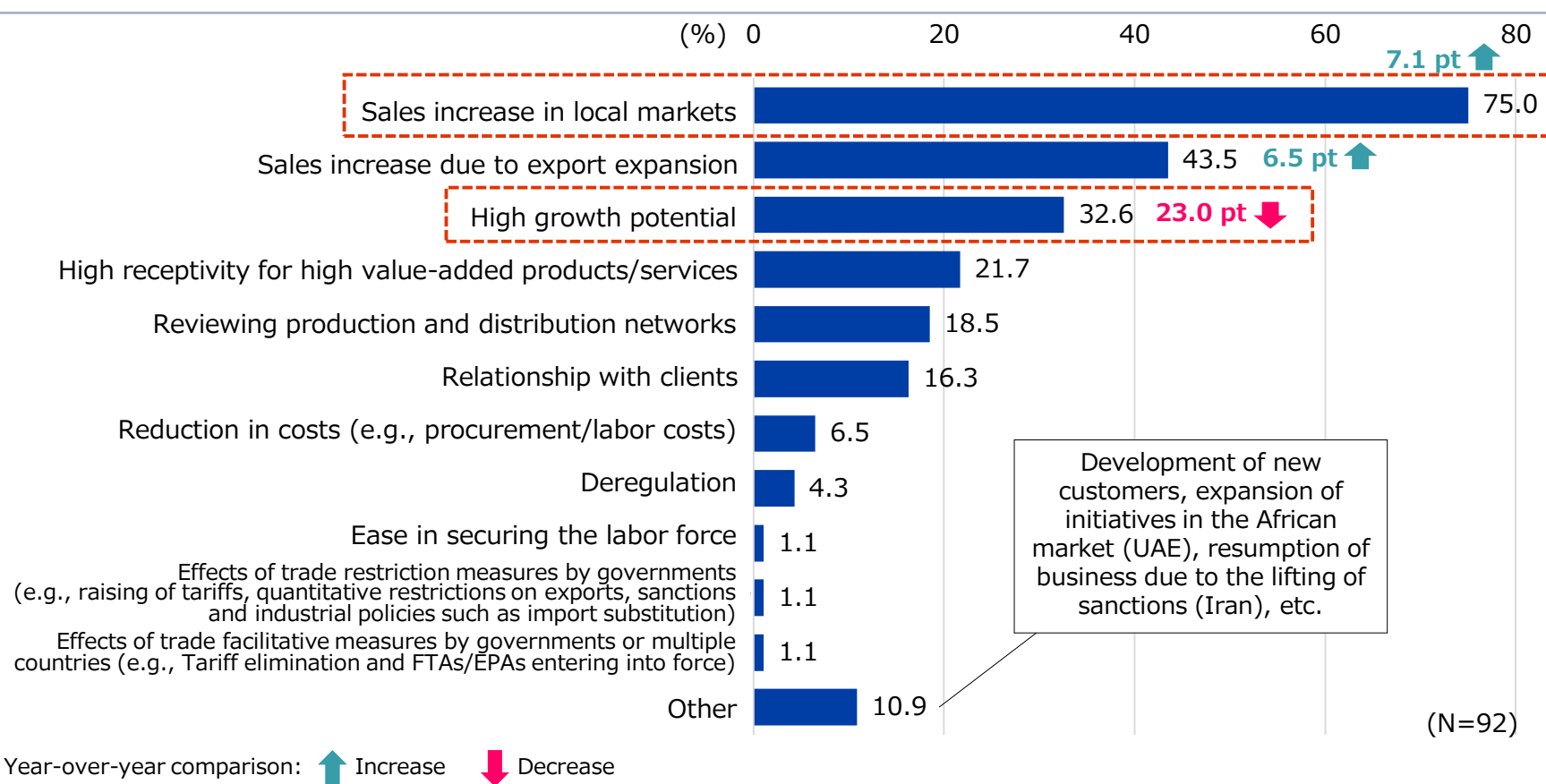


※ 「Transferring to a third country or withdrawal from the current local market」

2 | Future Business Outlook (Reasons for Expansion)

- 75.0% of the companies cited “sales increase of local markets” as the reason for business expansion, which was the highest.
- About 30% of the companies answered “high growth potential,” coming in third, but down by 23.0 points from the previous year.

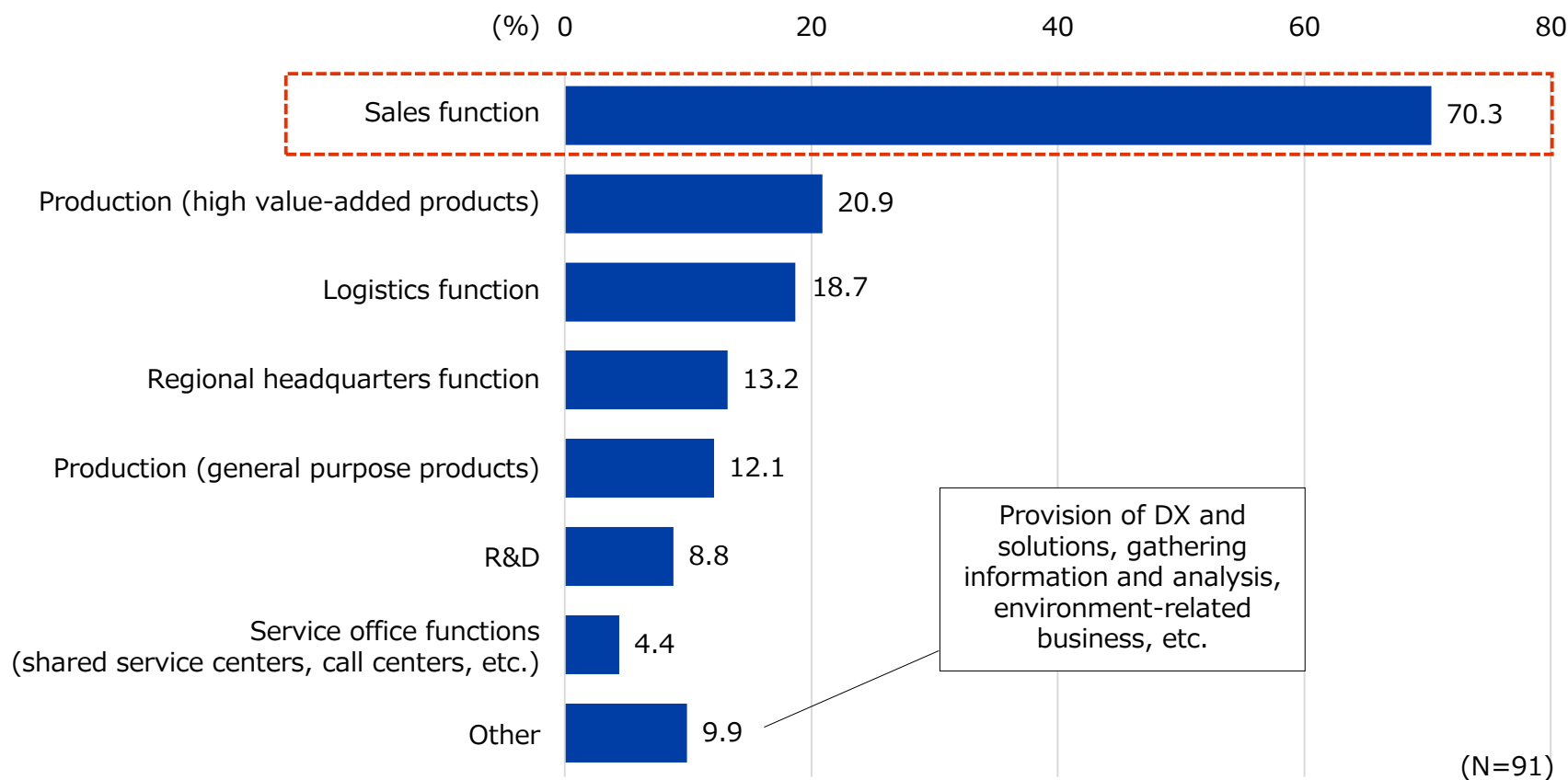
Reasons for Business Expansion (Multiple answers)



3 | Future Business Outlook (Functions to be Expanded)

- The highest percentage among functions to be expanded was for “sales function” at around 70%.
- This was followed by production of high value-added products and logistics function, but these remained at around 20%.

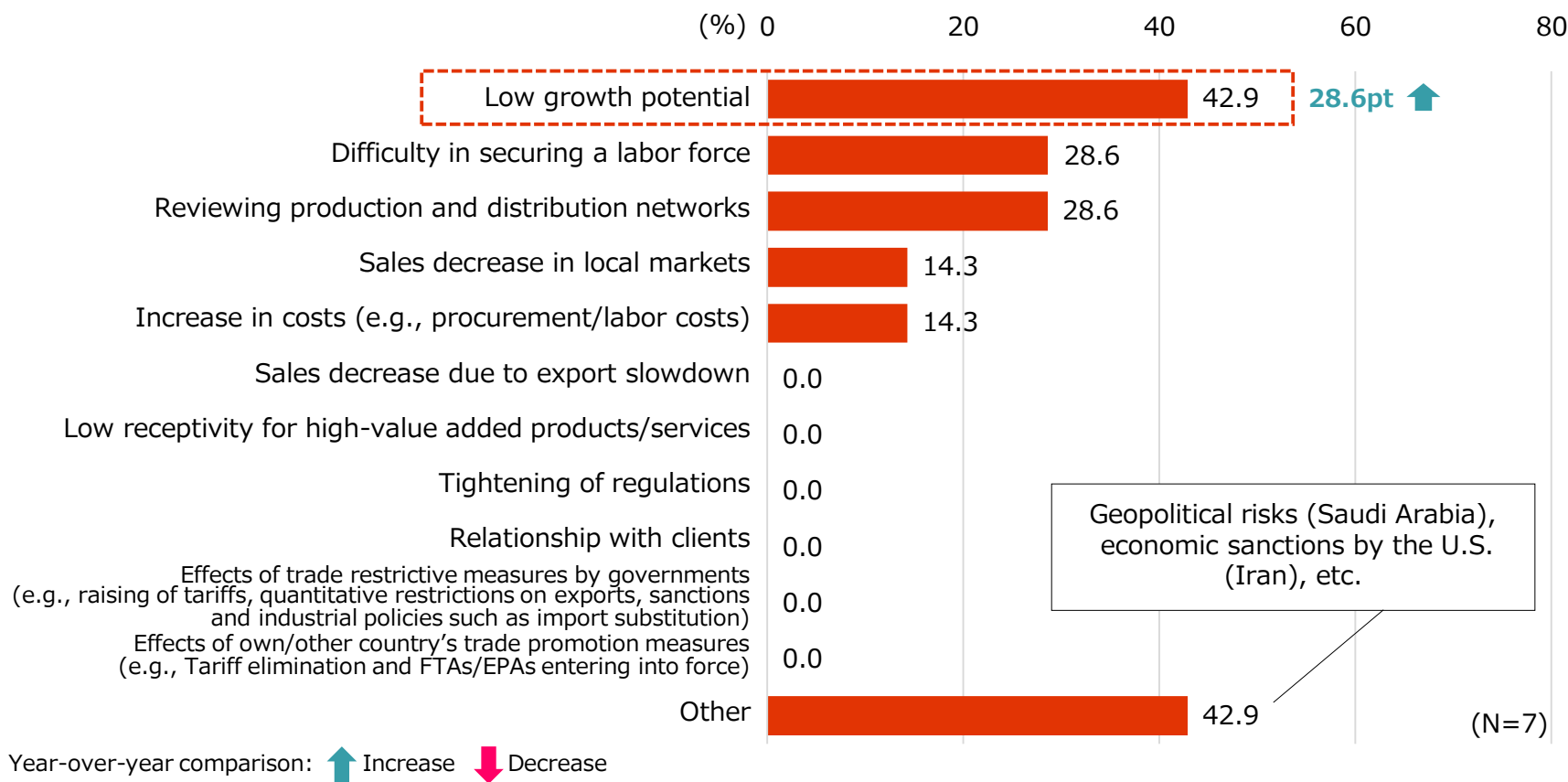
Functions to be expanded (Multiple answers)



4 | Future Business Outlook (Reasons for “Reduction,” and “Relocation or Withdrawal”)

- About 40% pointed out “low growth potential” as the reason for contraction and others.
- The percentage for “low growth potential” was up 28.6 points year on year.

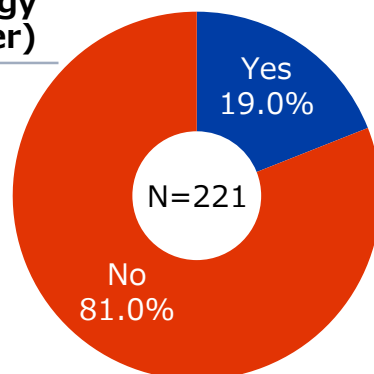
Reasons for “Reduction,” “Relocation or Withdrawal to Third Countries (Regions)” (Multiple answers)



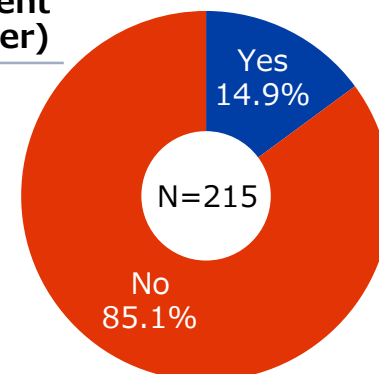
5 | Future Business Outlook (Plan to review business strategy)

- For all business strategies, more than 80% of respondents have no plans to review.
- About 20% of the companies answered that they have plans to review the sales strategy or control/management system.

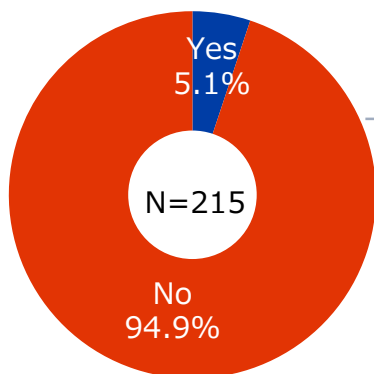
**Plan to review
the sales strategy
(Single answer)**



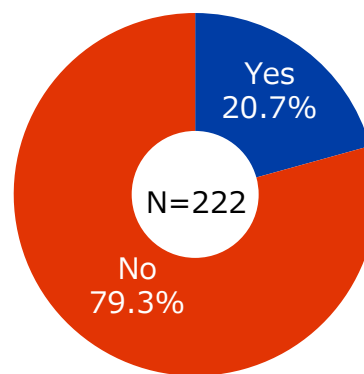
**Plan to review
procurement
(Single answer)**



**Plan to review
production
(Single answer)**



**Plan to review
the control/management
system (Single answer)**

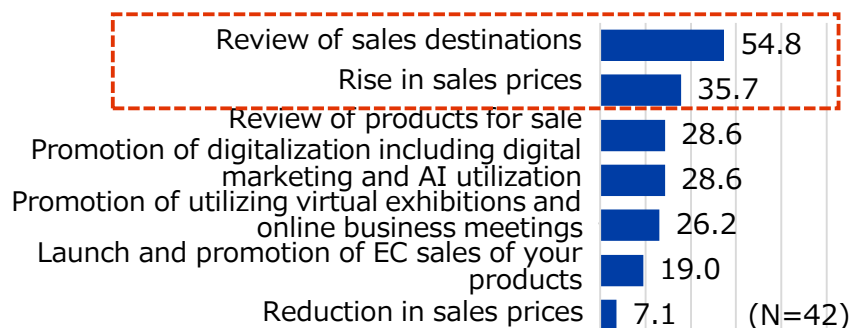


6 | Future Business Outlook (Contents of the plan to review the business strategy)

- Most companies have plans to review sales destinations/procurement sources. With regard to review of production, about 80% of the companies have plans to increase new investment/capital investment.
- In response to the COVID-19 pandemic, most companies answered that they will expand the utilization of work from home and teleworking in the review of the control/management system.

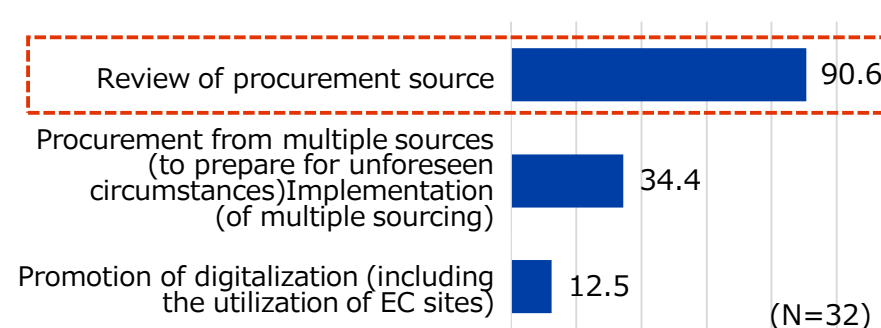
Contents of the review of sales strategy

(%) 0 20 40 60 80 100



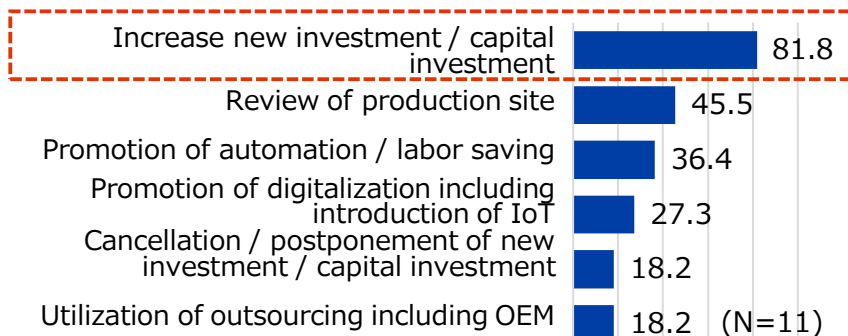
Contents of the review of procurement

(%) 0 20 40 60 80 100



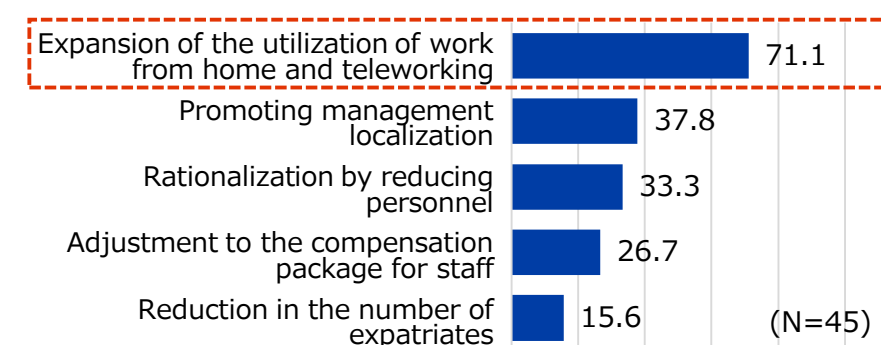
Contents of the review of production

(%) 0 20 40 60 80 100



Contents of the review of the control/management system

(%) 0 20 40 60 80 100

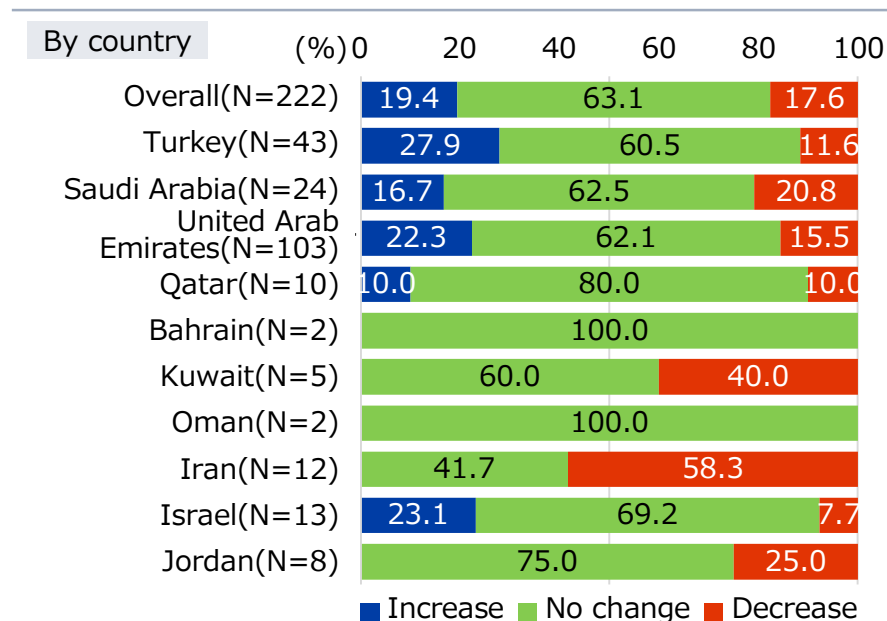


III. Investment Environment in the Middle East

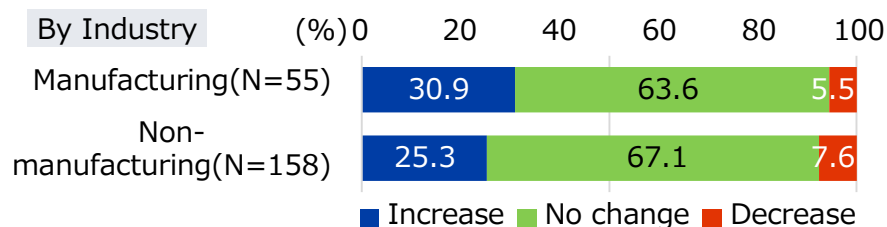
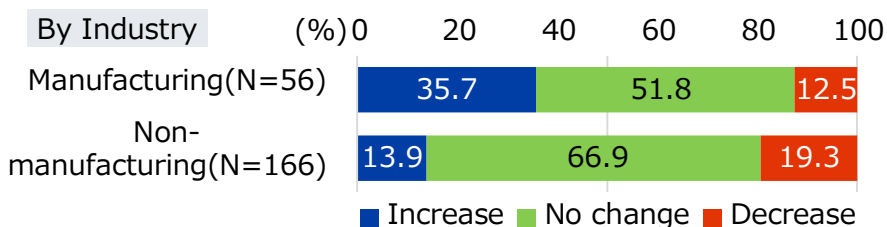
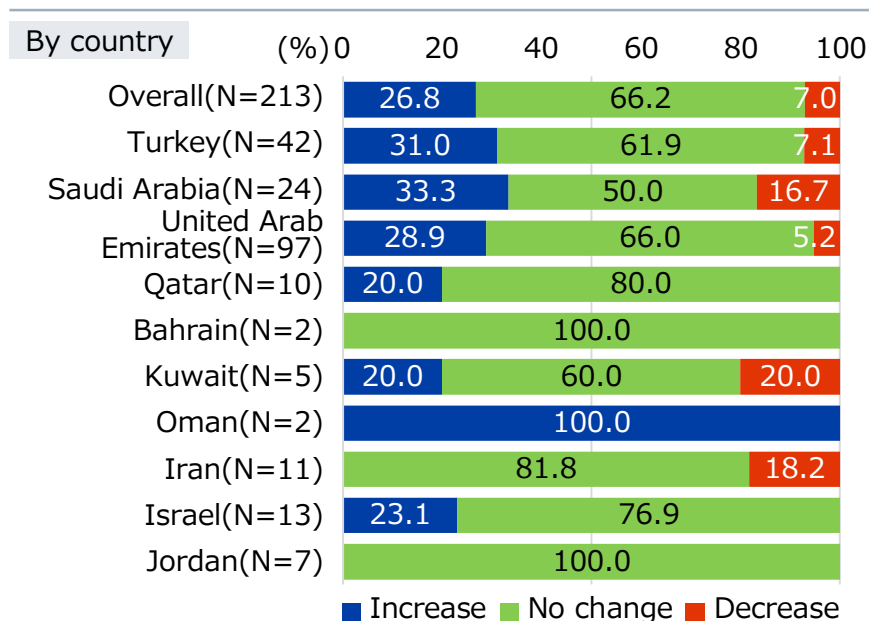
1 | Total Number of Local Employees (Changes in the past year and future plans)

- More than 60% of the companies answered that the number of local employees remained unchanged in the past year and will remain the same in the future.
- By country, for Iran, 58.3% of the companies answered "decrease" in the past year. For Kuwait, 40.0% of the companies answered "decrease."

[Local Employees] Changes in the past year



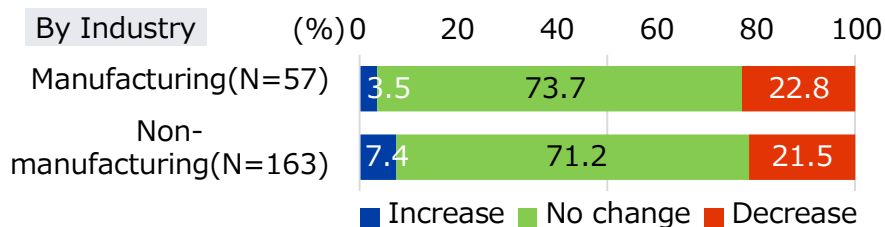
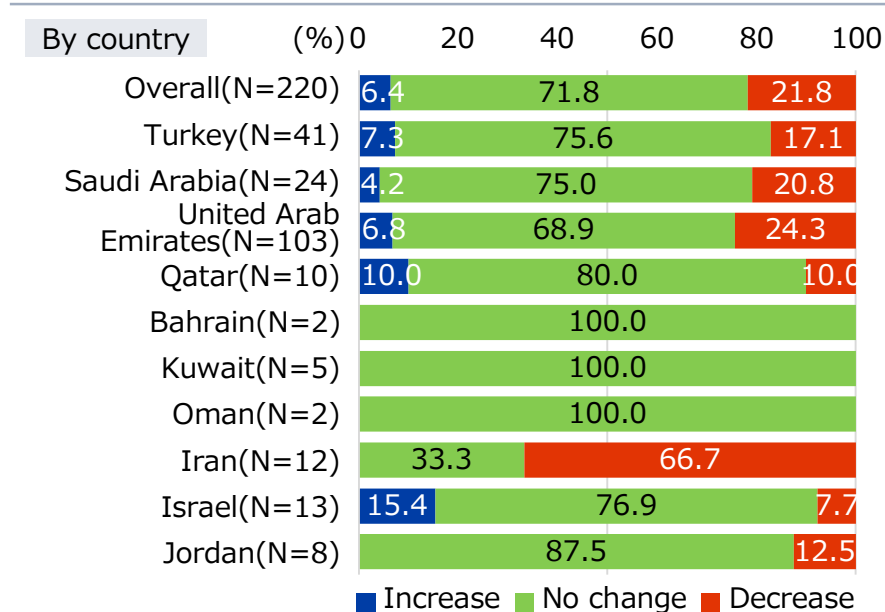
[Local Employees] Future plans



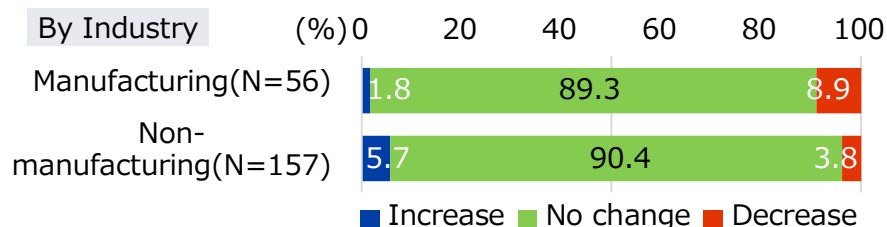
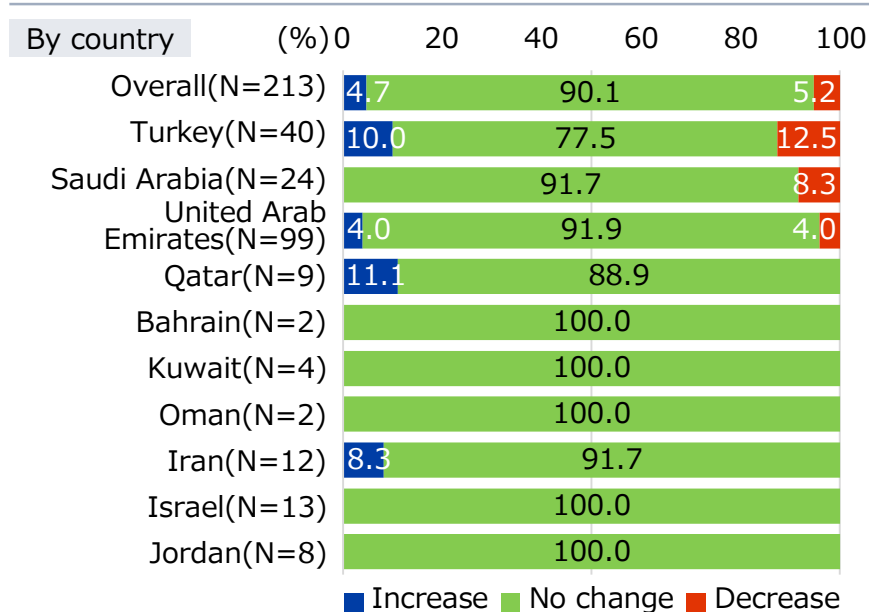
2 | Total Number of Japanese Expatriates (Changes in the past year and future plans)

- The percentage of companies that answered “the number of Japanese expatriates remained the same over the past year” (71.8%) and “will remain the same in the future” (90.1%) are both high.
- By country, for Iran, 66.7% of the companies answered “decrease” in the past year.

[Japanese expatriates] Changes in the past year



[Japanese expatriates] Future plans



3 | All countries | Investment Environment Advantages and Challenges

- When asked about the attractions of investment environment, the highest number (50.4%) of companies answered "market scale or growth potential." "Positive image regarding Japan" came in second, but was down 9.2 points.
- For more than 50% of the companies, the issues were legal system operation-related, including "sudden introduction or change of the system," and "underdeveloped legal system or unclear legal system operation." "Increase in real estate rental fees" was up about 10 points year on year.

Advantages of the Investment Environment

(Multiple answers) (%) 0 20 40 60 80 100

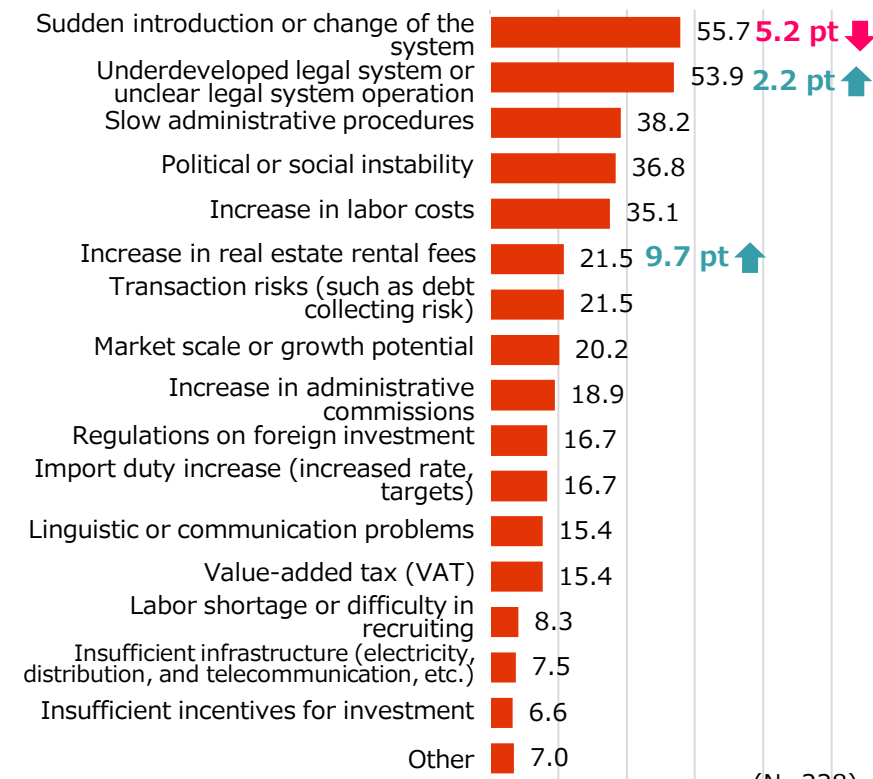


Year-over-year comparison: ↑ Increase ↓ Decrease

(N=228)

Challenges of the Investment Environment

(Multiple answers) (%) 0 20 40 60 80 100

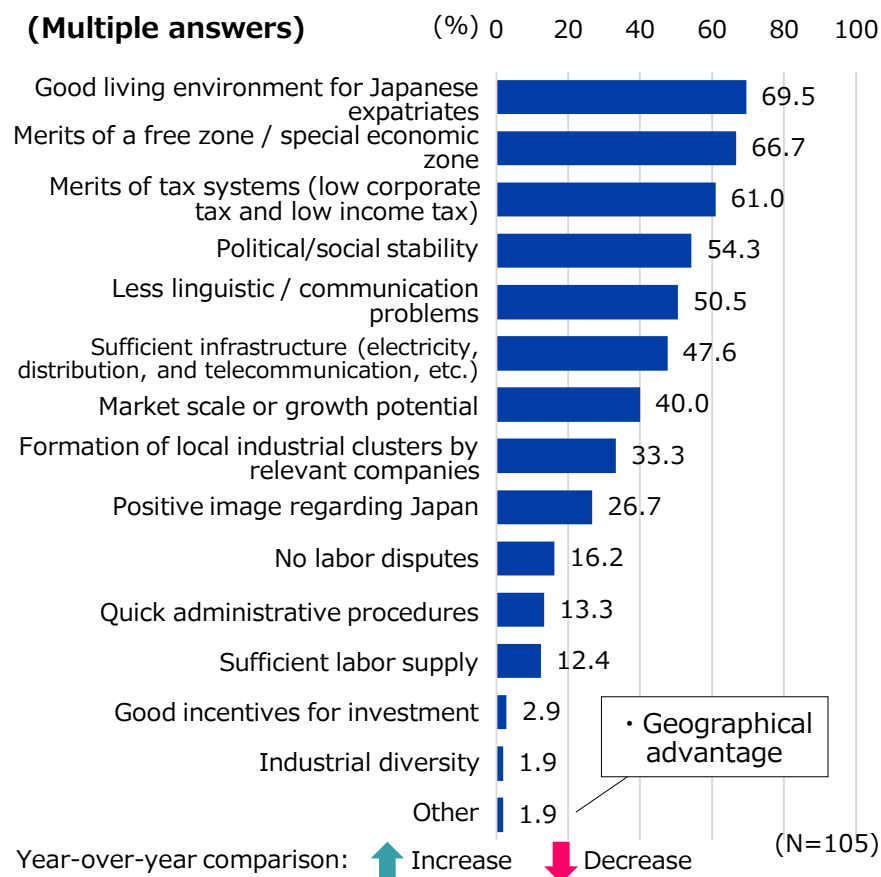


(N=228)

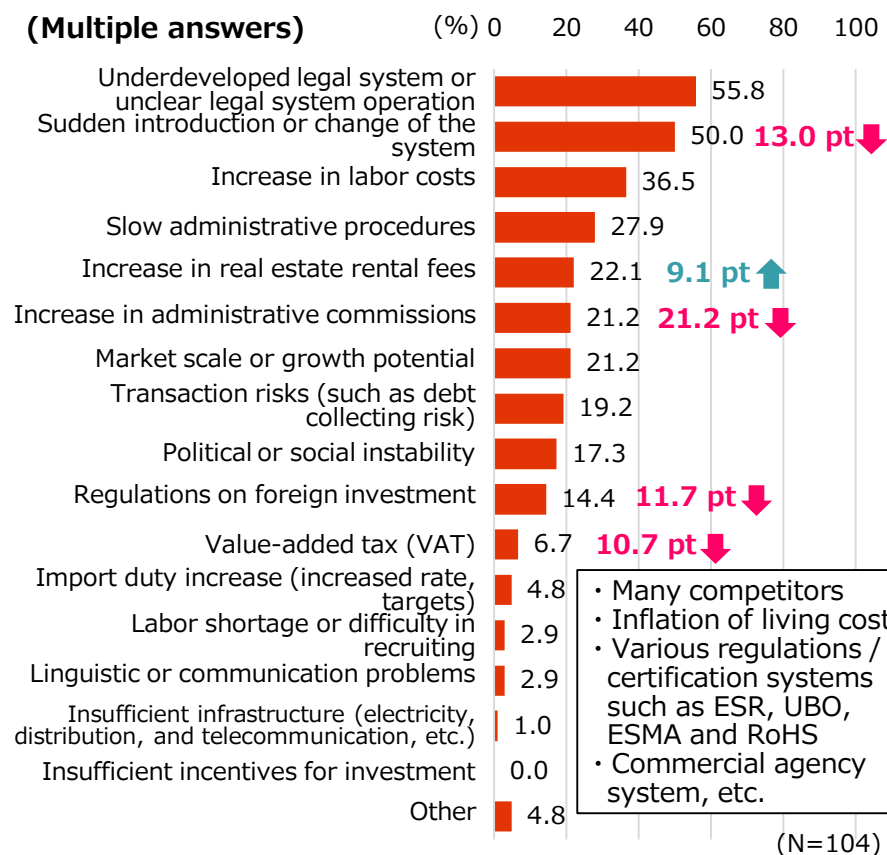
4 | United Arab Emirates | Investment Environment Advantages and Challenges

- About 70% of the companies answered “good living environment for Japanese expatriates” as the main attraction, which was the highest . This was followed by “Merits of a Free zone” at 66.7%.
- Many companies cited issues with the legal system, but the percentage fell for many items, except for “increase in real estate rental fees.”

Advantages of the Investment Environment



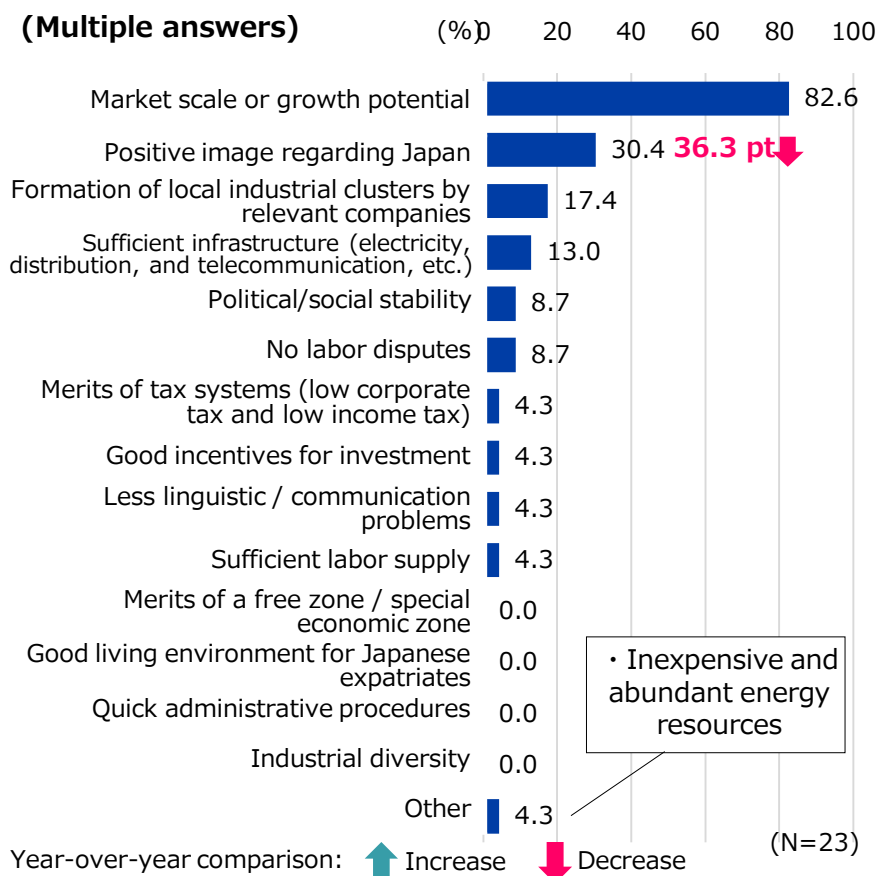
Challenges of the Investment Environment



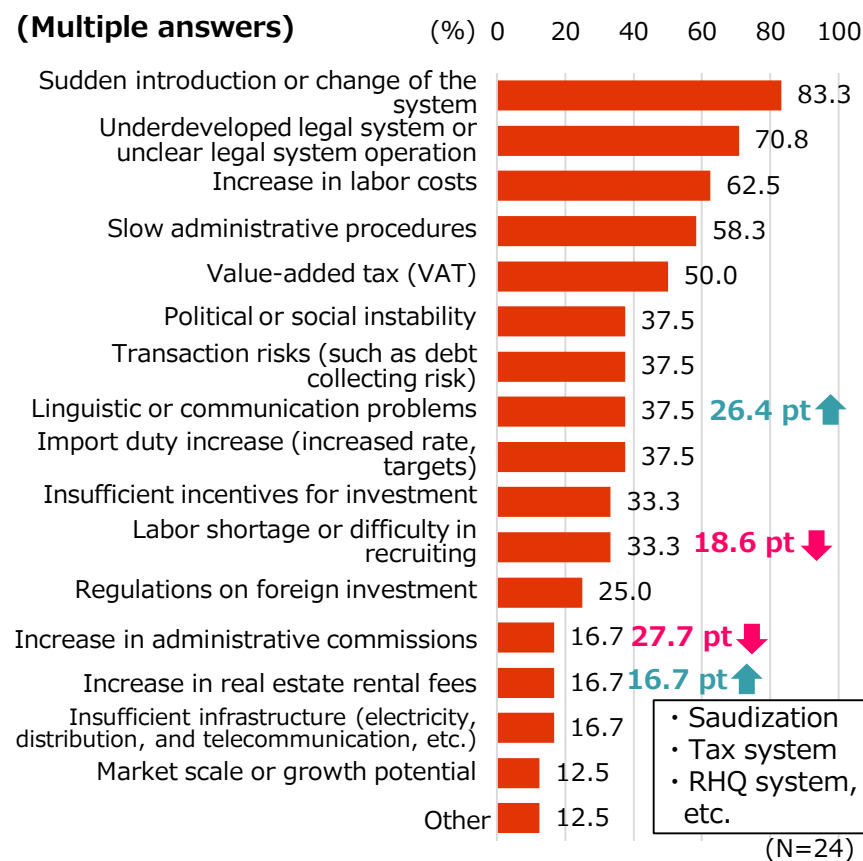
5 Saudi Arabia | Investment Environment Advantages and Challenges

- The percentage of companies that answered “market scale or growth potential” as the main attraction was 80%, the highest. The percentage for “Positive image regarding Japan” fell sharply.
- Challenges include the legal system, increase in labor costs, slow administrative procedures, value-added tax (VAT) and many others.

Advantages of the Investment Environment



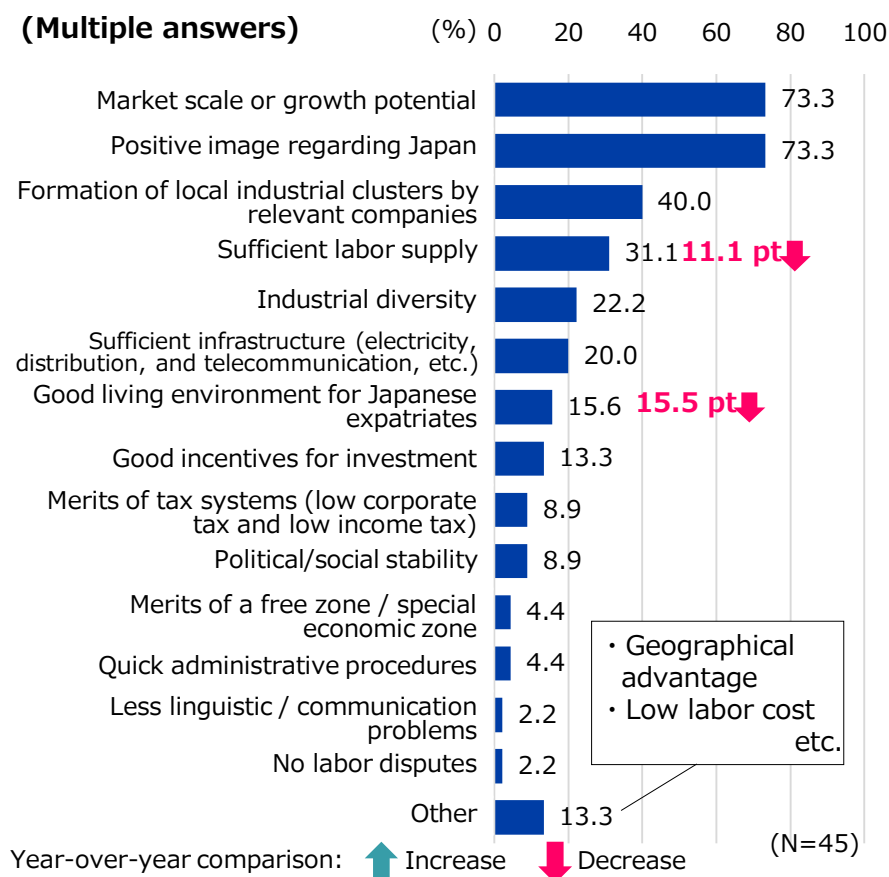
Challenges of the Investment Environment



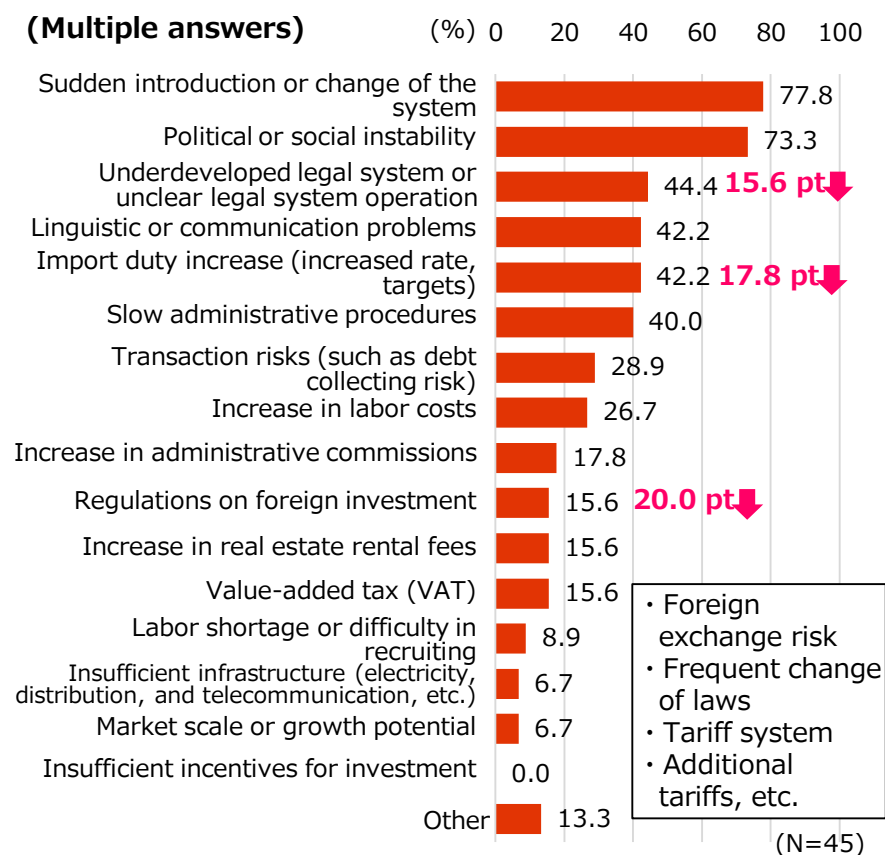
6 | Turkey | Investment Environment Advantages and Challenges

- Turkey's main advantages include "market scale or growth potential" and "positive image regarding Japan," which both ranked at the top at 73.3%.
- Challenges include sudden introduction of new business regulations, and social and political instability (high at about 70%).

Advantages of the Investment Environment



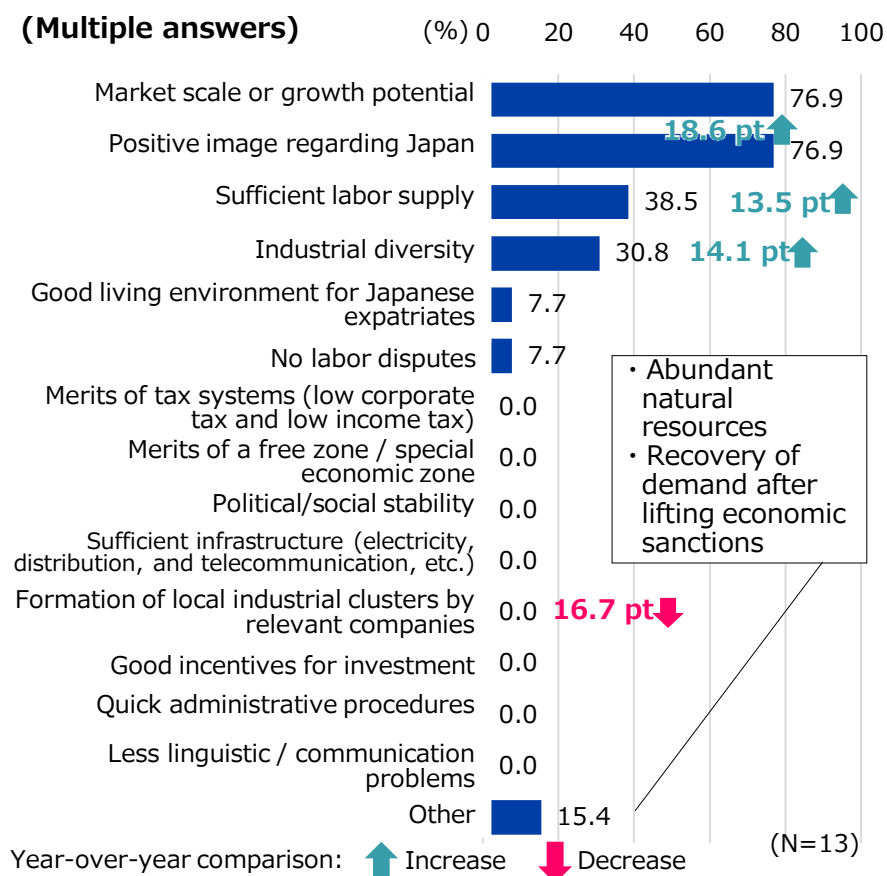
Challenges of the Investment Environment



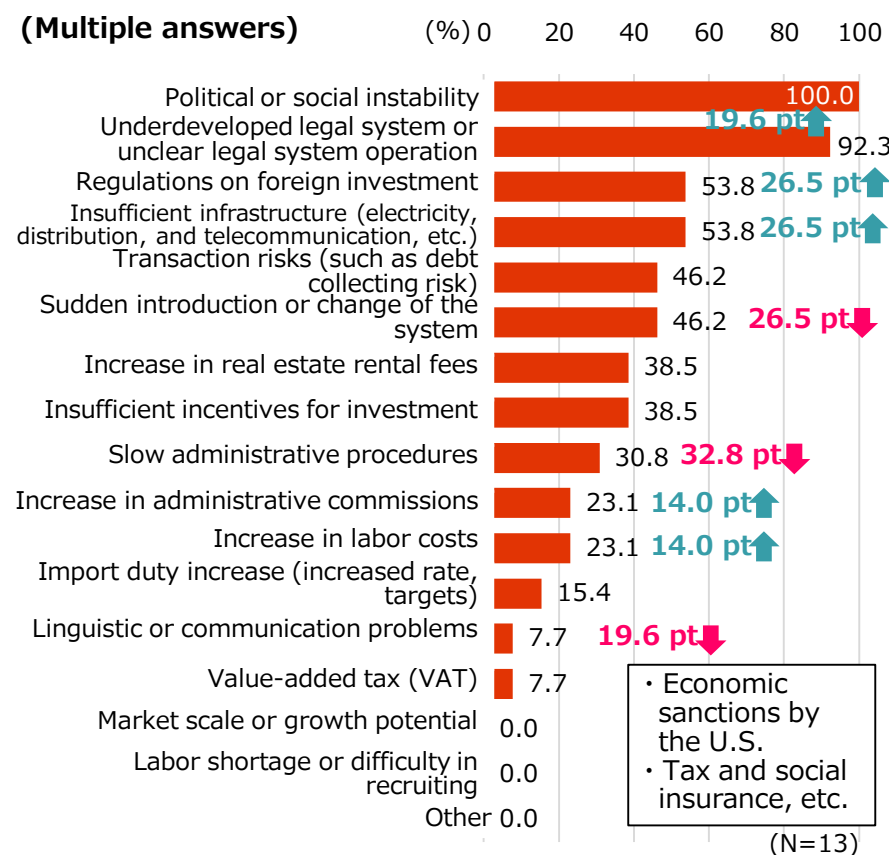
7 | Iran | Investment Environment Advantages and Challenges

- Iran's main advantages include "market scale or growth potential" and "positive image regarding Japan," both ranked at the top at 76.9%.
- All companies answered "social and political instability" as challenges of investing in Iran. This was followed by "underdeveloped legal system or unclear legal system operation," which was high at 92.3%.

Advantages of the Investment Environment

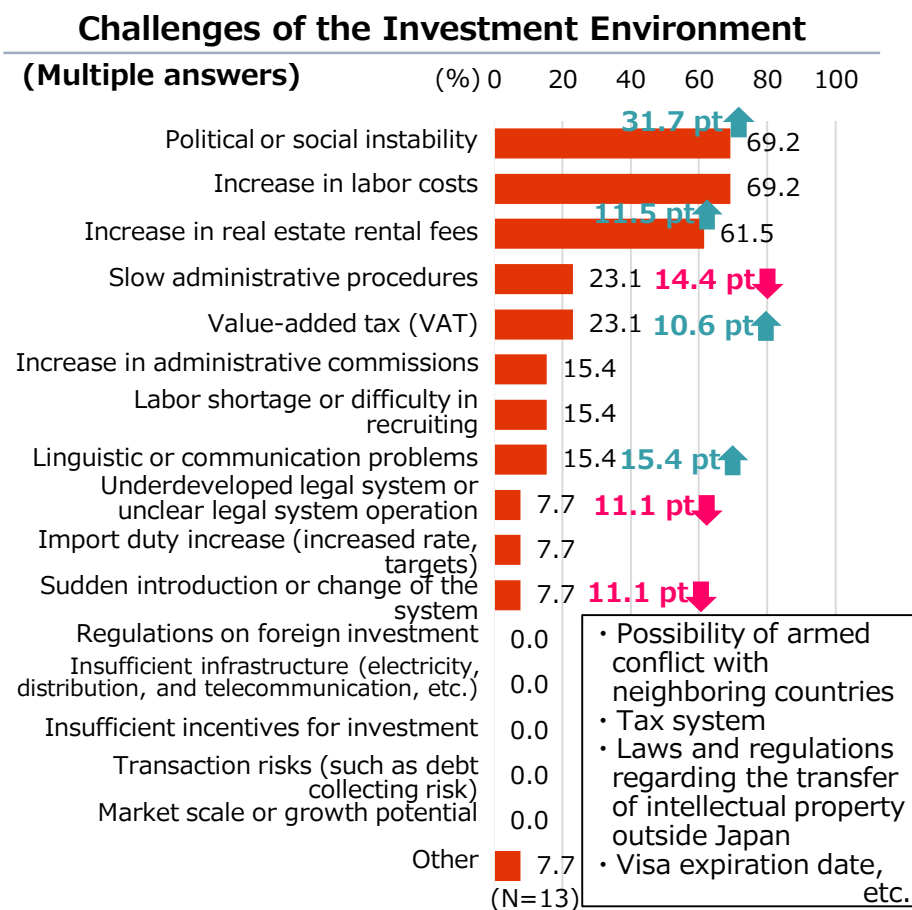
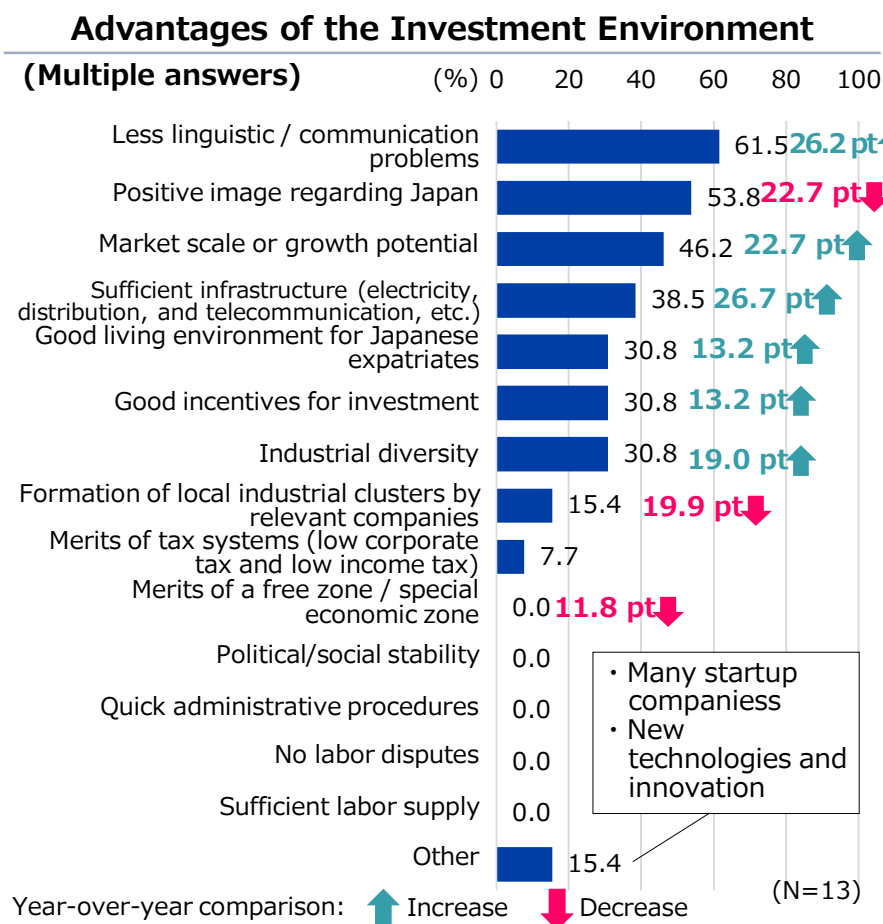


Challenges of the Investment Environment



8 | Israel | Investment Environment Advantages and Challenges

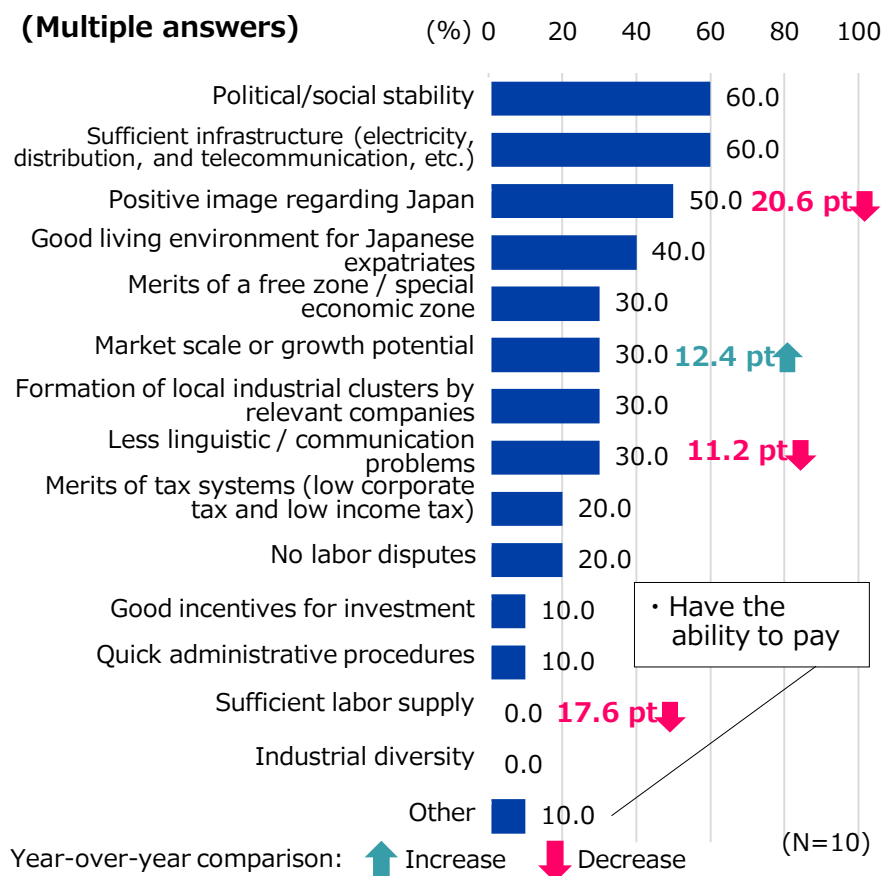
- As for advantages, “less difficulties regarding language or communication” ranked first at 60%. The percentage increased for many other items from the previous year, but “positive image regarding Japan” decreased from the previous year.
- The percentage was the highest for social and political instability, which rose significantly from the previous year. The percentage was also high for increases in labor costs and real estate rental fees.



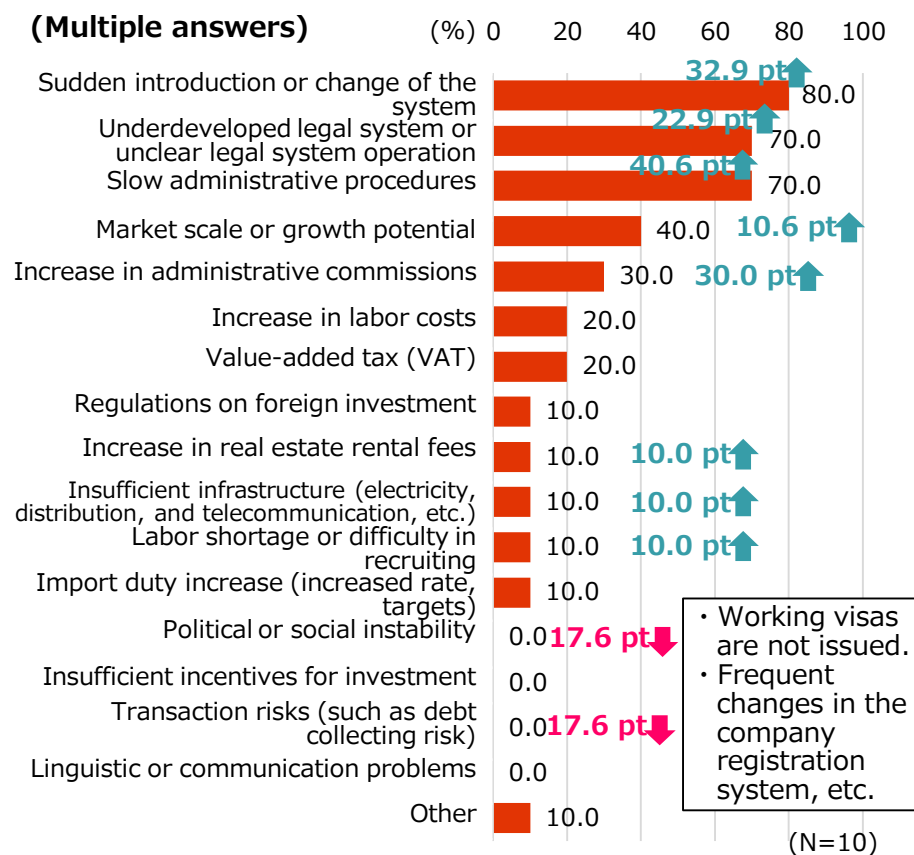
9 | Qatar | Investment Environment Advantages and Challenges

- Among advantages, “social and political stability” and “sufficient infrastructure” ranked first, both at 60%.
- Legal system ranked high in challenges. 70% answered “slow administrative procedures.”

Advantages of the Investment Environment



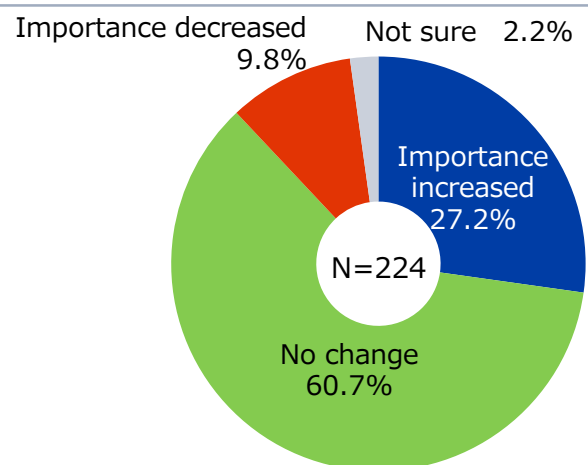
Challenges of the Investment Environment



10 | Positioning of the Middle East in the Global Business Strategy (Comparison between five years ago and five years from now)

- When asked about the position of the company on the Middle East, the most common answer was “unchanged,” both five years ago and over the next five years.
- The response “it will become more important” over the next five years increased to 36.2%.

Positioning Compared to Five Years Ago



“Importance increased”

- Hydrogen and fuel ammonia for decarbonization
- Startups/Technology
- Base to expand into African markets
- The role as the manufacturing base

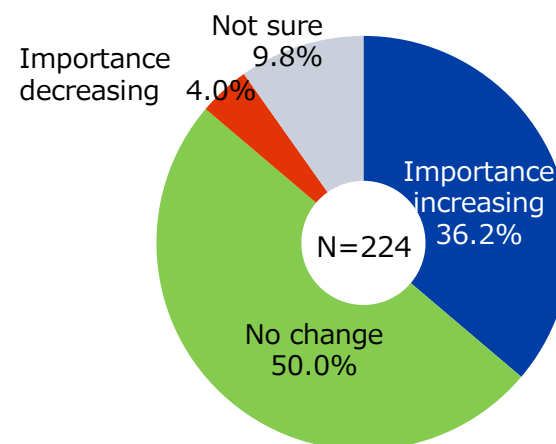
“No change”

- Importance as a source of primary energy remains unchanged

“Importance decreased”

- Rise of political and economic risks
- Economic sanctions
- Concerns about the future of oil-related industries due to decarbonization

Positioning Over the Next Five Years



“Importance increasing”

- Normalization of diplomatic relations between Israel and Arab countries
- Production base for green energy
- Population growth, growth markets
- Geographical advantage including Africa

“No change”

- The importance of existing businesses in the resources and energy fields will remain unchanged.
- Conflict risk

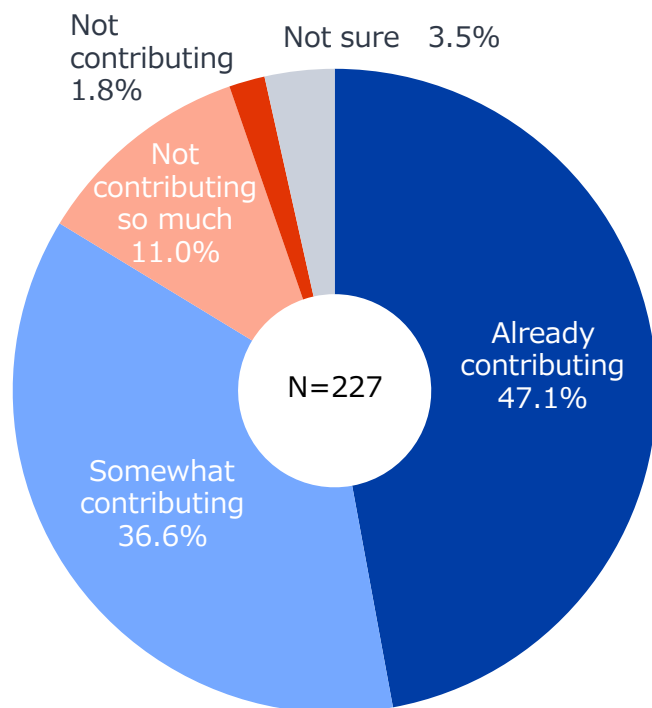
“Not sure”

- The speed of decarbonization is uncertain.
- Depending on political stability

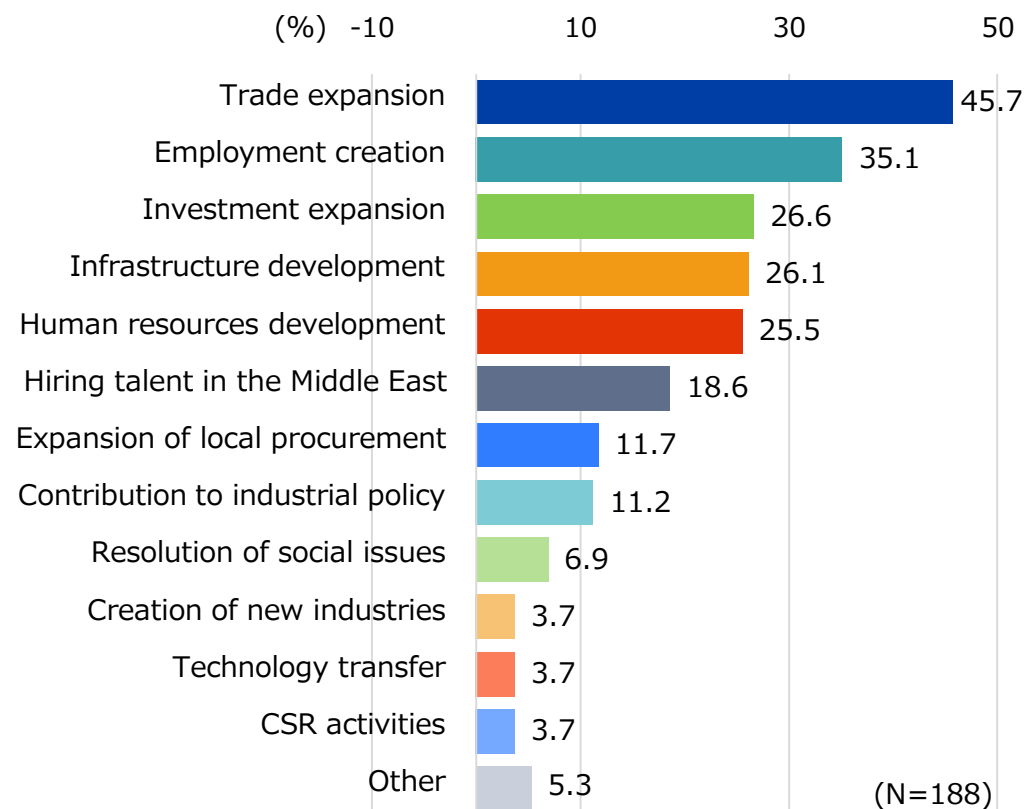
11 | Positioning of the Middle East in the Global Business Strategy (Contribution to the Country)

- The total of “Already contributing” and “somewhat contributing” is about 80%.
- When asked about the content of contribution, the most common answer was “trade expansion,” at 45.7%. This was followed by “employment creation,” at 35.1%.

**Contributing to the economy of the country
in which the company operates**



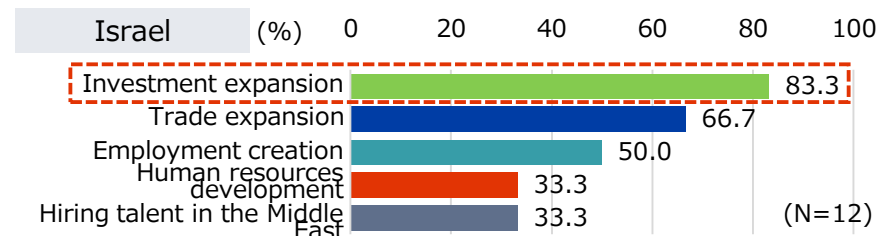
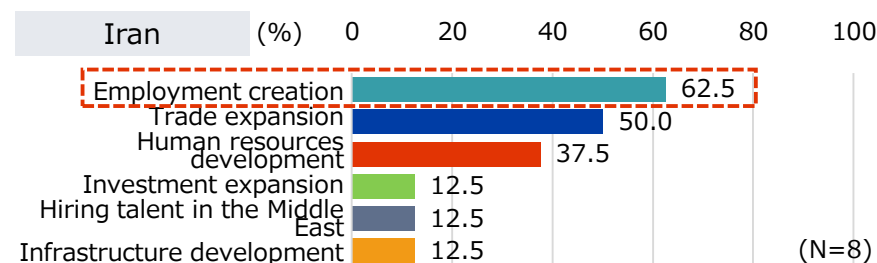
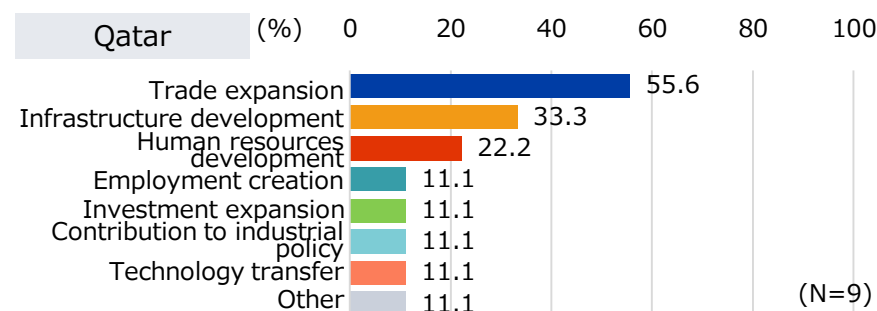
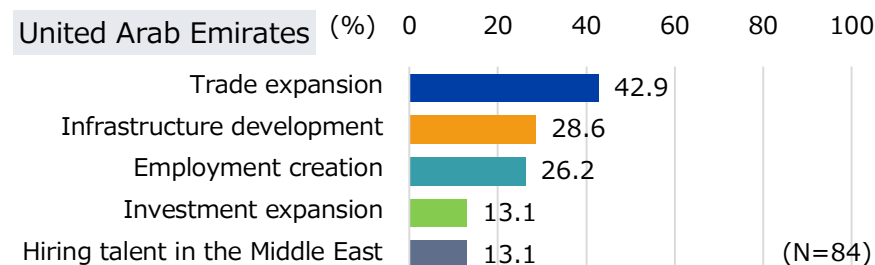
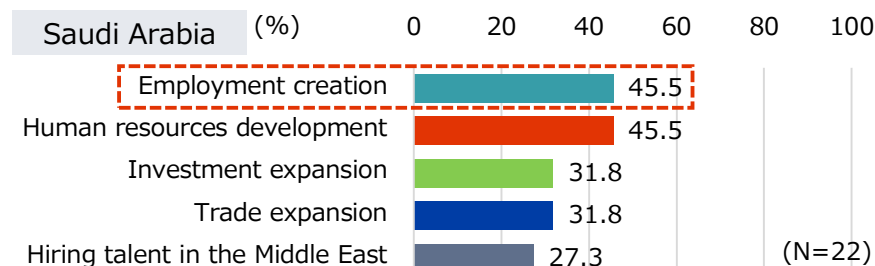
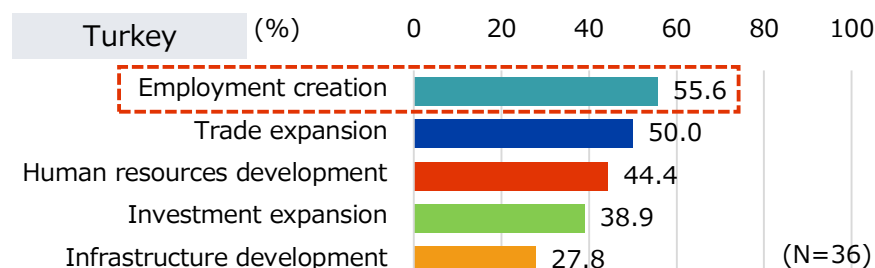
**Content of contribution to the Middle Eastern economy
(Multiple answers)**



12 | Positioning of the Middle East in the Global Business Strategy (Content of Contribution, by Country)

- By country, for Iran, Turkey and Saudi Arabia, the highest percentage was for “employment creation.”
- For Israel, the percentage of “investment expansion” was high.

Content of contribution to the Middle Eastern economy (Multiple answers)

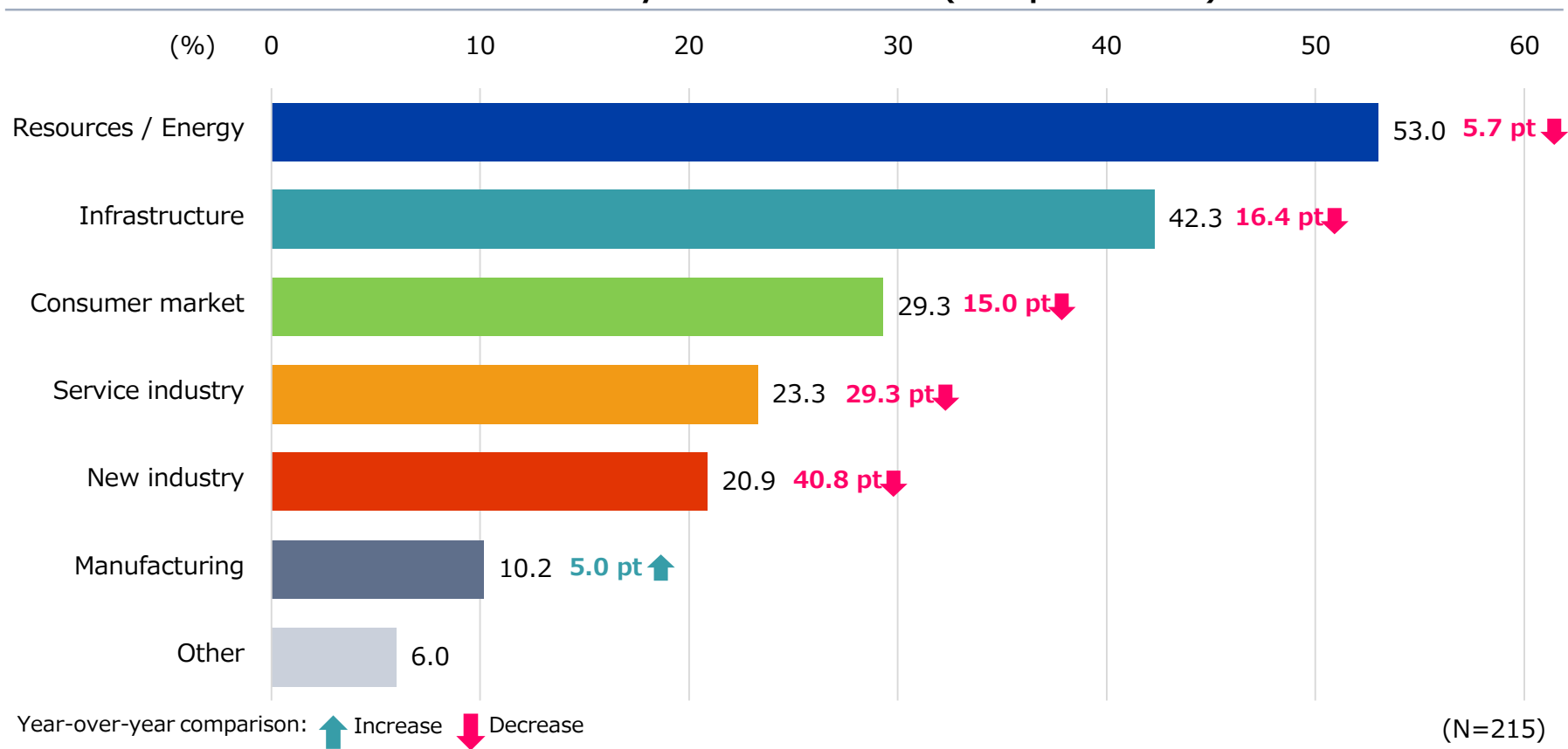


IV. Business Areas with Future Promise

1 | Business Areas with Future Promise

- When asked about business areas with future promise, 53.0% of the companies answered “resources / energy,” which was the highest. This was followed by “infrastructure” at 42.3%, far exceeding “consumer market” and others.
- Overall, the response rate decreased from the previous year.

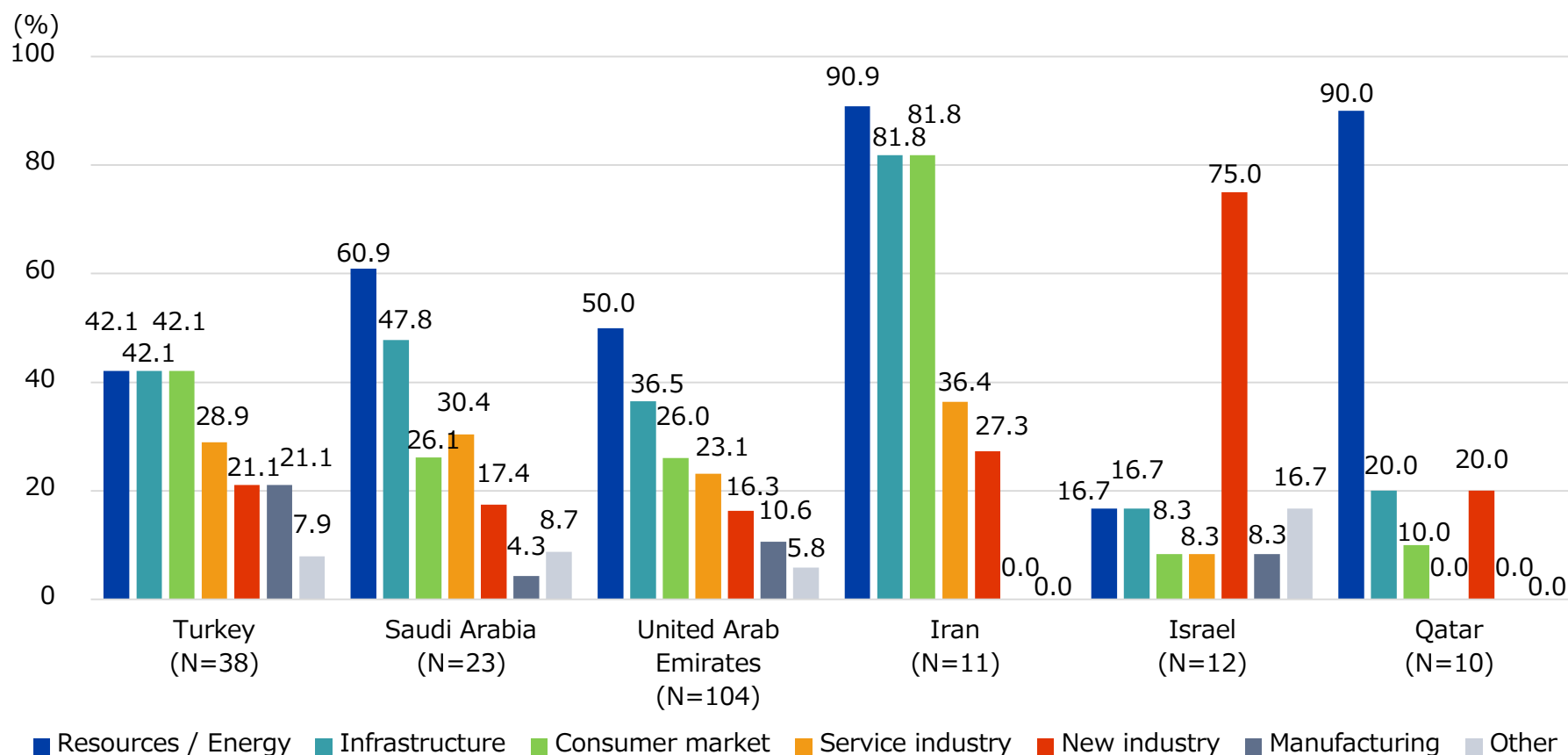
**Business areas with promise in the future market
of the home country or the Middle East (Multiple answers)**



2 | Business Areas with Future Promise (by Country)

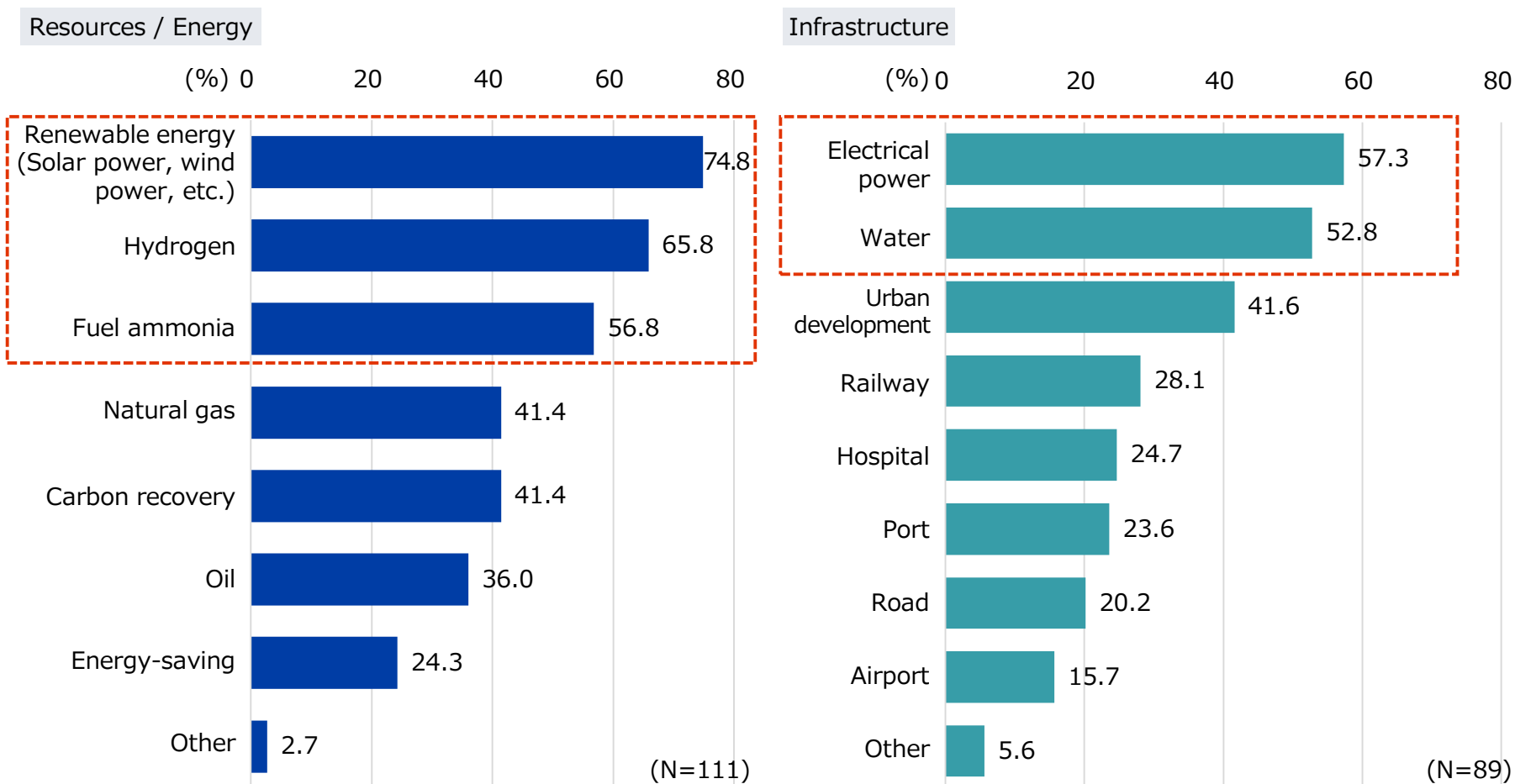
- By country, for Iran and Qatar, more than 90% of companies answered “resources / energy .”
- For Israel, 75.0% of companies answered “new industries.”

Business areas with promise in the future market of the home country or the Middle East (Multiple answers)



3 | Business Areas with Future Promise (by Category -1-)

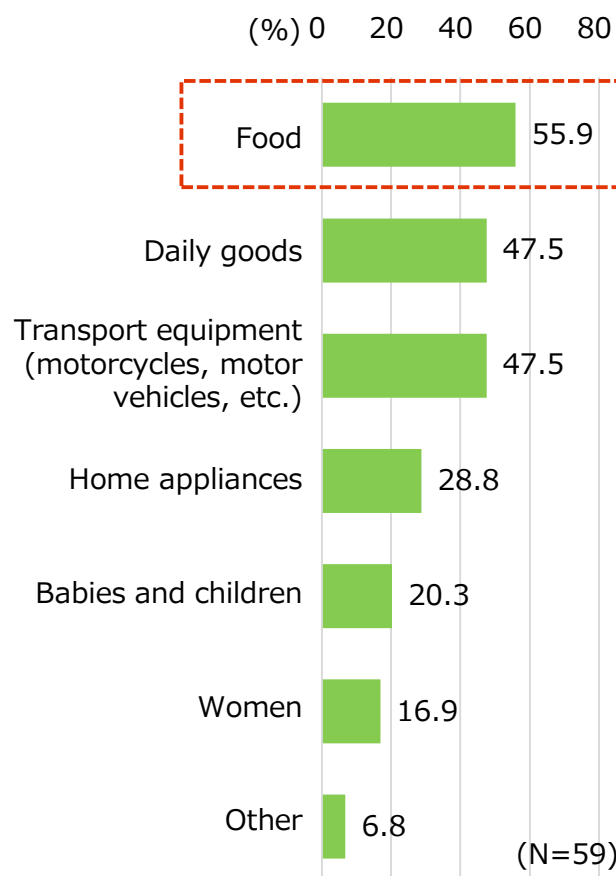
- By field, renewable energy, hydrogen, and ammonia ranked high in “resources / energy.”
- In “infrastructure,” more than 50% of the companies answered electricity and water, followed by urban development.



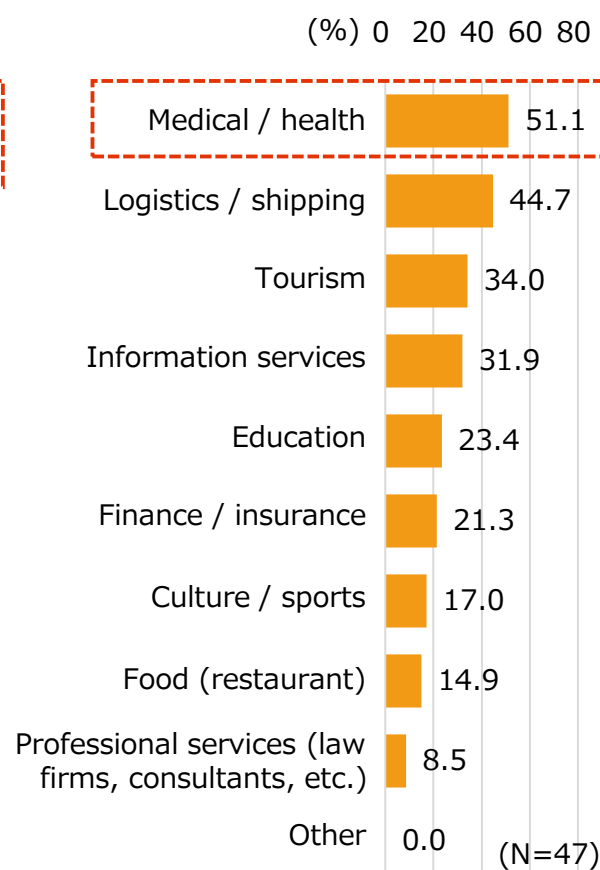
4 | Business Areas with Future Promise (by Category -2-)

- In “consumer market,” 55.9% of the companies answered food products, and in “service industry,” 51.1% answered medical and health care services.
- Answers were divided for “new industries,” but e-commerce and electric vehicles (EVs) came out on top.

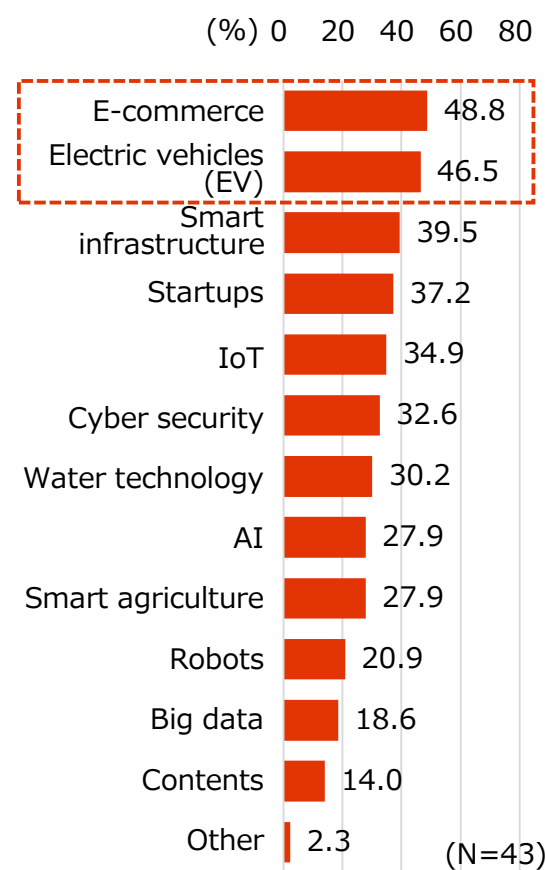
Consumer market



Service industry

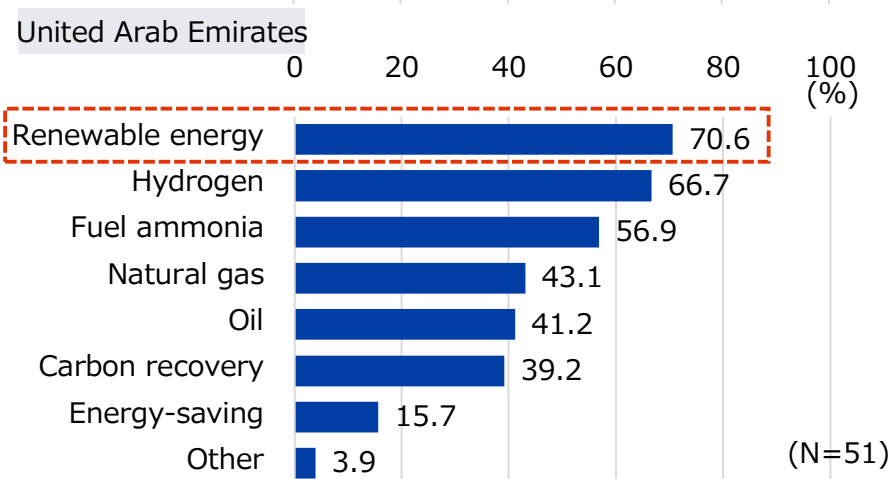
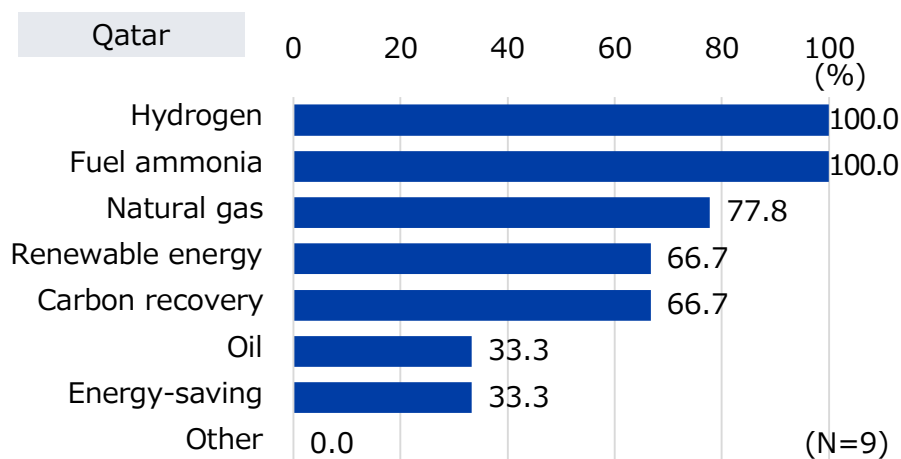
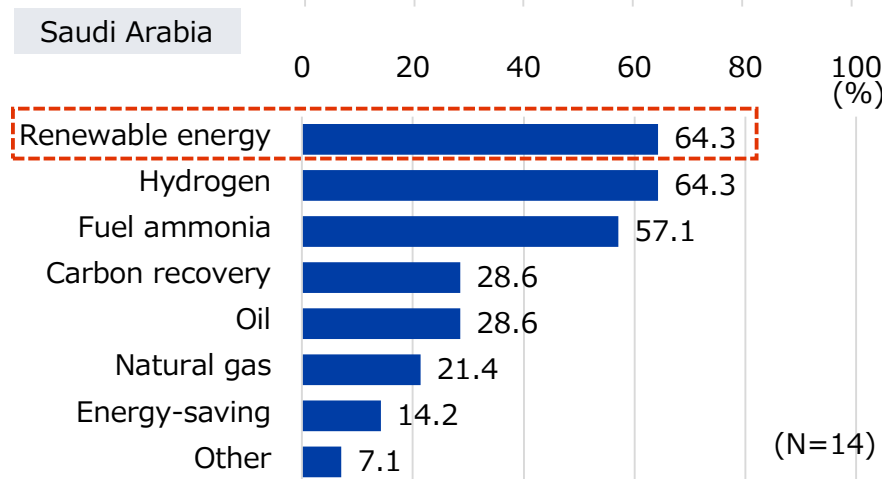
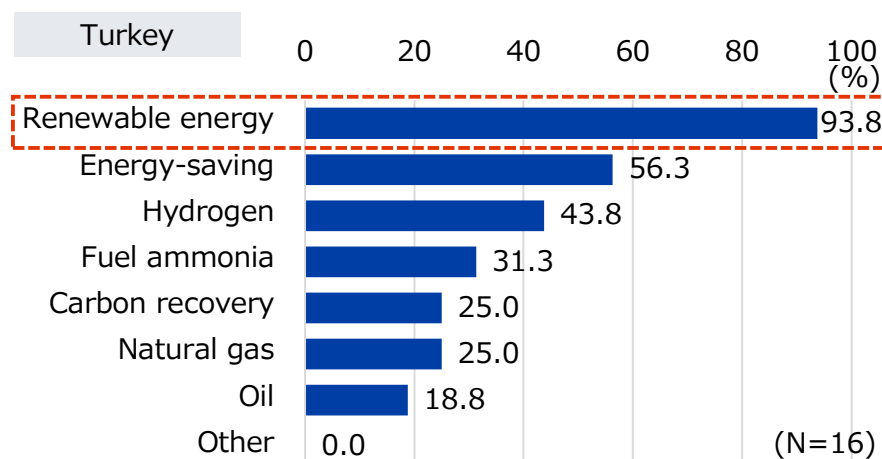


New industry



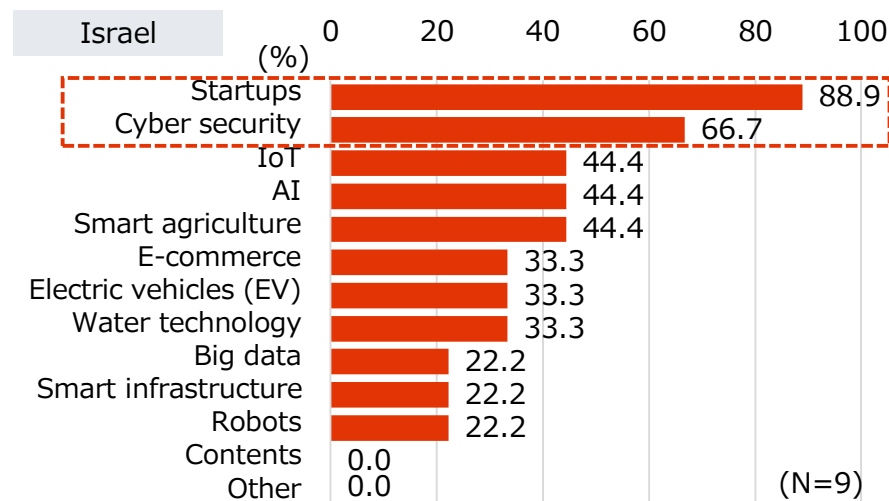
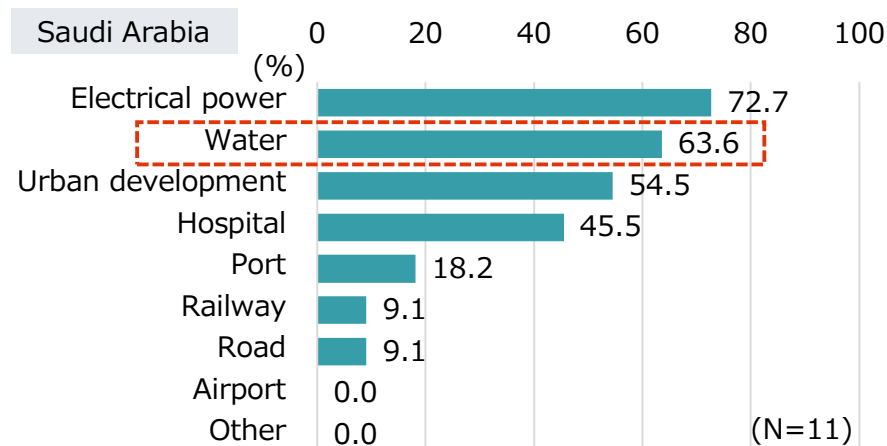
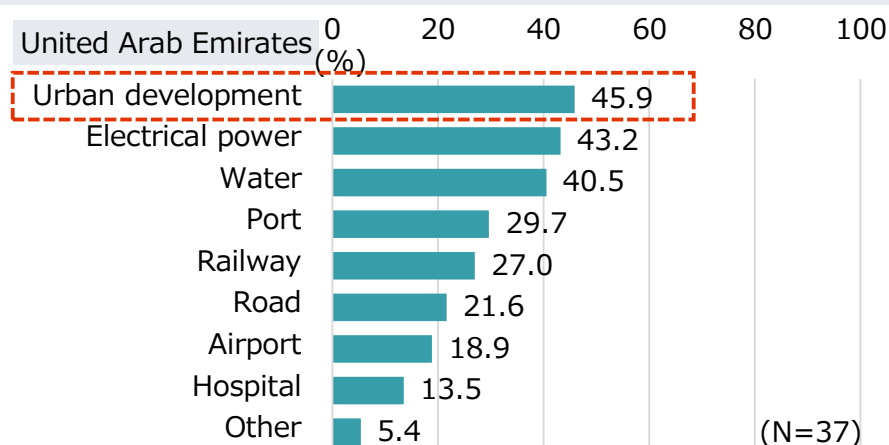
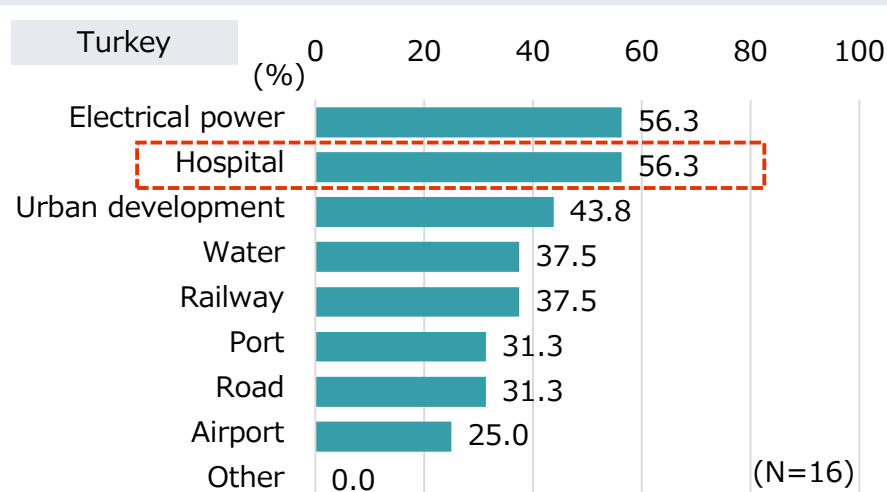
5 | Business Areas with Future Promise (Resources and Energy / by Country)

- Expectations for renewable energy are highest for Turkey, UAE, and Saudi Arabia.
- In addition, “hydrogen” and “fuel ammonia” were also common answers, occupying the top positions.



6 | Business Areas with Future Promise (Infrastructure and New Industry / by Country)

- For infrastructure, a high percentage of companies answered “electricity,” but for Turkey, “hospitals” was high, while in the UAE it was “urban development”, “water” also attracted attention in Saudi Arabia.
- As for new industries in Israel, about 90% of the companies answered they had high expectations for “startups”, followed by “cyber security” at about 70%.



7 | Reference | Business Areas with Future Promise (Green Industry)

- Oil-producing countries in the Gulf such as the UAE and Saudi Arabia are promoting decarbonization initiatives. Their initiatives are attracting a lot of attention.
- High interest in the potential of renewable energy, especially solar power.

Green Promotion Measures and Projects in the UAE and Saudi Arabia

Country	Major green policies	Major targets	Major solar power projects
UAE	● UAE Energy Strategy 2050 (2017) ● National Climate Change Plan (2017-2050) (2017) ● UAE Environmental Policy (2020) ● Contributions Determined by the Country to the Paris Agreement (2020) ● National Water and Energy Demand Management Program (2021)	● Greenhouse gas reduction target: 23.5% by 2030, achieving carbon neutrality by 2050 ● Increase the percentage of clean energy in power generation to 50% by 2050 ● Reduce CO2 emissions from power generation by 70% by 2050	● Masdar Solar Project, Abu Dhabi ● Mohammed bin Rashid Al Maktoum Solar Park, Dubai ● Noor Abu Dhabi Solar Power Project (Sweihan Solar Power Plant) ● Al Dhafra Solar Project, Abu Dhabi
Saudi Arabia	● Saudi Vision 2030 ● Saudi Green Initiative (2021) ● Saudi Green Initiative (2021)	● Increase power generation using renewable energy to 58.7 GW by 2030 (including 40 GW from solar power and 16 GW from wind power) ● Achieve carbon neutrality by 2060	● Sakakah (Al-Jawf Province) ● Rabigh (Mecca Province) ● Sudair (Riyadh Province) ● Jeddah (Mecca Province)

(Source) Created by JETRO based on various materials

8 | Reference| Business Areas with Future Promise (Other)

- In Israel, the UAE and Turkey, there are also new developments in startups and digital content.
- Expectations are high for the growth of the healthcare industry as a result of the COVID-19 pandemic and the further spread of Japanese cuisine.



(Photo) Courtesy of Biolive

Startups

Startup to produce eco-friendly alternative plastics from olive seeds (Turkey)

Digital content

(Photo) Courtesy of ByondXR



Metaverse (virtual reality space) technology provided to leading cosmetics brand (Israel)

Japanese food

Japanese food is popular in Dubai. The number of specialty ramen stores has increased in recent years (UAE)

(Photo) Ramen specialty store Hakata Ikkousha



(photo by JETRO)

9 | Future Investment Destinations: Rankings and Company Comments (Multiple Answers)

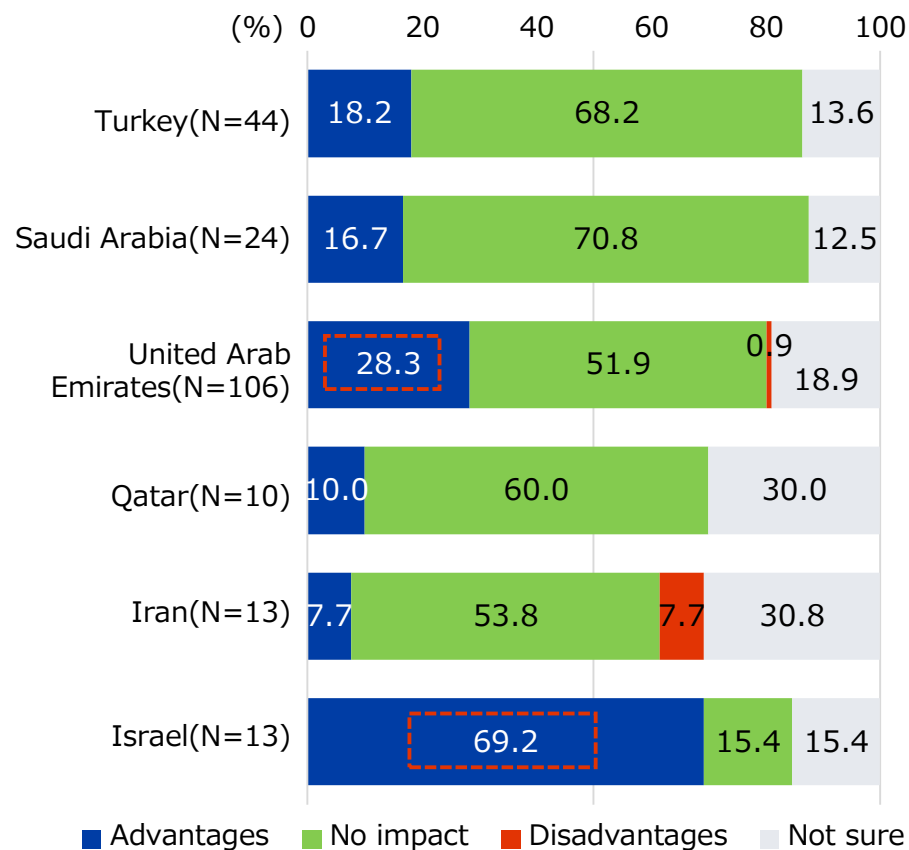
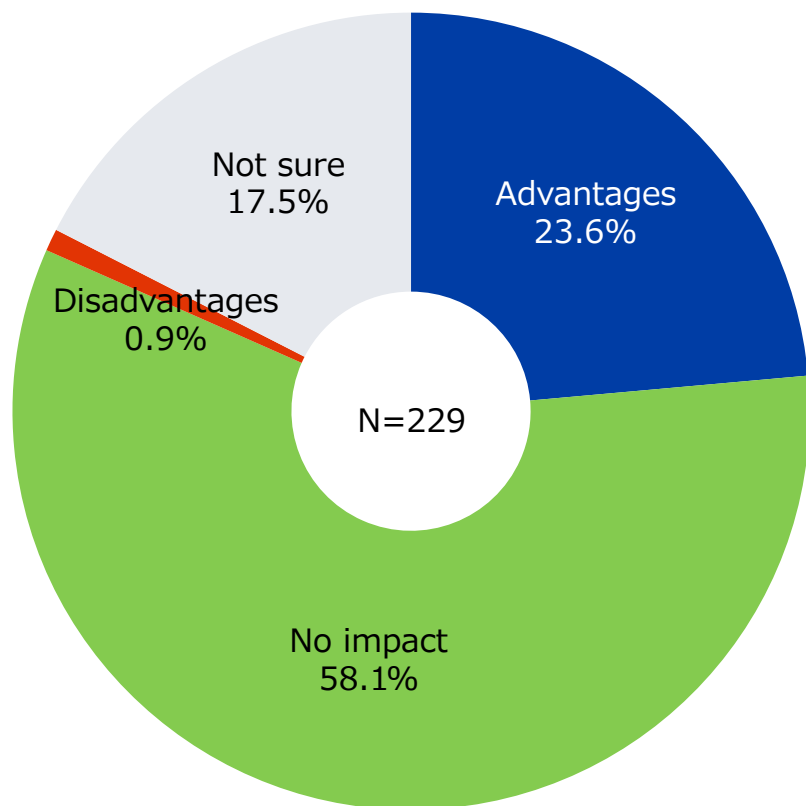
	Country	Share (%)	Reason (Company Comments)	N=212
1	Saudi Arabia	59.4	Decarbonization (renewable and new energy, hydrogen and ammonia), market size and growth potential, investment in infrastructure and construction, economic development (according to Vision 2030), petrochemical projects, changes in logistics demand, relationship with Iran	
2	United Arab Emirates	50.5	Decarbonization (renewable and new energy, hydrogen and ammonia), de-dependence on oil, crude oil and natural gas, growth potential, Middle East (digital technology) hub, upgrading of the oil industry, increasing demand for luxury goods, EVs and automated driving	
3	Iran	40.1	Lifting of sanctions by the U.S., political and social situation, oil and gas, population and market size, automobile industry	
4	Qatar	32.1	Natural gas and LNG, oil industry, renewable energy, resumption of diplomatic relations with Saudi Arabia and the UAE, relations with GCC and Turkey, etc., impact of the World Cup, growing demand for luxury goods	
5	Turkey	29.2	Domestic market size and growth potential, bases for Europe, political and social situation, exchange rate trends, policy interest rate trends, business partners for expansion into Africa, tourism industry, Japan-Turkey EPA	
6	Israel	17.5	Startups, new technologies, attractiveness as a new market, political and security situation, normalization of diplomatic relations with Middle Eastern countries	
7	Oman	17.0	Decarbonization (renewable and new energy, hydrogen and ammonia), oil industry, free port	
8	Kuwait	11.8	Oil and energy, hydrogen and ammonia, seawater desalination, aging infrastructure, growing demand for luxury products	
9	Bahrain	10.8	Oil and energy, banking transaction needs, country risk, and changes in logistics demand	
10	Jordan	8.5	Infrastructure development, chemical products materials, key point in the Middle East (point of contact to Iraq)	
*	Other	9.4	For "Other," 11 out of 20 companies answered Iraq	

V. Impact of normalization of diplomatic relations with Israel

1 | Impact of Normalization of Diplomatic Relations with Israel on Business

- 58.1% of the companies said there is no impact on their business with regard to the normalization of diplomatic relations with Israel. This is the highest percentage. 23.6% answered there are advantages.
- By country, for Israel, about 70% of the companies answered there are advantages , which is relatively higher than in other countries. The percentage is low at 28.3% for the UAE side.

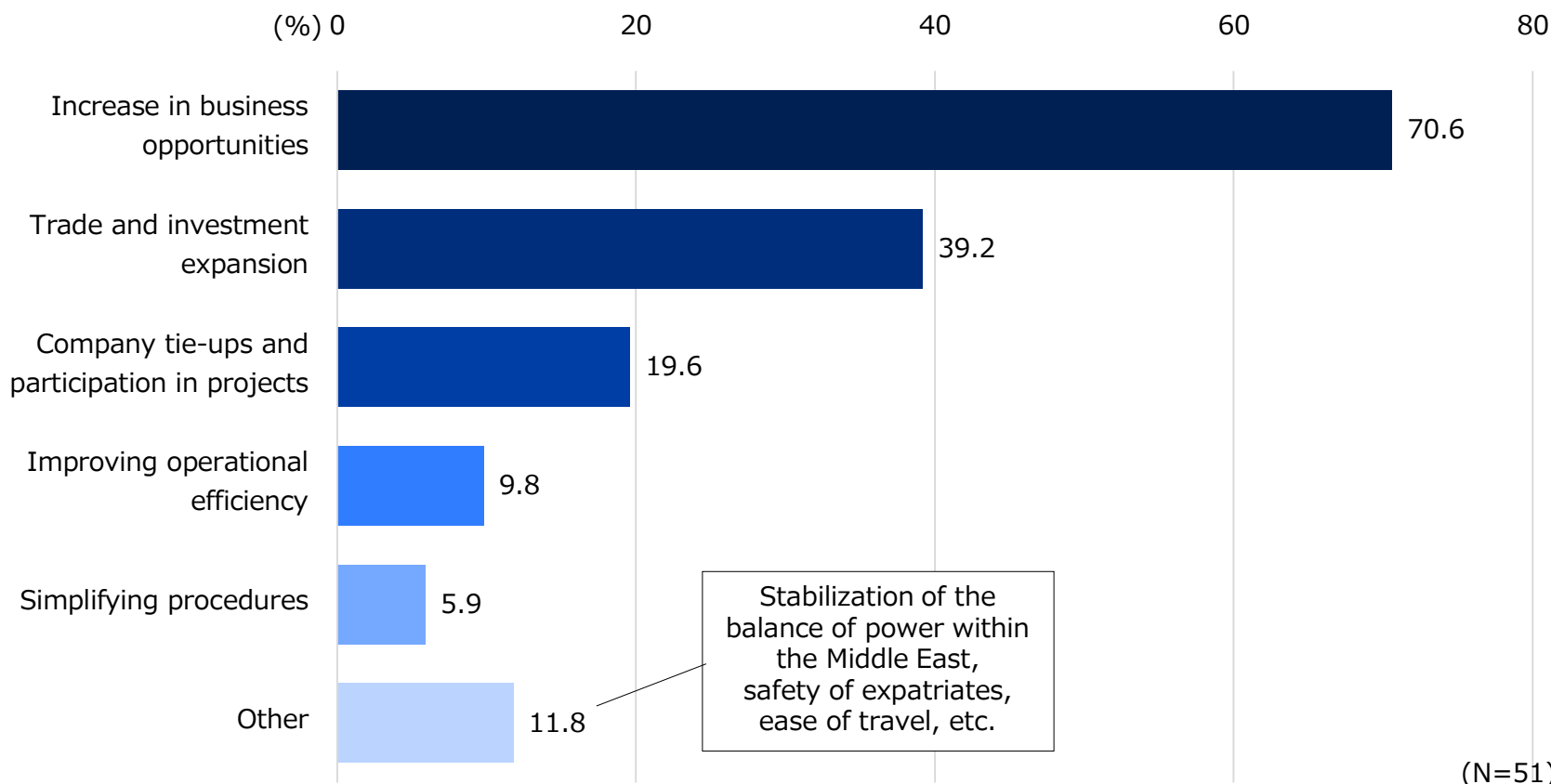
Impact of Normalization of Diplomatic Relations with Israel on Your Company's Business



2 | Impact of Normalization of Diplomatic Relations with Israel (Reason for advantages)

- About 70% of the companies answered “increase in business opportunities,” which was the highest. This was followed by “trade and investment expansion.”
- Only 20% of the companies answered “company tie-up and participation in projects.”

Reason for selecting the advantages (Multiple answers)



3 | Reference | Main contents of cooperation as a result of normalizing diplomatic relations

- After the normalization agreement between Israel and the UAE, the two sides announced a series of cooperative projects. The conclusion of an FTA is also being negotiated.
- There is a wide range of fields, including measures against COVID-19 (medical care), tourism, finance, logistics, energy, free zones, and advanced technology and startups.

Major collaborations announced between Israel and the UAE

Field	Main contents of cooperation
COVID-19 / Medical	Cooperation in the development of a COVID-19 test kit, joint research in the field of regenerative medicine (cell therapy), and collaboration on the practical application of infection detection technology, etc.
Aviation / Tourism	Launch of direct flights, signing of a visa-free travel agreement, and a memorandum of cooperation between Israeli tourism-related companies and major UAE tourism companies
Banking / Finance	Establishment of a joint committee, memorandum of cooperation among major banks, investment by UAE investors in contingent convertible bonds of the Bank of Israel, etc.
Port / Logistics	Memorandum of cooperation between DP World, Dubai Customs and Israeli port operators on port development, customs cooperation, etc.
Resources / Energy	Masdar Invests in Israeli EDF's Renewable Energy Project
Free zone	Memorandum of Cooperation between the Federation of Israeli Chambers of Commerce and the UAE Free Zone Authority, including JAFZA and DAFZA
Technology / Startups	Partnerships in AI research institutes, fintech, agritech (water research institute), mobility (advanced driver assistance systems, linear hydrogen engines), etc.; organizing the GITEX bilateral economic summit

(Source) Created by JETRO based on various materials

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