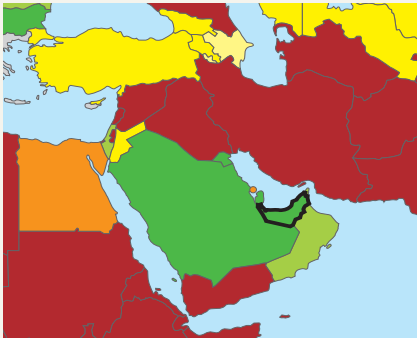


Basic facts (2025)

Population: 11 million

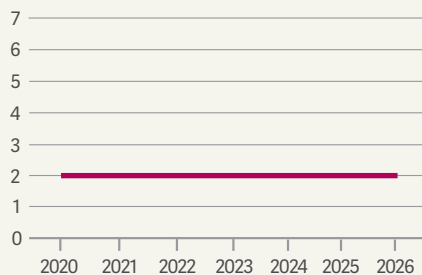
GDP, nominal: USD 569 billion

GDP/capita: USD 51 348



The country risk categories are arranged on a scale from 0 to 7. The lower the figure, the better the country's creditworthiness

Country classification history



Source: EKN

Strengths

- + Diversified economy in a regional perspective
- + Strong macroeconomic indicators
- + Long record of political stability

Weaknesses

- Continued dependence on oil revenues
- Need for structural reforms, limited protection for investors and creditors

Well-developed economy

The United Arab Emirates (UAE) is one of the most developed economies in the Middle East. The emirates collectively hold large oil reserves, accounting for around six per cent of the world's known oil reserves and approximately three per cent of natural gas reserves. The oil and gas sector remains a major driver of growth, representing around 25 per cent of the UAE's GDP and almost 50 per cent of public sector revenues. Despite this, the country is among the least oil-dependent economies in the Gulf.

Although oil remains the most important source of public revenue – including for the individual emirates as well as the federal budget – sectors such as tourism, business services and logistics have grown in importance in recent years.

The responsibilities of the federal government are limited, but include monetary policy and the banking system. As a result, risks such as transfer and convertibility risks are broadly similar for buyers regardless of the emirate in which they are based. Significant efforts have been made in recent years to diversify the economy and adapt it to a future with lower demand for fossil fuels. The UAE's president, Sheikh Mohammed bin Zayed Al Nahyan, is expected to maintain the current policy direction, which prioritises economic diversification through public investment combined with improvements in the business environment and social rights in order to attract investment and human capital from abroad.

Over the coming decade, the UAE and Saudi Arabia are expected to continue competing for the position as the region's main business hub and destination for foreign direct investment. Although the UAE currently attracts around three times as much foreign direct investment (relative to GDP) as Saudi Arabia, the gap is expected to narrow as the Saudi economy – and society more broadly – becomes increasingly open to the outside world.

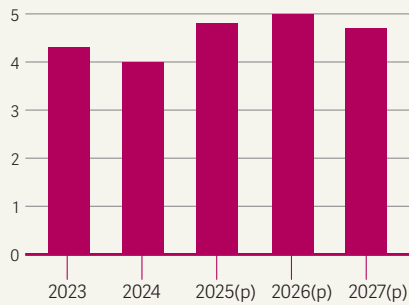
Despite the UAE's long-standing and strategic relations with the United States, deeper ties with countries such as India and China are expected to be prioritised in order to strengthen the country's security and trade interests. The country's accession, together with several others, to the BRICS cooperation framework in early 2024 should be viewed in the light of this ambition to diversify its international partnerships.

Thanks to large financial assets built up from oil revenues, public finances rest on a solid foundation. Public debt is low, at just above 30 per cent of GDP, and is expected to decline over the coming years, while the public sector's liquid assets are almost three times larger than its liabilities. According to the IMF, the budget balance is expected to average 4.7 per cent of GDP over the coming five-year period. The external position is strong, with current account surpluses expected to average around 12 per cent of GDP in the coming years, helping to maintain the country's position as a net external creditor. External debt has increased in recent years but remains manageable at around 93 per cent of GDP. Other indicators, such as debt or interest payments relative to exports, also remain at comfortable levels.

Foreign exchange reserves are roughly twice the size of total short-term external debt, which limits liquidity risks. In addition to official reserves, substantial assets are held in sovereign wealth funds built up over decades of current account

United Arab Emirates

Real GDP growth (constant prices, % per annum)



Source: IMF WEO, Macrobond

surpluses, with Abu Dhabi's sovereign wealth fund among the largest in the world.

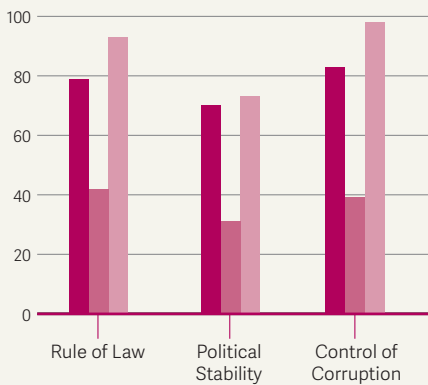
Strong income despite output limits

The IMF forecasts annual growth of just under five per cent in 2026 and 2027 as oil production restrictions are gradually eased. Growth in the private sector is expected to remain robust, mainly driven by continued efforts to expand the non-oil economy, a favourable business environment and large capital inflows from abroad, reflecting the UAE's status as a safe haven for investment and capital. The UAE is the largest recipient of foreign direct investment in the region, and investors are attracted by liberal trade and investment conditions, which draw capital from both within and outside the region.

The long-term outlook for the UAE remains relatively favourable and threats to political and economic stability are limited. Investments aimed at securing access to key inputs, such as rare earth minerals, are expected to continue in the coming years. Since 2015, the UAE has accounted for around 80 per cent of the Gulf countries' total investment in Africa, with investments spread across countries in both southern and western Africa in addition to the traditional nearby markets in eastern Africa. Improved relations with neighbouring Qatar and also Israel are expected to contribute to greater regional stability. For example, a free trade agreement with Israel was signed in 2022 following the normalisation of diplomatic relations between the two countries in 2020.

The risk outlook, both in the short and long term, is largely shaped by the security situation in the region and particularly the relationship between Iran and the US. Hostilities between the two countries are not expected to last beyond Q3 of 2026, but in a more severe scenario could have continued implications for Abu Dhabi's oil production and exports as well as Dubai's role as a major tourism destination.

Business environment



■ United Arab Emirates
■ The Middle East and North Africa
■ Sweden

Ranking from 0 (worst) to 100 (best)

Source: The World Bank, Macrobond

Business environment

In Transparency International's Corruption Perceptions Index, the UAE ranks ahead of several EU countries, at 23rd place out of 180 countries. The World Bank's Governance Indicators (WBI), which measure the quality of institutions and the regulatory environment, place the country above the regional average and broadly in line with the average for OECD high-income countries.

However, the legal system in the United Arab Emirates is not considered entirely free from political influence and there are shortcomings in its efficiency. Certain areas, such as investor protection and the enforcement of contractual rights, lag behind. Processes for recovering claims are costly and time-consuming, even by regional standards. In response to these shortcomings, the UAE introduced several changes to its bankruptcy legislation in 2021 and strengthened creditor protection, which among other things has helped to speed up and simplify the enforcement of court rulings.

Negotiations on a free trade agreement between the EU and the UAE have intensified since the United States announced expanded tariffs on both economies in 2025. The EU is the second-largest trading partner and absorbs 8.3 per cent of the UAE's non-oil exports. An agreement is considered likely to be reached in 2026, which would mean that it could enter into force at the earliest in 2027. Average tariffs on European exports to the UAE are currently around five per cent, with significant variations depending on the product.

Swedish export to United Arab Emirates

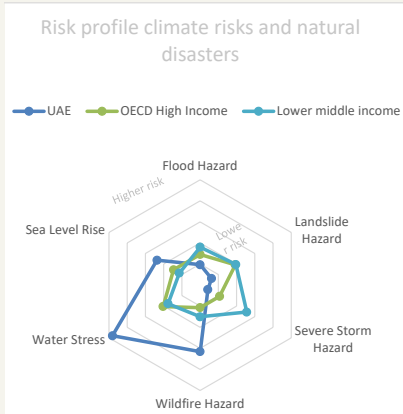
	MSEK
2025	n/a
2024	17 195
2023	12 091
2022	8 608
2021	6 791

Source: SCB

EKN:s exposure

	MSEK
Guarantees	2 676
Offers	1 303

United Arab Emirates



The foregoing chart information was obtained from Verisk Maplecroft*

The UAE has the most liquid and developed foreign exchange markets among the Gulf countries. Since 1973, the currency has been pegged to the US dollar. The fixed exchange rate is expected to remain in place as it serves as an important anchor for economic stability and provides predictable conditions for businesses and exporters. There are no restrictions on payments and transfers for international transactions. The Emirati dirham may be considered by EKN in local currency transactions.

The country is one of the most bank-dense economies in the region. The banking sector rests on a solid foundation with profitable and well-capitalised banks. The larger banks in Abu Dhabi stand out in this respect. The recovery from the pandemic has been strong, supported by generally favourable economic conditions resulting from high oil prices. The main risks to the banking sector – including the potential for new property bubbles and persistently low oil prices – are mitigated by stable funding bases, large capital buffers and stricter banking regulation in recent years. The share of non-performing loans in the sector’s loan portfolio declined to 4.0 per cent in 2025, compared with 7.5 per cent in 2021.

In EKN’s business assessment, account is taken of the risk of adverse impacts on human rights. EKN focuses on the potential impact of the activities in which the exported goods will be used. In this context, issues such as working conditions, child and forced labour, excessive use of force by security services, indigenous peoples’ rights and land rights are of particular importance.

Overall, the UAE has a higher human rights risk profile than the group of OECD high-income countries and a broadly comparable or slightly lower risk profile compared with lower-middle-income countries. However, the UAE stands out significantly in the sub-index covering freedom of association and collective bargaining compared with both comparison groups, largely due to limited formal support for workers’ rights.

EKN’s policy

EKN classifies the UAE in country risk category 2 of 7. Normal risk assessment applies to all debtor categories. This means there are no predetermined limitations on guarantees and transactions are assessed on their own merits without specific requirements or conditions.

EKN’s commitment and experience

EKN’s guarantees include export transactions with private buyers in sectors such as transport, infrastructure and paper. During the period 2021–2025, EKN issued guarantees in around 60 transactions per year, amounting in total to SEK 13.0 billion, for Swedish companies exporting to the UAE. The largest sector in terms of volume was transport.

Payment experience has been mixed and the fall in oil prices in 2014 led to arrears and indemnifications. EKN experienced increased payment difficulties among companies in the UAE after 2016 as a result of weaker market conditions. A strong recovery after the pandemic, high oil prices and favourable market prospects have improved payment experience in recent years, although significant outstanding claims from earlier periods remain.

United Arab Emirates

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