

# Pioneering Prosperity

## The Strategic UAE-US Economic Alliance



EMBASSY OF THE  
UNITED ARAB EMIRATES  
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# Introduction

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The UAE and US share a robust and dynamic economic and trade relationship that has grown significantly over the past few decades. This relationship is underpinned by mutual interests, strategic partnerships, and a shared commitment to global economic development and growth that contributes to the prosperity of both nations.

The UAE-US economic and trade relationship is rooted in the UAE's historical ties as a global trading hub that connects the East and West, North and South. Since the UAE's founding in 1971, over 1,500 US firms have established a presence in the Emirates, taking advantage of the high quality of life, deep talent pool and strategic geographic location.

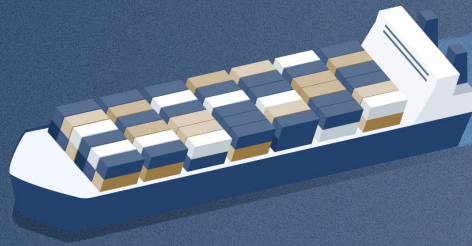
Following the establishment of the UAE-US Trade and Investment Framework Agreement (TIFA) in 2004, which fostered a more conducive environment for cooperation, bilateral trade and investment has skyrocketed, in line with the UAE's rapid economic diversification.

Today, UAE investments in the US total \$1 trillion. The UAE is the US' largest export market for goods in the MENA region (a distinction the country has held for 15 years), and companies from both countries are doing business together across a broad range of future-oriented, high-growth sectors, including renewable energy, advanced technology and artificial intelligence, space exploration, finance and healthcare.

# The UAE-US Trade and Investment Relationship Today

## NUMBER 1 FOR 15 YEARS

The UAE Remains the Top MENA Destination for US Exports



US exports to the UAE reached a total of just over **\$24.8 billion** in 2023, a **19% increase** from 2022.

The economic relationship between the UAE and the US is multifaceted, characterized by significant trade and investment flows. In 2023, the total bilateral trade reached \$31.4 billion, with the US enjoying a trade surplus of \$18.3 billion, making the UAE its fourth-largest trade surplus globally. This dynamic trade relationship spans various sectors, demonstrating the depth and breadth of cooperation between the two countries.

# Renewable Energy & Sustainability

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The UAE's investments in renewable energy projects in the US, such as [Masdar's wind and solar projects](#), underscore the shared commitment to sustainability. The UAE has also created [Altérra, a \\$30 billion catalytic investment fund in partnership with US companies like BlackRock and TPG](#), to activate and grow a new global climate economy.



Emirates Nuclear Energy Corporation has partnered with American companies such as [X-energy](#) and [TerraPower](#). Over 200 US companies have provided expertise for the development of the Barakah nuclear energy plant, further highlighting the robust energy collaboration between the two nations

# Aviation

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The UAE-US relationship in transportation and logistics is highlighted by significant aircraft orders from Boeing by Emirates Airlines and FlyDubai. Emirates Airlines' \$52 billion order from Boeing during the Dubai Airshow in 2023 and FlyDubai's \$11 billion order for 30 Boeing 787-9 Dreamliners in 2023 strengthen the aviation sector and enhance overall trade logistics infrastructure.

Additionally, Boeing has partnered with Strata Manufacturing (STRATA), based in the UAE, to produce essential components for the 777 and 787 aircraft. This partnership has expanded to include the production of the 787 vertical fin shipset and sourcing composite materials for the new 777X. These collaborations further signify the deep industrial ties between the UAE and the US.



# Technology and Innovation

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The UAE and the US are at the forefront of technological innovation. Collaborations between Emirati and American companies are driving advancements in AI, cloud computing, and supercomputing. For instance, G42's partnership with Microsoft Azure has enhanced AI capabilities, and the development of the Condor Galaxy supercomputer exemplifies the cutting-edge tech initiatives in place.

# Healthcare

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The healthcare sector is another critical area of cooperation, with numerous joint ventures and investments aimed at enhancing medical research, healthcare delivery, and technological advancements in the medical field. This collaboration is pivotal in driving forward the healthcare capabilities of both nations. In 2019, US based Mayo Clinic and Abu Dhabi Health Services Company partnered to launch Sheikh Shakhbout Medical City. This 741-bed hospital delivers holistic, transformational healthcare solutions to a global patient base.

Cleveland Clinic and the UAE's Mubadala joined forces in 2015 to open Cleveland Clinic Abu Dhabi in 2015. This multispecialty facility offers cutting edge medical and surgical services to the Middle East.





# New Frontiers

The UAE's investments in space technology and exploration, including partnerships with NASA and other US-based space companies, are opening new frontiers in this high-tech sector. These collaborations are not only advancing space research but also creating opportunities for economic growth and innovation.



The UAE will provide a crew and science airlock module for NASA's new lunar "Gateway" space station. Humanity's first international outpost to orbit the moon.

US companies such as Maxar Technologies and Northrop Grumman have been involved in providing satellite manufacturing services and launch support to the UAE. For instance, Maxar Technologies was responsible for manufacturing the KhalifaSat, the first satellite built entirely by Emirati engineers.

The UAE has also shown interest in commercial spaceflight partnerships with US companies. Virgin Galactic, a US-based space tourism company, signed an agreement with the UAE's space agency to explore collaboration on space tourism. This partnership aims to facilitate suborbital spaceflights for tourists from the UAE.

# Navigating Challenges Together

The UAE is a major supplier of aluminum to the US, a critical component for many American industries. However, tariffs on aluminum imports have posed significant barriers. These tariffs often lead to increased costs for American businesses and disrupt supply chains, potentially raising prices for consumers.

Both nations are actively working through forums such as the Economic Policy Dialogue and the UAE-US Business Council to address these trade barriers and seek mutually beneficial solutions. These efforts aim to reduce tariffs, enhance trade relations, and support economic growth for both countries.

The Committee on Foreign Investment in the United States (CFIUS) plays a crucial role in ensuring national security while facilitating foreign investments. While increased scrutiny by CFIUS is essential for security, it can present challenges for UAE investments. Continuous collaboration is necessary to balance these processes and foster a conducive environment for mutual economic growth.



# Sectors to Watch



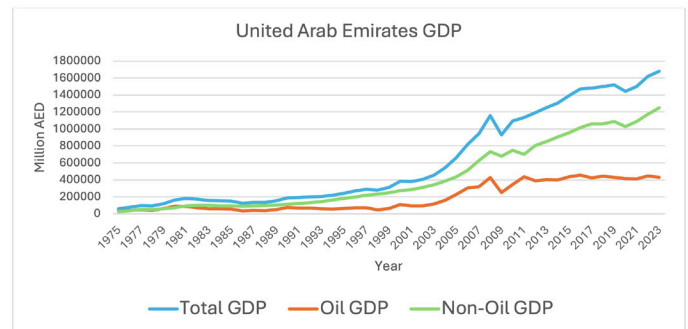
The UAE and US have jointly been collaborating in sustainable agriculture, spearheading a public private sector initiative. The UAE-US Agriculture Innovation Mission for Climate mobilized \$17 billion and enlisted 600 global partners to increase food sustainability.



The UAE's Mars Science City project, which aims to create a simulated Martian environment for research and development, has garnered interest and potential collaboration opportunities with US companies and research institutions. The project is expected to drive significant economic growth by attracting international investments, fostering innovation, and creating high-tech jobs.



The UAE's flexible policymaking, diversified economy, business-friendly environment and smart government continues to attract investors, private equity firms and family offices from the US with many choosing the Emirates for regional headquarters.



The UAE and US are shaping various partnerships to advance artificial intelligence \$ technology. Recently, the Dubai Electricity and Water Authority became one of the world's first to adopt Microsoft's smart assistant program 'Copilot'. The UAE has also been a long-term collaborator with Nvidia to harness US technology to enhance work efficiency, performance, creativity and productivity throughout the UAE.

## A Significant Investor in the US Economy



Investment flows between the UAE and the US are robust, with significant Emirati investments in various sectors across the American economy, totaling more than \$1 trillion.

GlobalFoundries is Mubadala's single largest investment, and is the largest private investment in New York State history. It is also the second-largest semiconductor chip maker in the world. The company's Fab 8 facility located in Saratoga County, New York employs nearly 3,000 people and supports 15,000 indirect jobs in the region.

Sovereign wealth funds such as the Abu Dhabi Investment Authority (ADIA) and Mubadala Investment Company have made substantial investments in US real estate, infrastructure, and technology sectors. These investments not only provide financial returns but also strengthen the economic ties between the two nations.



# A Regional Tech Hub



The UAE has rapidly emerged as a key regional hub for technology and artificial intelligence (AI), attracting significant investments from major US companies. This strategic positioning is underpinned by the country's robust infrastructure, favorable business environment, and forward-looking policies aimed at fostering innovation and technological advancement.

- **Amazon:** \$5 billion investment in AWS operations in the UAE, expected to create around 6,000 full-time jobs over the next 13 years.
- **Microsoft:** \$1.5 billion investment in G42, fostering innovation in AI and digital transformation.
- **Google:** The Google ecosystem supports approximately 50,000 jobs in the UAE through its Android Developer System.



# Outlook for the Future

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The UAE-US economic and trade relationship is a testament to the strong ties between the two nations. Driven by mutual interests and shared goals, this partnership continues to grow, highlighting the strategic importance of their economic alliance.

As both countries navigate challenges and opportunities, the UAE-US economic alliance will play a crucial role in fostering innovation and sustainability. With ongoing investments and collaborative projects, the future looks bright for this robust bilateral relationship.



- The US and UAE have created the Partnership to Accelerate Transition to Clean Energy (PACE) to catalyze \$100 billion in investment, financing, and to deploy a global 100 gigawatts of clean energy by 2035.
- In May 2024, UAE and USA governments signed a Memorandum of Understanding (MoU) to strengthen collaboration and share knowledge in the field of IP rights protection.
- GlobalFoundries, a leading semiconductor manufacturing company, operates through ownership and continuous investment from Mubadala.
- UAE Based Lunate Capital is investing at least \$30 billion dollars into US firms for climate projects.
- The UAE's global renewables company Masdar has had a number of partnerships to accelerate clean energy adoption in the United States, including working alongside EDF Renewables to invest in the Big Beau project, which comprises a 128-megawatt solar plant.
- UAE and US AI companies will continue to invest more in artificial intelligence as part of a strategic partnership. The UAE's AI minister has likened the current partnership plan as a "Marriage."