



Business Climate Survey the United Arab Emirates



Business Climate Survey for Swedish companies in the United Arab Emirates 2026

A report from Team Sweden in the United Arab Emirates

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33 respondents

(total +2,250 respondents for 41 markets)

Current business climate

82%

perceive the current business climate in the UAE as good/very good

Industry turnover

82%

of Swedish companies expect their industry turnover to increase

Future investments

55%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Sales competence
2. Cost efficiency
3. Partnerships/ local relationships

Brand Sweden

30%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Personal safety
2. Distributors
3. Service providers

Local conditions with least satisfaction

1. Specialists and key personnel
2. Transparency
3. Labour market regulation

Environmental considerations

64%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

- The UAE ranks as the least corrupt country in the Middle East and North Africa
- The UAE is ranked 21st globally in the 2025 Corruption Perceptions Index

Human rights violation and labour rights abuse

- No human rights violation and labour rights abuses reported

Foreword

The war in the region since February has affected the Gulf Cooperation Council (GCC) countries, including the United Arab Emirates (UAE). The country has successfully defended itself against numerous aerial attacks by Iran. It has been able to maintain much of everyday life and economic activity, despite this significant disruption. The war, however, has introduced increased uncertainty at the regional level. The UAE economy is supported by its strong institutions, diverse business sector, well-resourced state-owned companies and sovereign wealth funds, and its focus on expanding trade and business activity.

Sweden and the United Arab Emirates share a long history of strong bilateral relations and close economic cooperation. Swedish companies began establishing a presence in the UAE as early as the 1960s, and today more than 200 Swedish companies are active in the market across a range of sectors.

The UAE is the second-largest economy in the Arab world and ranks among the wealthiest countries globally. Following strong growth of 6.2 per cent in 2024, the UAE economy continued to expand in 2025 with GDP growth estimated at around 5 per cent, primarily driven by non-oil sectors. In 2025, the non-oil economy accounted for more than 77 per cent of GDP, marking a record high and underscoring the UAE's accelerated diversification. This development continues to reduce the country's reliance on hydrocarbons and enhances overall economic resilience. The recent UAE decision to leave OPEC/OPEC+ will, however, allow it to increase oil production and exports amid a projected rise in global demand.

The country is the leading destination for foreign direct investment (FDI) in the MENA region. In 2025, the UAE attracted more than USD 45 billion in FDI, representing nearly 50 per cent year-on-year growth, despite an 11 per cent decline in global FDI. The UAE leadership attributes this performance to long-term diversification strategies and to efforts to deepen international trade ties through a growing number of free trade agreements. Economic relations are expected to strengthen further following the 2025 Memorandum of Understanding between the UAE Federation of Chambers of Commerce and Industry and the Swedish Trade and Investment Council. The agreement aims to facilitate increased business activity and investment flows.

Swedish exports to the UAE continued to expand in 2025, reaching an estimated USD 1.83 billion, building on the strong momentum seen in 2024 and 2023. The UAE is Sweden's largest export market in the MENA region. Beyond direct trade, the UAE plays a key role as a regional hub for Swedish companies, with many business opportunities across the Middle East originating in the country and a substantial share of Swedish exports to the wider region being mediated through the UAE.

This survey was developed by Business Sweden together with the Swedish business community in the UAE, and we would like to express our sincere appreciation to all participating companies and respondents. The report guides both Swedish companies already present in the UAE and Swedish companies interested in entering the UAE market. Market analysis often relies on forecasts and macroeconomic indicators. This report complements such analysis by providing direct insights from companies with firsthand experience of operating in the local market. **The survey, however, was conducted before the conflict** and closed on 4 March 2026.

We hope the findings will be valuable to both companies already active in the UAE and those considering entering the market. As always, Business Sweden and the Embassy remain ready to support Swedish businesses with interests in the UAE.



H.E. Fredrik Florén
Ambassador of Sweden to the
United Arab Emirates



Carin Skoglar
Acting Country Manager,
Business Sweden

Executive summary

The Business Climate Survey 2026 for the United Arab Emirates shows that Swedish companies remain financially strong and confident, with most companies reporting profitable operations and expecting continued growth. A large majority anticipate increasing turnover in the coming year, reflecting sustained demand and favourable underlying market conditions.

The UAE continues to offer a supportive business environment, with high ratings across all assessed factors. Companies particularly highlight personal safety, infrastructure, and access to distributors and service providers as key strengths. At the same time, regulatory complexity and local requirements—including localisation policies such as Emiratisation and the In-Country Value (ICV) programme—remain the most commonly cited challenges, increasing operational demands and costs.

Investment sentiment remains positive but more measured. Over half of companies plan to increase investment, indicating continued commitment to the market, although rising costs and uncertainty are prompting firms to adopt a more cautious approach to expansion.

Operationally, Swedish companies are primarily engaged in sales, marketing, and after-sales support, reflecting the UAE's role as a distributor-driven market. Many companies enter through local partners before gradually establishing a direct presence, with competitiveness closely linked to brand awareness, cost efficiency, and strong local relationships.

The Swedish brand remains a clear asset, contributing positively to competitiveness for the vast majority of companies. While sustainability awareness is increasing, it has not yet translated into a significant shift in customer behaviour and remains a secondary factor in purchasing decisions.

Overall, the survey confirms that the UAE remains a stable, attractive, and opportunity-rich market for Swedish companies. Despite a more complex operating environment, confidence in long-term growth prospects remains strong.

About the survey

Survey respondents mainly represent established industrial companies with a long-term presence in the UAE

This survey, conducted by Business Sweden in the United Arab Emirates, examines how Swedish companies operating in the UAE assess current market conditions and their business outlook, including differences across company size, sector, and market experience.

Approximately 200 Swedish companies are active in the UAE, either through mainland establishments or through operations in one of the country's more than 40 economic free zones. Conducted in February 2026, the survey explores Swedish companies' views on economic and market developments, as well as the key opportunities and challenges they face in the UAE. A total of 33 companies participated in the online survey, covering 21 questions. While the results provide valuable insights into the experiences of Swedish companies in the market, the sample size is not large enough to be statistically representative. The findings should therefore be interpreted as indicative rather than definitive.

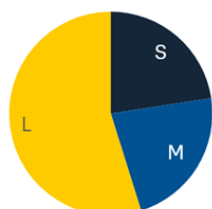
The report is structured around four main sections. The first section outlines the overall economic situation, including current business performance and expectations for the coming year. The second section focuses on the UAE market environment, capturing respondents' assessments of the general business climate and the factors that support or constrain commercial success. The third section examines Swedish companies' operations in the UAE and the success factors they identify as most important. The final section addresses sustainability-related aspects of doing business in the market.

Among the respondents, 55 per cent are large companies with more than 1,000 employees globally. Medium-sized companies, defined as those employing between 250 and 1,000 employees, represent 23 per cent of the sample, while the remaining 22 per cent consist of small companies with up to 249 employees.

Respondents span a broad range of business activities, grouped into three categories: industrial companies account for 67 per cent, professional services for 26 per cent, and consumer-oriented companies for 7 per cent.

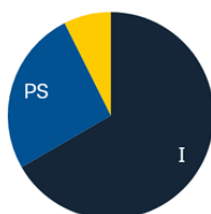
By market presence, 30 per cent of respondents are mature companies established in the UAE before 2003. Companies established between 2004 and 2019 are classified as experienced and constitute the majority of respondents at 61 per cent. Newcomers, defined as companies established in the UAE after 2020, account for the remaining 9 per cent of respondents.

Size of companies



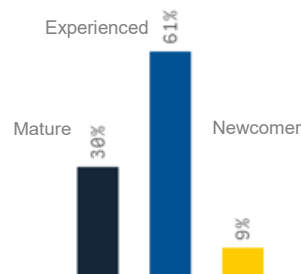
Note: Global employees: Large >1,000, 55%. Medium 250-1000, 23%. Small 0-249, 22%.

main industry



NOTE: Industrial 67%. Professional services 26%. Consumer 7%.

age of companies



NOTE: Mature (<2003). Experienced (2004-2019). Newcomer (2020-).

Economic outlook

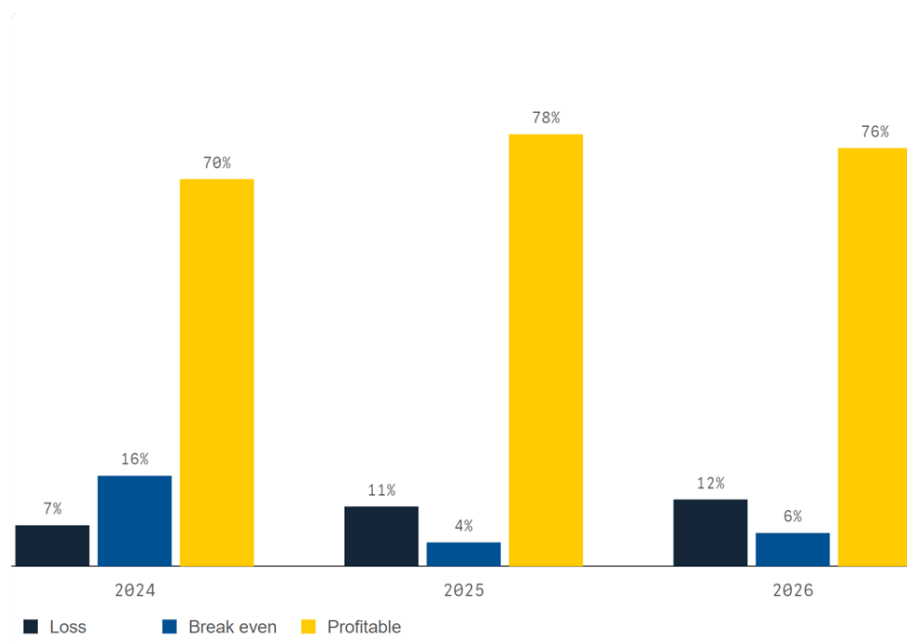
High profitability sustained among Swedish companies

Following the discovery of oil in the late 1950s, the seven emirates that today form the UAE, then known as the Trucial States, underwent a rapid transformation from one of the world's poorest regions into one of its wealthiest. By 2023, the UAE held the world's eighth-largest proven crude oil reserves, and today the country ranks among the highest globally in GDP per capita. The UAE is the second-largest economy in the Middle East after Saudi Arabia and is widely regarded as one of the most competitive economies in the Middle East and North Africa (MENA) region.

The UAE economy remains highly trade-dependent. In 2025, total foreign trade reached about 286 per cent of GDP, based on a nominal GDP of USD 569 billion. By comparison, the global average trade-to-GDP ratio remains in the range of 30–35 per cent. The UAE also maintains a very high export-to-GDP ratio, estimated at around 145 per cent, underscoring its role as a major global and regional re-export hub serving markets across the Middle East, Asia, and Africa.

This trade-driven model, combined with the country's strategic geographic location, positions the UAE as a key gateway for Swedish companies seeking access to the wider MENA region. Around 70 per cent of Sweden's exports to MENA go to Saudi Arabia, the UAE, and Egypt, highlighting the importance of these markets for Swedish trade. Survey results show strong and sustained profitability among Swedish companies in the UAE. In 2024, 78 per cent reported profitable operations, up from 61 per cent in 2021. Profitability remains high, with 78 per cent reporting positive results in 2025 and 76 per cent in 2026, indicating continued confidence among Swedish businesses in the market.

How would you describe your company's financial performance in the United Arab Emirates in 2025?

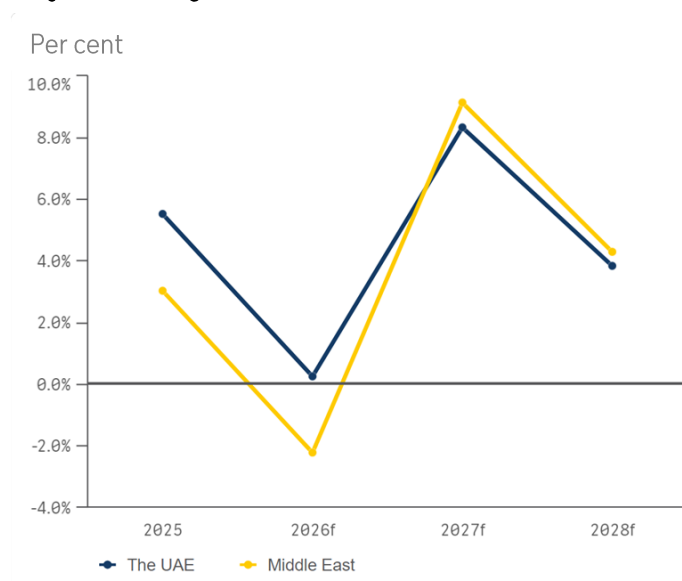


NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

Swedish companies in the UAE remain optimistic about turnover growth

The UAE remains a key economic hub, supported by diversified growth drivers and a strong business environment. According to Oxford Economics, growth is expected to moderate in 2026 for both the UAE and the wider Middle East, before rebounding in 2027. However, over 2027 and 2028, the UAE's GDP growth is forecast to remain slightly below the regional average, while continuing to deliver stable expansion. This outlook creates attractive opportunities for Swedish companies active in the UAE.

Projected GDP growth in the United Arab Emirates



NOTE: Constant prices.
SOURCE: Oxford Economics 2026

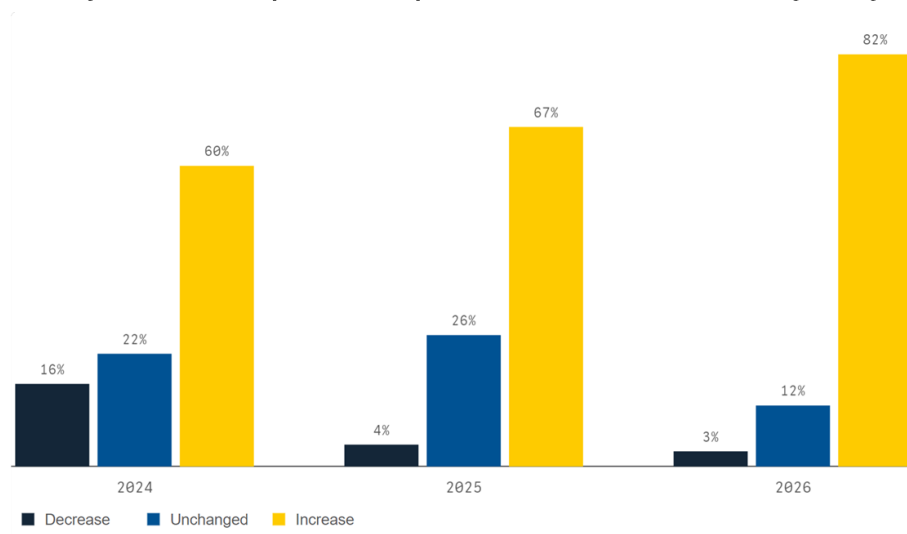
When asked about turnover expectations in the UAE for the coming year, 82 per cent of companies report an optimistic outlook, expecting growth. This represents a clear increase compared to the previous year and indicates strengthening business confidence. Optimism is evident across companies of all sizes.

Across sectors, consumer-oriented companies are the most optimistic, with 100 per cent expecting growth. Industrial companies also show strong confidence, with 72 per cent expecting an increase, 6 per cent anticipating a decline, and 17 per cent expecting no change.

In contrast, professional services companies display a more mixed outlook. While a solid majority (86 per cent) expects growth, this segment also records the highest share, expecting unchanged turnover (14 per cent). No companies in this segment expect a decline.

Overall, the results point to broad-based optimism across sectors, with particularly strong confidence in consumer-oriented industries, while professional services show comparatively more cautious expectations.

Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in the United Arab Emirates regarding turnover?



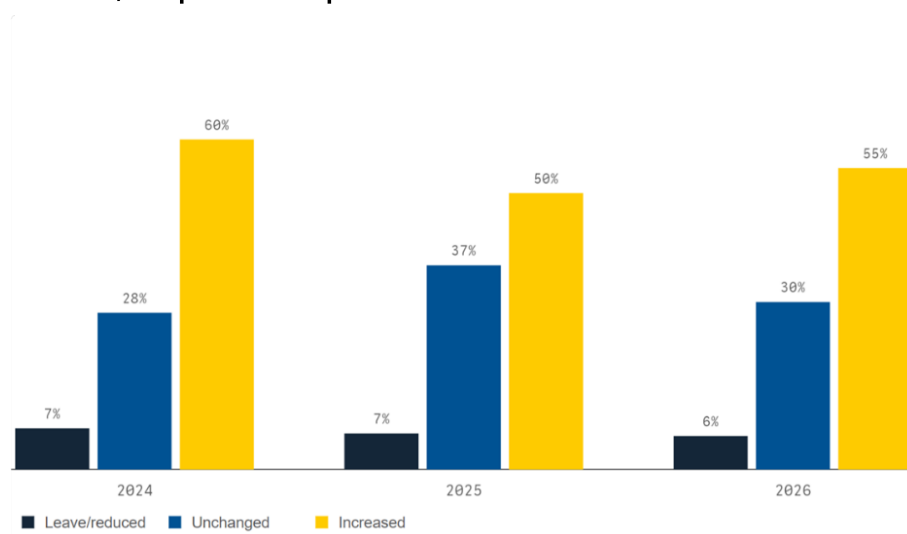
NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

Investment plans remain positive but cautious

In 2026, 55 per cent of respondents plan to increase investments in the UAE, up from 50 per cent in 2025 but still below the 2024 peak of 60 per cent. Meanwhile, 30 per cent expect investment levels to remain unchanged, down from 37 per cent last year, indicating a shift away from a wait-and-see approach. Only 6 per cent plan to reduce or exit the market, remaining low and broadly stable. Overall, investment sentiment remains mainly positive, but with companies taking a more measured approach amid a more uncertain regional and global environment.

What are your company's investment plans for the coming 12 months in the United Arab Emirates, compared to the past 12 months?



NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

The market

Broad and diversified Swedish company presence

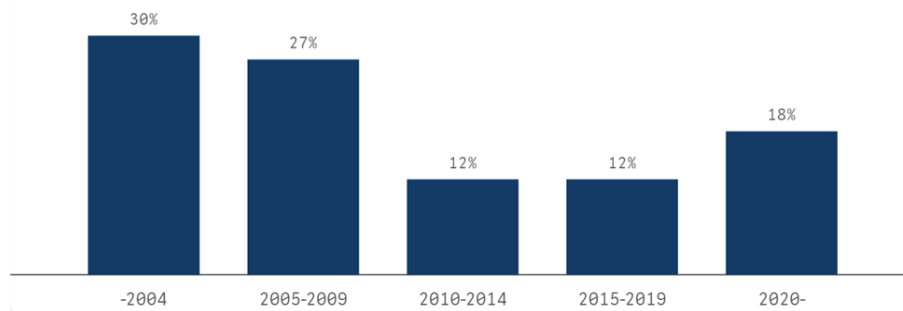
To regulate foreign direct investment (FDI) while safeguarding strategically important sectors, the UAE historically limited foreign ownership of onshore companies to 49 per cent, requiring majority UAE national ownership. As part of a broader strategy to diversify the economy away from hydrocarbons, the UAE has undertaken substantial reforms in recent years to liberalise its investment regime. A major turning point was the introduction of the FDI Positive List in 2020, followed by amendments to the Commercial Companies Law, which together enabled 100 per cent foreign ownership across most commercial and industrial activities, with restrictions now largely limited to a small number of strategic sectors. These reforms have improved investor control, reduced entry barriers, and aligned the UAE more closely with global best practices. These reforms have been complemented by long-term national strategies, notably UAE Centennial 2071 and “Projects of the 50”, which together set out the country’s development roadmap. These initiatives aim to position the UAE as a leading global hub for business and investment, with particular emphasis on entrepreneurship, artificial intelligence, the digital economy, advanced manufacturing, aerospace, and emerging technologies.

Supported by regulatory openness, strong institutions, and political and macroeconomic stability, the UAE continues to attract strong investor interest, including capital inflows relocating from less stable regional markets. According to the UNCTAD World Investment Report 2025, FDI inflows reached USD 45.6 billion in 2024, representing a 48 per cent year-on-year increase. This placed the UAE 10th globally and first in the GCC and MENA regions, accounting for approximately 37 per cent of total inflows into the Middle East. Investment remains concentrated in real estate, financial services and insurance, manufacturing, construction, software and IT services, and renewable energy, reflecting both domestic demand and national priorities. The United Kingdom, India, the United States, France, and Saudi Arabia remain among the largest source countries. Looking ahead, the UAE has announced ambitious targets to sustain momentum with government programmes aimed at attracting USD 350 billion in cumulative FDI by 2030. This underscores the central role of foreign investment in the country’s long-term growth and diversification strategy.

“The UAE’s economic resilience, investor-friendly policies, advanced infrastructure, and strong international trade connectivity position it as a preferred hub for regional headquarters.”

Survey respondent
Large-sized company

In what year did your company establish operations in the United Arab Emirates?



NOTE: The number of respondents for this question was 33. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026.

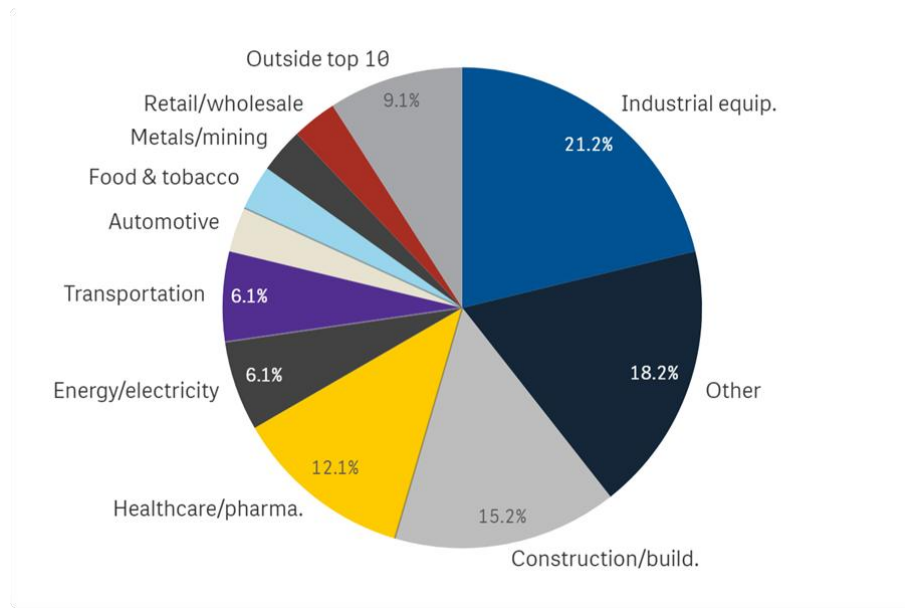
The presence of Swedish companies in the UAE predates the country’s formation in 1971. In the late 1960s and early 1970s, several large Swedish multinational corporations established a foothold in the market. From the 1960s to the early 2000s, the pace of new entrants remained modest, with only a limited number of companies entering the market every few years. This began to accelerate around 2005, slowed following the global financial crisis in 2008, and gained momentum again as the global economy recovered. More recently, between 2017 and 2023, the rate of new establishments eased somewhat. Companies with a more recent presence tend to be smaller and operate across a wide range of sectors.

Historically, restrictions on foreign ownership encouraged many international businesses to establish operations within the UAE’s network of approximately 40 economic free zones. These zones allow 100 per cent foreign ownership, full repatriation of capital and profits, and have traditionally offered exemptions from corporate and personal income tax. Legally designated as outside the mainland, free zone

companies face certain limitations, including restrictions on conducting onshore business activities. As a result, sales to the mainland have typically required the use of authorised distributors or third-party logistics providers. Following recent liberalisation of foreign ownership regulations, the UAE aims to attract a broader range of businesses across both free zones and the mainland, including greater participation from small and medium-sized enterprises as part of the country’s wider diversification strategy.

Swedish companies in the UAE are active across a broad spectrum of industries, with the largest concentrations in industrial equipment, construction and building, and healthcare and pharmaceuticals.

What is your company’s main industry in the United Arab Emirates?



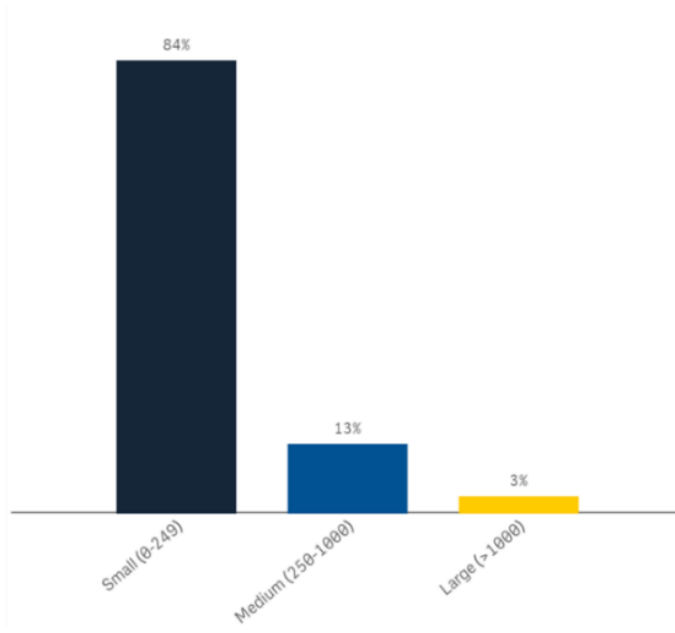
NOTE: The number of respondents for this question was 33. “Don’t know/Not applicable” responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026.

To strengthen the national economy and support domestic industries, the UAE has introduced the In-Country Value (ICV) programme. It encourages international companies to employ more UAE nationals, making the proportion of national employees an increasingly important criterion in evaluating bids for government contracts.

The ICV programme is linked to Emiratisation, as employing UAE nationals positively contributes to a company’s ICV score, even though Emiratisation itself is a separate legal requirement. Emiratisation requires private companies to hire UAE nationals. Since 2023, it has applied to mainland companies with 50 or more employees and annual hiring targets, and it was expanded in 2024 to certain companies with 20–49 employees, which must hire at least one Emirati national. This increases workforce planning requirements and potential costs, as non-compliance can result in financial penalties.

The graph below shows the number of employees working for Swedish companies based in the UAE.

Swedish firms' local number of employees in the United Arab Emirates in 2026?



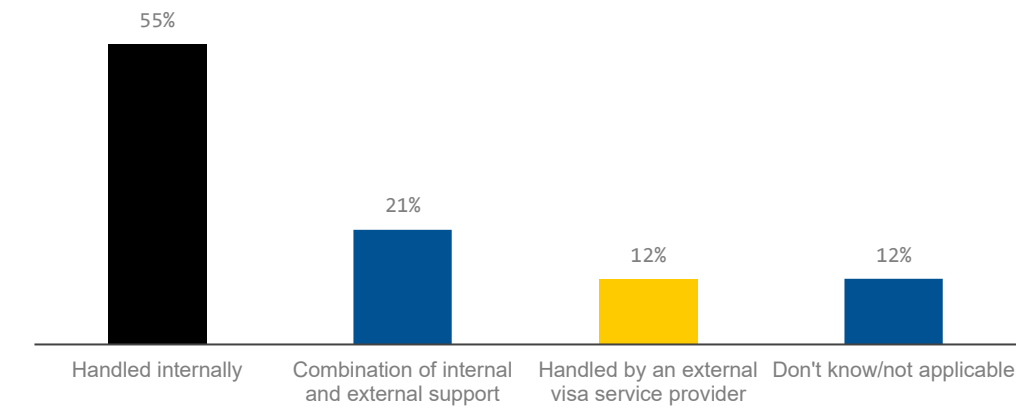
NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026.

Visa processing largely managed in-house

Respondents were asked how their company manages the UAE residence visa process for expatriate employees relocating to the country. A majority (55 per cent) handle visa processing internally, while 21 per cent use a combination of internal resources and external support. Only 12 per cent outsource the process entirely, and a further 12 per cent state that the question is not applicable or that they do not know.

Overall, the results suggest that visa processing is largely managed in-house, reflecting established internal capabilities and experience in navigating UAE residency procedures.

How does your company handle UAE Residence Visa processing for expatriate employees relocating to the country?

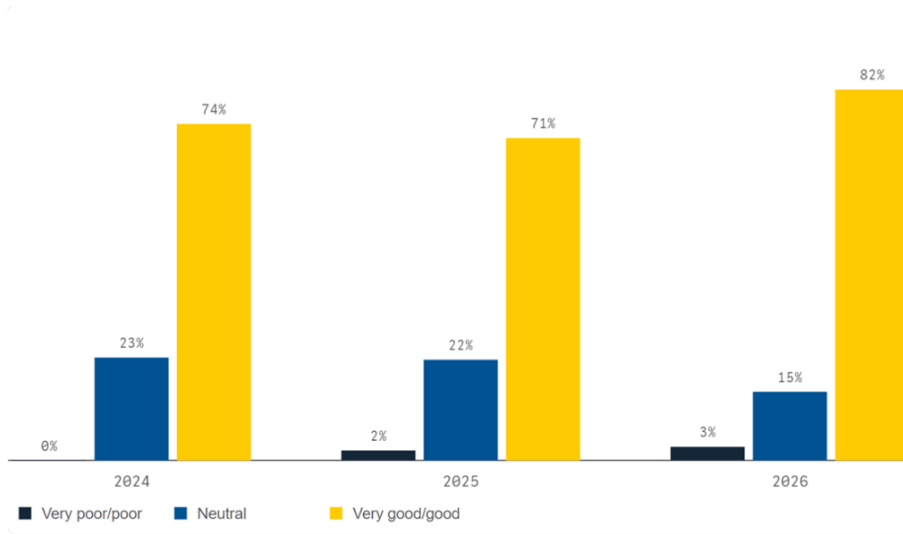


NOTE: The number of respondents for this question was 33.
 SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026. Continued positive perception of the UAE business climate among Swedish companies.

A strong majority of Swedish companies continue to view the UAE business climate positively. In 2025, 71 per cent rate the environment as good or very good, compared to 74 per cent in 2024. Looking ahead, sentiment improves further, with 82 per cent expecting favourable conditions in 2026. Negative perceptions remain minimal. In 2025, only 2 per cent describe the business climate as poor or very poor, rising marginally to 3 per cent in 2026 but remaining well below earlier levels. Neutral responses account for 22 per cent in 2025, declining to 15 per cent in 2026, suggesting a shift towards more positive views.

Overall, the results highlight a consistently favourable business environment, with confidence expected to strengthen further over the coming year.

How do you perceive the current business climate in the United Arab Emirates?



NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

“ **The UAE’s business climate remains highly favourable, characterized by policy, stability, infrastructure excellence, financial depth, and global market access.** ”

Survey respondent
Large-sized company

Companies value personal safety, infrastructure, and quality distributors

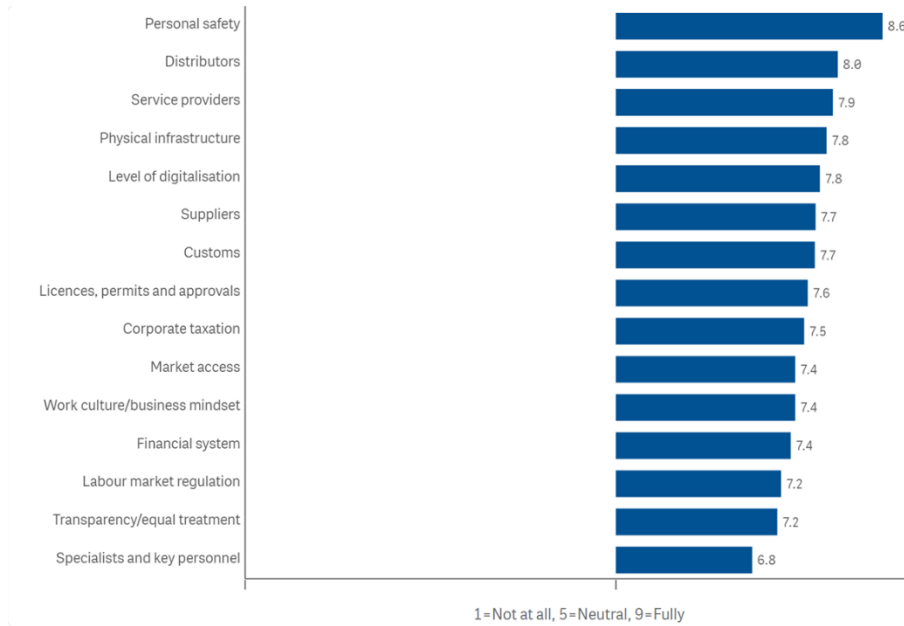
Overall, Swedish companies report a broadly positive assessment of business conditions in the UAE. All surveyed aspects score above neutral on the nine-point scale, indicating that none are perceived negatively. The highest ratings are given to personal safety (8.6), followed by access to distributors (8.0) and service providers (7.9), underlining the strong operating fundamentals. Physical infrastructure and digitalisation also score highly (7.8), reflecting well-developed logistics and efficient digital systems.

Several operational factors perform well. Suppliers and customs procedures both score 7.7, while licenses, permits, and approvals receive 7.6, suggesting that regulatory processes are generally effective, though with some room for improvement. Corporate taxation, market access, and work culture/business mindset score between 7.4 and 7.5, pointing to a supportive business environment overall.

At the same time, the respondents identify areas of relative weakness. Transparency, equal treatment and labour market regulation all score 7.2, placing them among the lower-rated aspects. The financial system scores 7.4, indicating a more cautious assessment. The lowest score is given to access to specialists and key personnel (6.8), suggesting ongoing challenges related to skills availability and recruitment.

Overall, while Swedish companies are highly satisfied with the UAE business environment, particularly regarding safety, infrastructure, and operational support, there remains scope for improvement in labour regulation, transparency, and access to specialised talent.

How well do the following conditions meet the needs of your company in the United Arab Emirates?



NOTE: The number of respondents for this question was 33.
 SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026



An almost extreme level of competition is creating challenges with many new entrants to the market.

Survey respondent
 Small-sized company

Additional cost pressures both from internal UAE factors such as Emiratisation, rents, and other fees are challenging.

Survey respondent
 Large-sized company

Regulations and local requirements are the primary barriers

Swedish companies operating in the UAE do not report the emergence of new trade barriers, and the challenges identified remain broadly consistent with previous years. While obstacles exist, they generally affect a limited share of companies.

Regulations are cited as the most significant barrier, affecting 13 per cent of respondents. These challenges are often linked to unclear or complex regulatory frameworks, licensing processes, and administrative requirements, which can increase costs and extend lead times. Local requirements are reported by 10 per cent of companies, reflecting growing expectations around local presence in areas such as production, assembly, and service delivery.

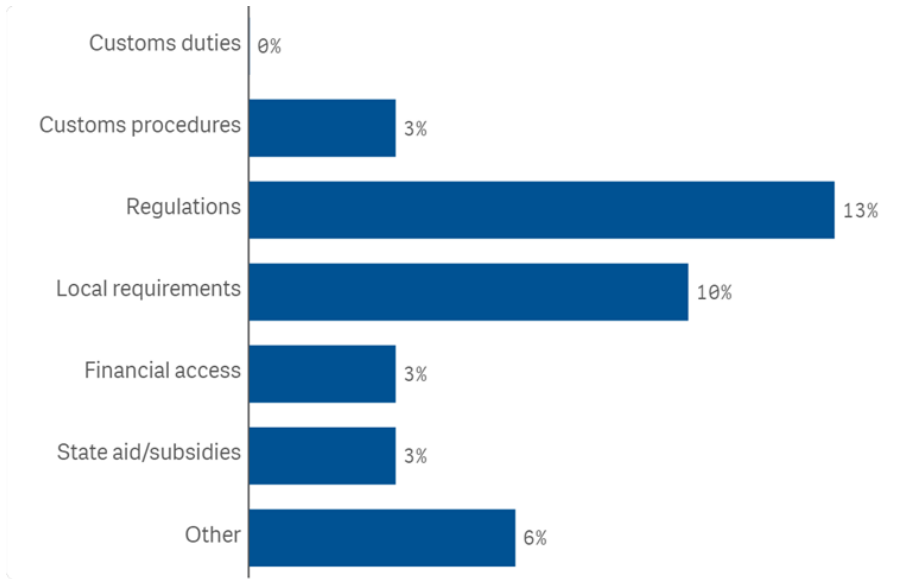
Other barriers are less widespread. Customs procedures, financial access, and state aid or subsidies are each cited by 3 per cent of respondents, indicating relevance for a smaller subset of firms. Notably, no respondents report customs duties as a barrier. A further 6 per cent identify other challenges not captured by the main categories.

Beyond the quantified responses, companies highlight administrative complexity and transparency issues as underlying challenges, particularly for new market entrants. These include certification requirements, licensing processes, and bureaucratic procedures. Some small and medium-sized enterprises also report difficulties related to financial access, such as opening local bank accounts, consistent with the survey results.

Developments in the financial and regulatory landscape remain relevant. Following reforms to its anti-money laundering and counter-terrorism financing framework, the UAE was removed from the FATF grey list in February 2024. However, some foreign banks maintain a cautious stance, which may affect transaction flows and banking arrangements. In addition, localisation policies, including Emiratisation requirements, add complexity to recruitment and workforce planning.

Overall, while trade barriers are not widespread, regulatory complexity and local requirements remain the most cited challenges, particularly for companies with a limited or recent presence in the market.

Has your company in the past year encountered trade barriers in the United Arab Emirates with a noticeably negative impact on operations in any of the following areas?



NOTE: The number of respondents for this question was 30.
SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

How Swedish companies succeed in the United Arab Emirates

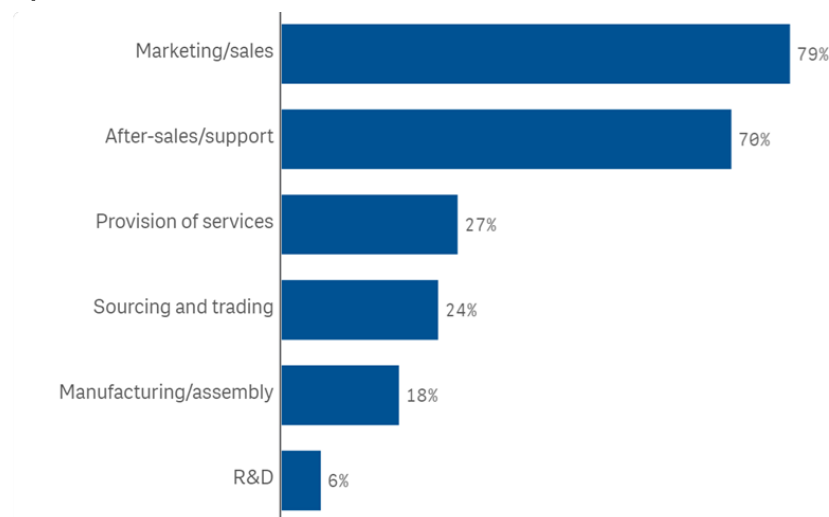
Sales and support dominate local operations

The UAE remains a distributor-driven market, where many Swedish companies initially test demand through local partners before establishing a direct presence. This approach is particularly common among small and medium-sized enterprises, as it requires lower upfront investment and entails less risk, albeit with more limited control and upside. Successful distributor partnerships therefore depend on careful due diligence, often supported by local expertise, as well as close communication, continuous follow-up, and direct support in sales and marketing. As companies gain experience, they typically move towards establishing their own operations.

Survey results show that marketing and sales activities are by far the most common activities, reported by 79 per cent of Swedish companies in the UAE. After-sales and support functions follow at 70 per cent, underscoring the importance of local customer presence. More advanced activities are less widespread: service provision is reported by 27 per cent of companies, sourcing and trading by 24 per cent, and manufacturing or assembly by 18 per cent. Research and development is the least common, at 6 per cent.

Overall, the results highlight a clear progression in market engagement, from distributor-based entry to sales-driven and support-oriented local operations.

Operations of Swedish firms in the market



NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

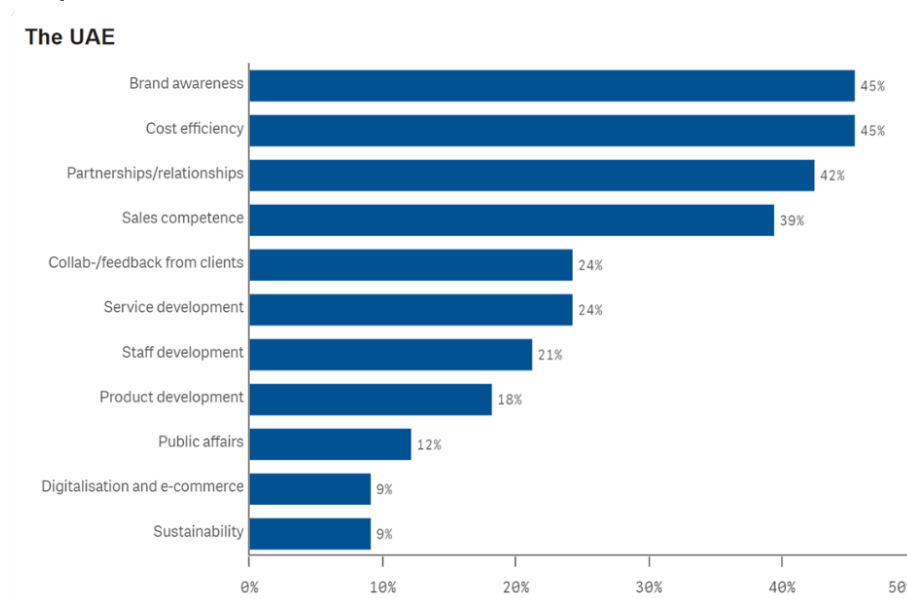
The UAE government's In-Country Value (ICV) programme aims to strengthen the national economy by directing a larger share of public spending into local industries. It encourages companies to invest locally, supporting domestic supply chains, industrial development, private-sector employment, and long-term diversification. ICV is embedded in government procurement and tender processes, where companies with higher scores are more likely to be awarded contracts. As a result, Swedish companies will increasingly need to invest locally, for example, in R&D, manufacturing, or assembly, to remain competitive in public tenders.

Brand awareness and cost efficiency are crucial areas

Competition in the UAE remains intense across most sectors and is particularly strong in the consumer segment. Dubai has consolidated its position as one of the world's leading retail and shopping destinations, hosting a high concentration of international brands. The UAE continues to be the most attractive retail market in the region, with many companies using it as a launchpad for wider regional expansion.

Across sectors and company sizes, Swedish firms consistently highlight brand awareness, cost efficiency, strong partnerships and long-term relationships as the most important factors for sustaining competitiveness. These are followed by sales competence, client collaboration, and service development.

To date, which of the following areas have been important in maintaining competitiveness in the United Arab Emirates?



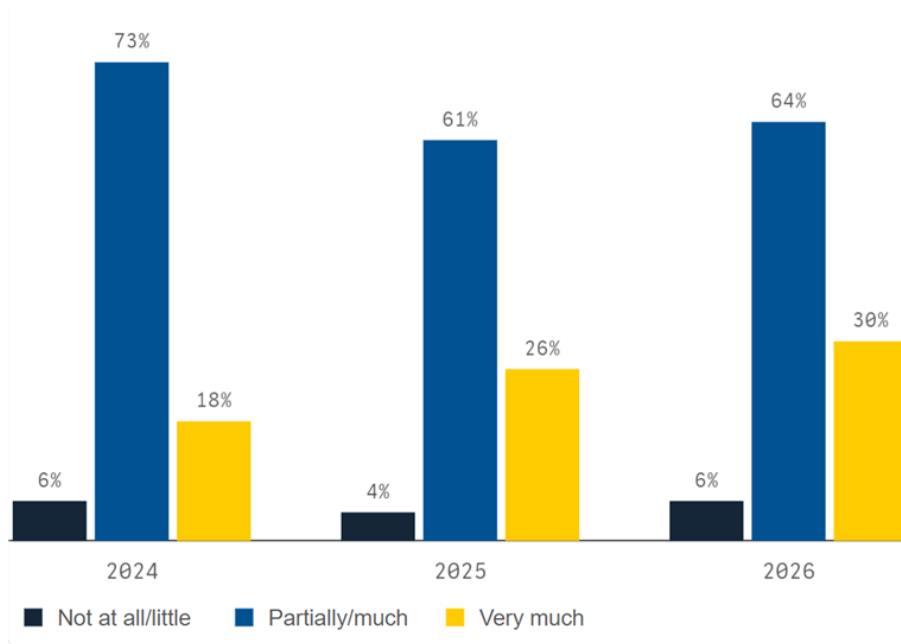
NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

The Swedish brand continues to strengthen its business impact in the UAE

A strong majority of companies in the UAE continue to benefit from the "Swedish brand." In 2026, 94 per cent report that it contributes at least partially to their business, with 64 per cent indicating a partial or strong impact. The share of companies stating that the brand contributes very much to their competitiveness has increased steadily, reaching 30 per cent in 2026, up from 18 per cent in 2024.

Sweden is commonly associated with quality, reliability, and sustainability, which underpin the brand's positive perception. However, sustainability is not yet regarded as a key driver of competitiveness in the UAE. In the 2025 survey, only 4 per cent of respondents cited it as an important competitive factor. Its relevance is nevertheless expected to increase as the UAE government places growing emphasis on sustainability through regulation, public procurement, and long-term development strategies.

To what extent would you estimate that the “Swedish brand” contributes to your business in the United Arab Emirates?

NOTE: The number of respondents for this question was 33. “Don’t know/Not applicable” responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

Acting sustainably

Limited impact of sustainability on customer behaviour

In recent years, the UAE has taken significant steps to promote environmental sustainability through long-term strategies and regulatory initiatives. In 2016, it launched its National Climate Change Plan for 2017–2050, followed in 2021 by a commitment to achieve net-zero emissions by 2050 – the first such target in the MENA region. These initiatives are expected to gradually increase the importance of environmental considerations in purchasing decisions.

According to the UAE government, the economic opportunities associated with the transition to net-zero closely align with its ambition to become one of the world’s most dynamic economies. Achieving this will require updates to sector-specific strategies and policies, as well as coordinated efforts by federal and local authorities to reduce emissions while sustaining economic growth.

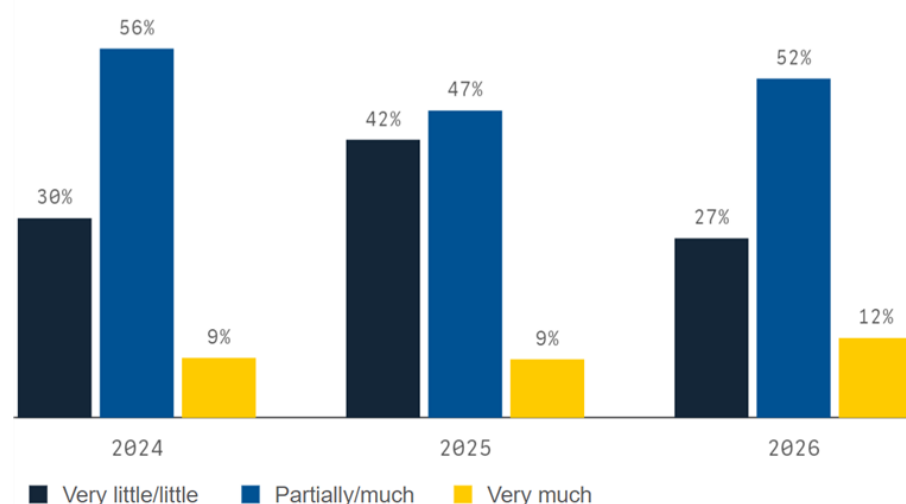
The UAE’s sustainability agenda gained global visibility in 2023 when it hosted the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28). Such forums play a critical role in shaping international climate policy and raising awareness of sustainability ambitions at both the local and regional levels.

Despite these developments, survey results indicate that sustainability has yet to materially influence customer behaviour. While 56 per cent of companies report that customers show some or high awareness of environmental factors, this represents a slight decline from the previous year. This suggests that increased attention to sustainability, including around COP28 and national strategies, has not yet translated into a significant shift in customer priorities. As a result, sustainability is still not widely perceived as a key factor for competitiveness in the UAE market.

“Sustainability and digital transformation are emerging priorities.”

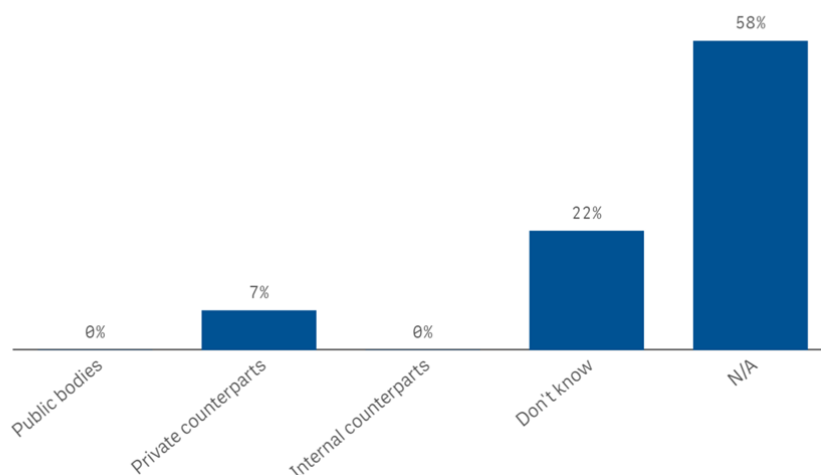
Survey respondent
Large-sized company

To what extent do customers in the United Arab Emirates consider environmental aspects of a product or service in their purchasing decision?



NOTE: The number of respondents for this question was 33. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

Has your company in the United Arab Emirates been exposed to corruption such as, but not limited to, attempts of bribery or fraud in contacts with any of the following areas?



NOTE: The number of respondents for this question was 27. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026

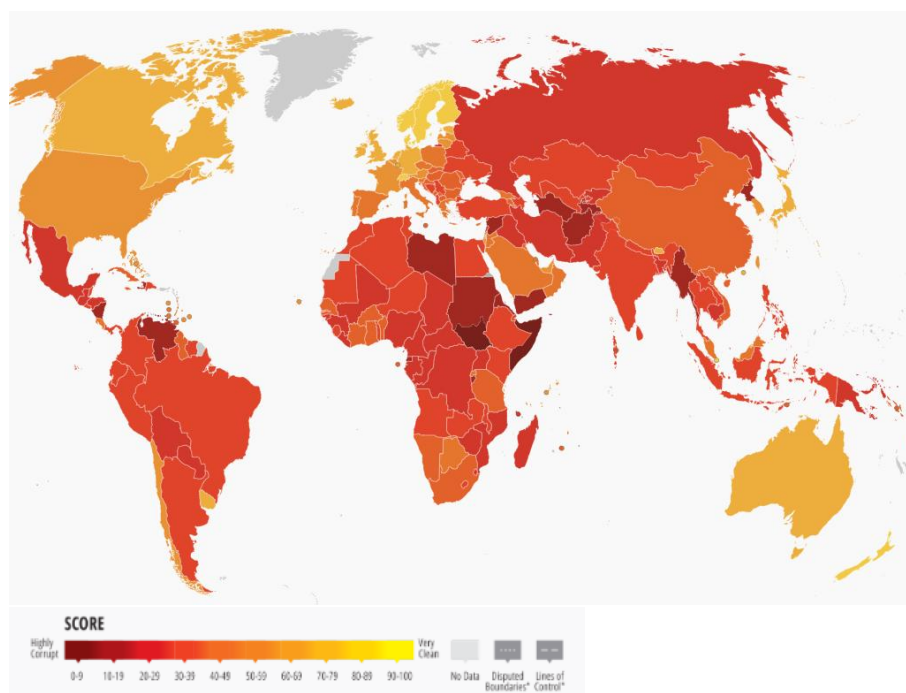
Transparency International's Corruption Perceptions Index (CPI) 2025 ranks the UAE as the least corrupt country in the Middle East and North Africa (MENA) and 21st globally out of 182 countries, with a score of 69 out of 100. This represents a slight improvement compared to the previous year and places the UAE ahead of several major economies, including France, the United States, and South Korea. The CPI is based on assessments by experts and business executives and measures perceived levels of public-sector corruption.

The UAE's strong performance is widely attributed to sustained anti-corruption efforts and regulatory reforms. These include extending anti-bribery legislation to the private sector, expanding the territorial reach of corruption laws, broadening definitions of bribery within the public sector, strengthening oversight bodies, particularly in Dubai's financial services sector, and increasing financial penalties for corporate violations.

Regionally, the UAE continues to lead the MENA rankings, followed by Qatar (58 points) and Saudi Arabia (57 points). Other GCC countries, including Oman (52) and Bahrain (50), rank lower, while conflict-affected countries such as Syria (15) and Yemen (13) remain among the weakest performers globally. These disparities highlight broader governance challenges across the region.

In this year's survey, 7 per cent of Swedish companies report experiencing corruption-related incidents involving private counterparts. No incidents have been reported regarding public bodies or internal counterparts. However, a relatively large share of respondents either do not know (22 per cent) or selected "not applicable" (58 per cent), limiting the ability to draw firm conclusions about overall exposure.

Corruption perception index 2025



NOTE: Corruption perception index 2025
SOURCE: Transparency International

Understanding “Wasta”

Wasta has its roots in Middle Eastern culture and historically served as a mechanism for resolving conflicts, fostering cooperation, and building loyalty among Bedouin families and tribes. It is closely linked to the region’s high power-distance culture, where authority is traditionally viewed as legitimate and inherent. Deeply embedded in Arab society, Wasta refers to advantages gained through social connections, whether within family or broader networks.

Linguistically, the Arabic term derives from the word meaning “middle” and is commonly translated as “connections” or “influence”. In practice, Wasta is often associated with facilitating access to employment opportunities, licences or contracts, securing favourable decisions, navigating bureaucratic processes, and overcoming administrative barriers.

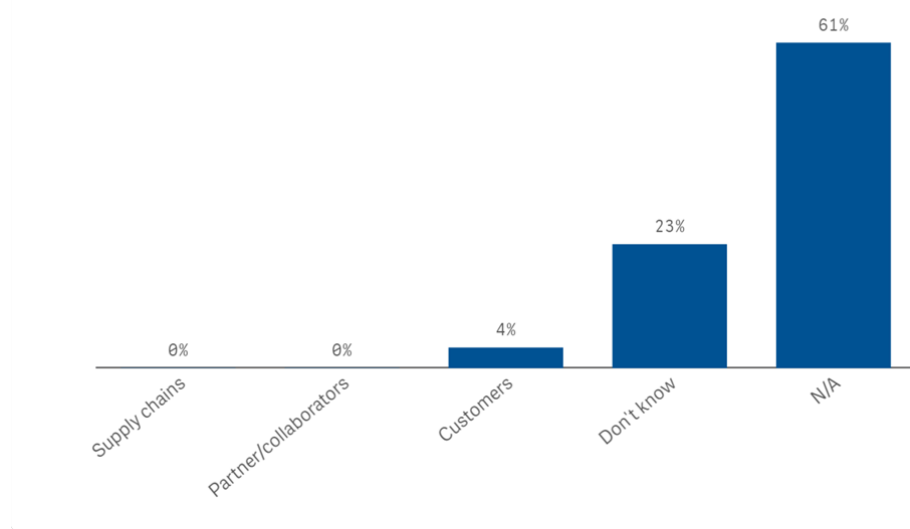
According to John Hooker of Carnegie Mellon University, Wasta should not be equated with corruption automatically, as it operates within established social checks and balances. Unlike corruption—which prioritises individual gain over organisational or societal interests—Wasta has traditionally aimed to align individual interests with those of the wider group, contributing to collective well-being. When exercised responsibly, it can reflect effective leadership and be considered both acceptable and beneficial.

This distinction is important for Swedish companies operating in the Middle East. While constructive forms of Wasta can support relationship-building and decision-making, challenges arise when it is used to secure economic benefits at the expense of the broader system, or when intermediaries act primarily in pursuit of personal gain rather than within an ethical framework.

Human rights and labour violations

Responses to questions on human rights violations predominantly fall under “don’t know” or “not applicable”, limiting the ability to draw meaningful conclusions from this survey. Swedish companies are nevertheless expected to adhere to internationally recognised standards for responsible business conduct, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

Has your company in the United Arab Emirates encountered any form of human rights violations and/or labour rights abuse in any of the following areas?



NOTE: The number of respondents for this question was 33. “Don’t know/Not applicable” responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Arab Emirates 2026.

The 2026 Business Climate Survey seeks to strengthen understanding of the Swedish experience in the UAE by providing a nuanced view of the factors driving company performance. Team Sweden in the UAE remains committed to supporting Swedish companies in the market and upholding the trust and value of the Swedish brand. We aim to support Swedish businesses in their global growth journeys and welcome continued dialogue regarding the opportunities and challenges presented by the UAE market.

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