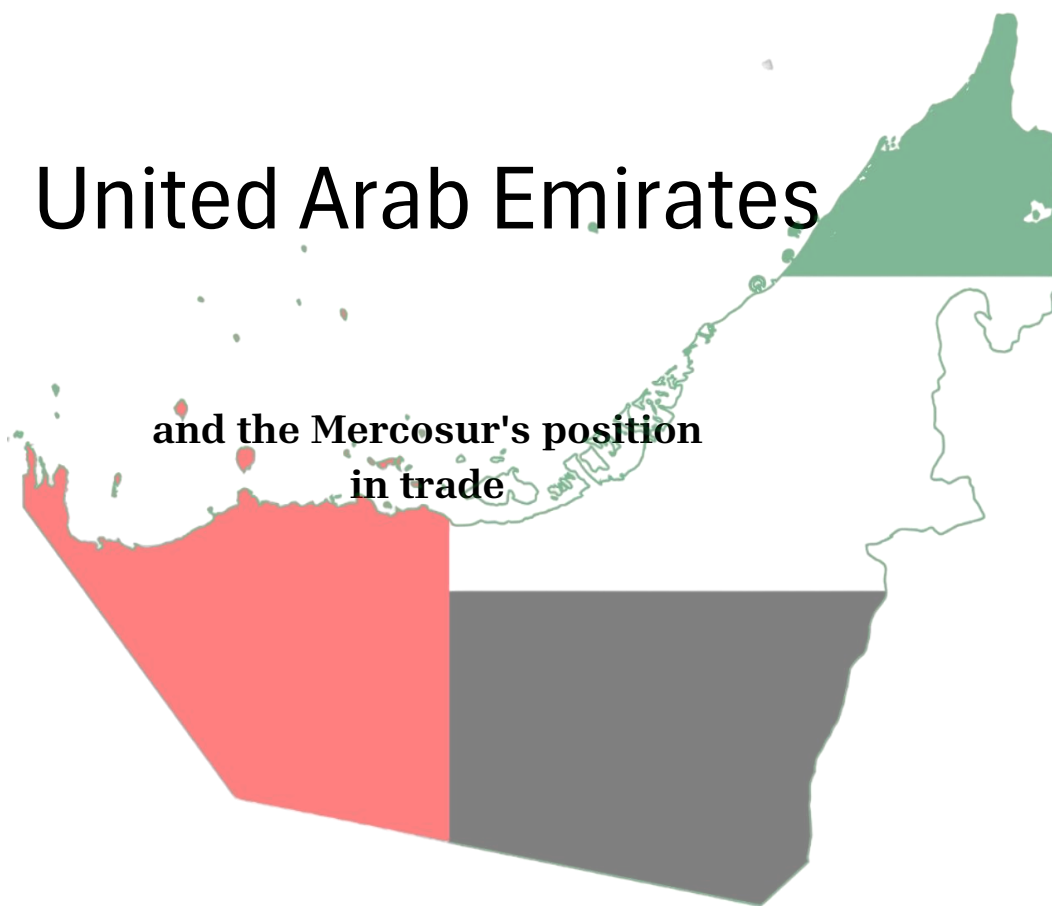


**Country Report on
Market Access for**

United Arab Emirates

**and the Mercosur's position
in trade**



GRUPO DE PAÍSES PRODUCTORES DEL SUR

GROUP OF PRODUCING COUNTRIES FROM THE SOUTHERN CONE

Updated on
Jun-24

Country report on United Arab Emirates

Summary

- The per capita GDP of the United Arab Emirates (UAE) is three times the global average. Agriculture accounts for less than 1% of the 2022 GDP and is the activity with the lowest added value. Trade is vital for the UAE, representing nearly twice the size of its economy.
- The country has a positive trade balance with the world and negative with Mercosur. This negative balance with Mercosur is primarily due to the agricultural trade products. Mercosur is the main source of UAE's agricultural imports, ranking first on average. Brazil accounts for 88% of these imports from Mercosur.
- While there is no high concentration in UAE's imports by product, the import basket from Mercosur is concentrated. The top six products imported by the UAE represent more than 75% of the total from all Mercosur member countries.
- The demand for food in the Middle East and North Africa region is projected to increase between 1.5% and 2% annually from 2023 to 2032. Only staple foods are expected to see a decline of 1.22%, while the demand for vegetable oils is expected to increase by nearly 11%.
- The products with the highest growth rate in demand in the UAE until 2027 are meats, vegetables, and cereals. Mercosur mainly supplies meats, but also cereals, fruits, and dairy products.
- The products with potential for export growth for Mercosur countries are related to animal feed and the soybean complex. In Brazil, poultry and beef for human consumption stand out; in Uruguay, dairy products for human consumption and live animals; in Paraguay, beef and pork; and in Argentina, corn, horses, and fruits.
- Although agricultural products have higher tariffs than others, they do not exceed 5% on average.
- A complementary agreement would allow Mercosur to expand its export basket and further enhance competitiveness in this market with food needs.



Population



9.4 Millions

0.1% Share of World Population

0.81 % Growth Rate Annual Population

0.79 % Growth Rate Annual World Population

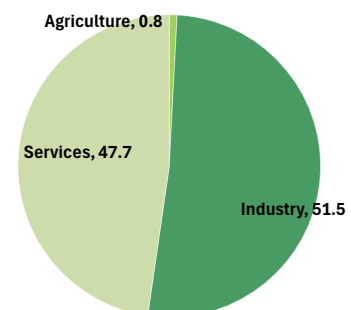


Economy

	United Arab Emirates	% of World
GDP (billions of USD 2022*)	507.1	0.50

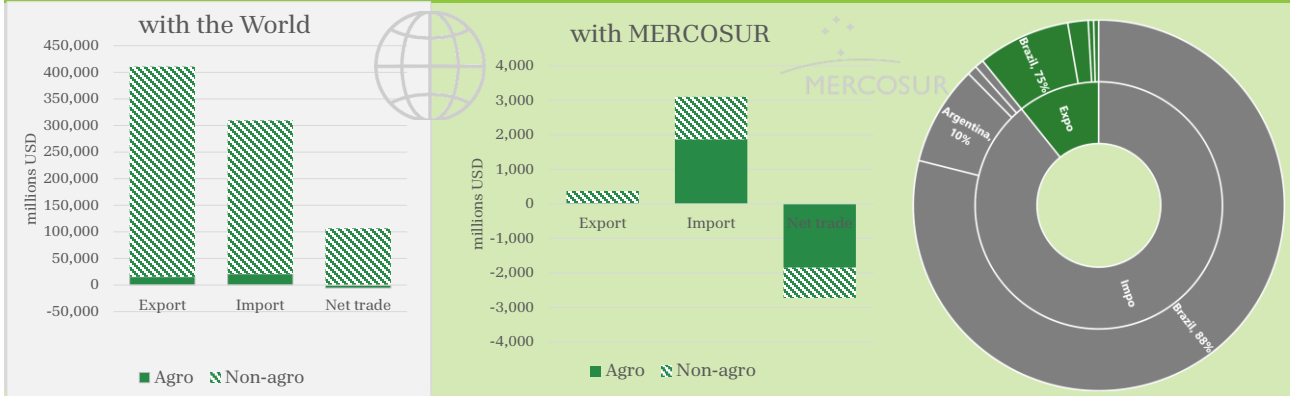
	United Arab Emirates	World Avg.
GDP per capita (USD 2022*)	53,708.0	12,687.7
GDP growth (annual %)	7.9	3.1
Trade (% of GDP)**	166.6	62.6

Value Added by Sectors (% of 2022 GDP)



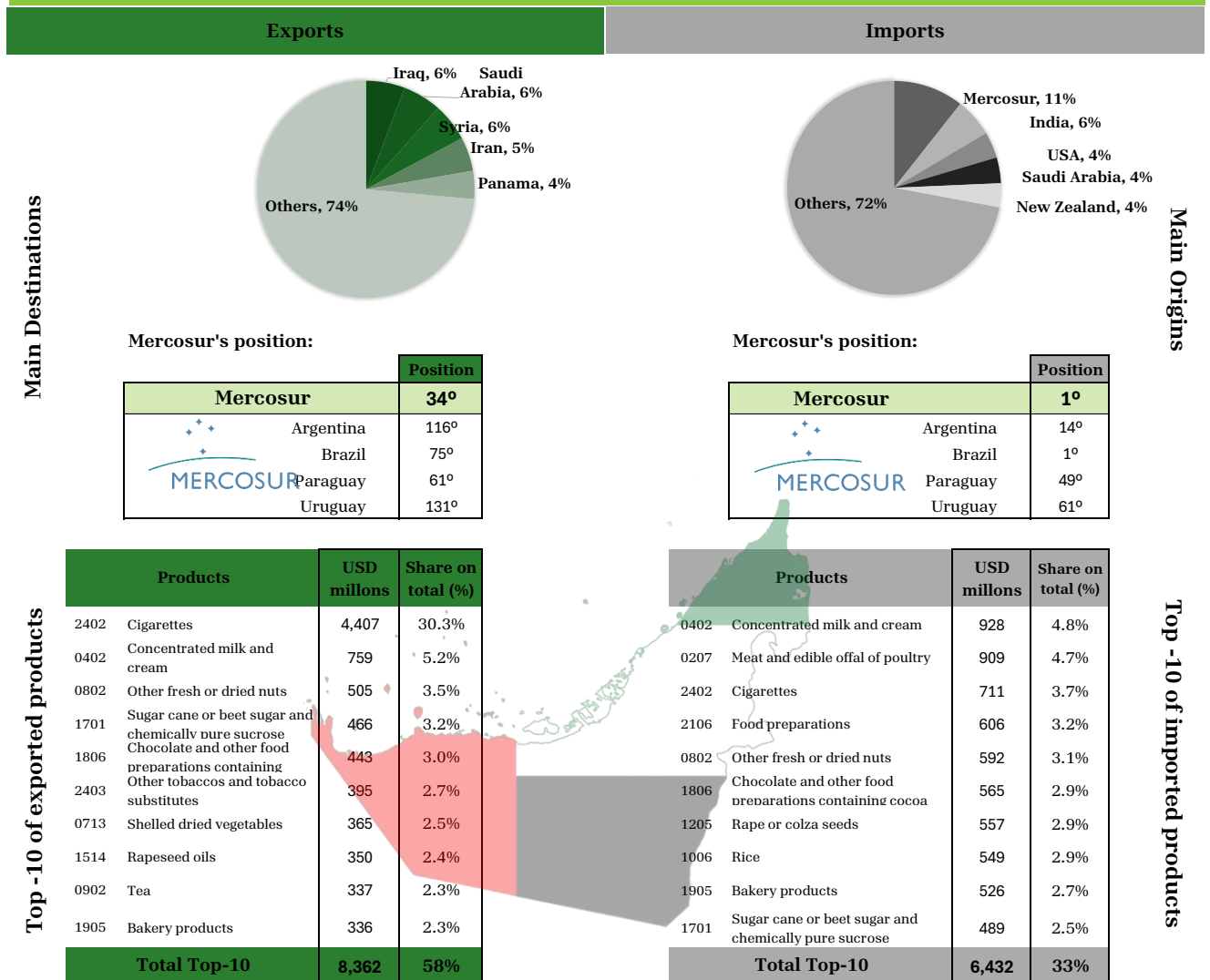
Notes: * in current USD for the year 2022 - latest available; ** Both exports and imports are measured as a proportion of GDP. Source: World Bank - WDI 2024

Average Trade 2018-2022 of United Arab Emirates



World trade for the UAE predominantly originates from the non-agricultural sector, with only 5% of its global trade corresponding to the agricultural sector. The UAE has a trade deficit with Mercosur of around 3.1 billion USD, primarily due to agro-industrial trade. The 88% of its imports from Mercosur come from Brazil, and 10% from Argentina. On the other hand, Brazil is the main destination for UAE exports to Mercosur, accounting for 75% of the total exported.

Agricultural average trade 2018-2022 of United Arab Emirates



Source: Compiled by GPPS based on Comtrade data (Avg 2018-22).

The most significant trade flow between the UAE and Mercosur is imports from Mercosur, which are 23 times higher than exports to Mercosur. Mercosur is, in fact, the primary supplier, largely due to imports from Brazil. On average, the UAE imported 15 million USD from Brazil annually between 2018 and 2022.

The main products imported by the UAE are for human consumption, focusing on meats and dairy products. However, the import basket is not highly concentrated; the top ten products account for 33% of UAE's imports and total, on average, nearly \$6.5 billion USD during the period from 2018 to 2022.

Tariff measures

WTO Tariff Profile

Tariffs and imports in total

Total	Total	Ag	Non-Ag	WTO member since	
Simple average final bound	14.5	25.6	12.7	1996	
MFN applied				Binding coverage:	Total 100
Simple average	2022	4.7	5.4	4.6	Non-ag 100
Trade weighted average				Ag: Tariff quotas (in %)	
Imports in billion US\$				Ag: Special safeguards (in %)	

Tariffs and imports in duty ranges

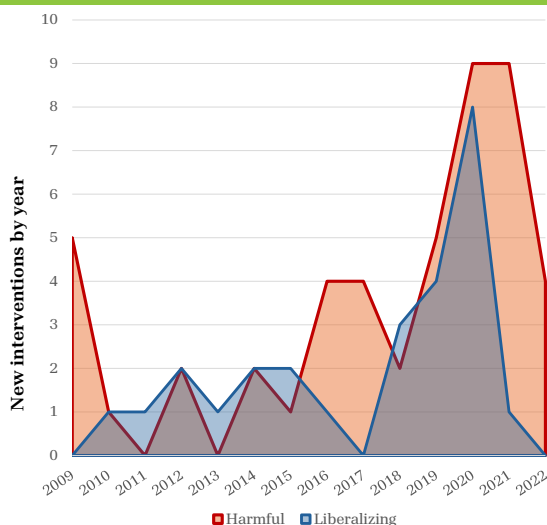
Frequency distribution	Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV
	Tariff lines and import values (in %)								
Agricultural products									
Final bound	0.0	0.0	0.0	94.3	0.0	0.0	0.0	5.7	0.0
NMF applied	23.6	67.6	0.0	0.0	0.0	0.0	1.6	0.0	7.3
Imports									

Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	33.3	0.0	200.0	100.0	2.8	36.2	5.0		
Dairy products	15.0	0.0	15.0	100.0	5.0	0.0	5.0		
Fruit, vegetables, plants	15.0	0.0	15.0	100.0	3.3	34.5	5.0		
Coffee, tea	15.0	0.0	15.0	100.0	3.1	37.5	5.0		
Cereals & preparations	15.0	0.0	15.0	100.0	3.2	35.2	5.0		
Oilseeds, fats & oils	23.9	0.0	200.0	100.0	4.8	3.4	5.0		
Sugars and confectionery	15.0	0.0	15.0	100.0	3.5	29.4	5.0		
Beverages & tobacco	116.6	0.0	200.0	100.0	35.9	0.6	100.0		
Cotton	15.0	0.0	15.0	100.0	5.0	0.0	5.0		
Other agricultural products	15.0	0.0	15.0	100.0	4.4	11.0	5.0		
Fish & fish products	15.0	0.0	15.0	100.0	3.6	28.2	5.0		

Source: WTO Tariff profile of United Arab Emirates. URL: https://www.wto.org/spanish/res_s/publications_s/world_tariff_profiles23_s.htm

Non-tariff measures



1101-Wheat or meslin flour, 2	2106-Food preparations, 1	2208-Undenatured ethyl alcohol with a volumetric alcohol content of less than 80% vol, 1	0203-Pork, 1
	2207-Undenatured ethyl alcohol with a volumetric alcohol content greater than or equal to 80% vol, 1	0106-Other live animals, 1	1001-Wheat and meslin, 1
	2106-Food preparations, 1		

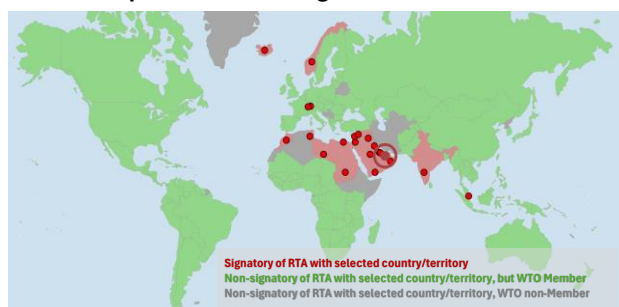
Products most affected by discriminatory measures

Products most affected by liberalization measures

Notes: Both graphs show the number of interventions. Source: Global Trade Alert. URL: <http://www.globaltradealert.org/>

Trade agreements

Participation in RTAs on goods and services



Agreements in force

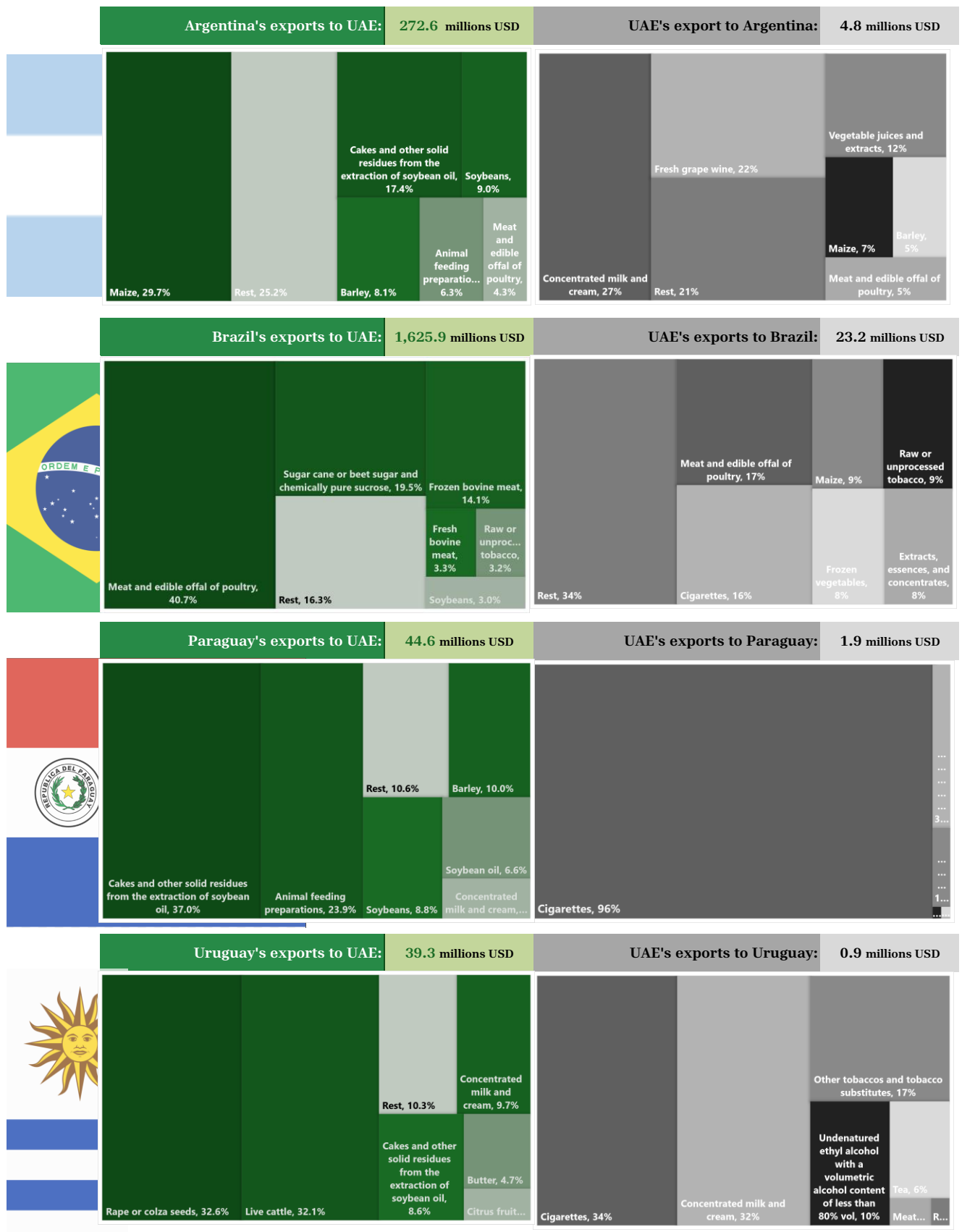
1. EFTA - Gulf Cooperation Council (GCC)
2. Gulf Cooperation Council (GCC)
3. Gulf Cooperation Council (GCC)-Singapore
4. India - United Arab Emirates (GCC)
5. Morocco- United Arab Emirates
6. Pan-Arab Free Trade Area (PAFTA)

Source: Extracted from WTO - <https://www.wto.org/>

United Arab Emirates's bilateral agricultural trade with MERCOSUR countries

This section presents the agricultural trade of the EAU with each of the MERCOSUR countries. It provides insights into the main agricultural products traded between the EAU and individual MERCOSUR countries, along with the average bilateral trade amounts (in current USD) from 2018 to 2022.

It highlights the heterogeneity of exports and imports among MERCOSUR countries; aggregating them hide the relative importance of trade with Paraguay and Uruguay, placing greater emphasis on Brazil and Argentina due to their significantly larger trade volumes.



Notes: Values are averages for 2018-2022. The top 6 products are shown. Source: Comtrade 2024.

Products from MERCOSUR countries with Potential-Threat in United Arab Emirates

Methodology

The **Potential (or Threat)** of exporting a product is analyzed for each of the MERCOSUR countries, considering products classified at the four-digit Harmonized System (HS04) level.

The analysis is conducted based on the calculation and interpretation of the Revealed Comparative Advantage (RCA) index following Lima & Álvarez (2008).

A product is considered to have export **Potential** if the exporting MERCOSUR country has a Revealed Comparative Advantage (RCA index ≥ 1) in its exports, and the importing country also has a Revealed Comparative Advantage (RCA index ≥ 1) in its imports of the same product, indicating export risks.

The data source used is COMTRADE, and all values are averaged over 2018-2022.

Analysis by MERCOSUR country

Product	Have:	Argentine exports to		UAE relevance on Argentine exports	UAE imports from World (USD millions)	Argentine relevance on UAE's total imports (in %)	
		UAE (USD millions)	World (USD millions)				
1003 Barley	Potential	4.4	753	0.6%	22	20.2%	
1005 Maize		16.2	6,777	0.2%	30	53.4%	
1201 Soybeans		4.9	2,668	0.2%	20	24.2%	
2008 Fruits or other edible parts of plants and other fruits		0.3	177	0.2%	18	1.5%	
2302 Bran, shorts, and other milling residues		0.9	85	1.1%	2	49.4%	
2309 Animal feeding preparations		3.4	258	1.3%	37	9.2%	
0101 Horses		0.1	32	0.2%	1	4.2%	
0713 Shelled dried vegetables		2.2	575	0.4%	83	2.6%	
0809 Apricots		0.3	54	0.6%	11	3.1%	
0813 Dried fruits and other fruits		0.1	66	0.2%	4	3.1%	
0903 Yerba mate		0.1	34	0.2%	0	69.5%	
1002 Rye		Threat	0.0	0.1	0.0%	0	0.1%
1106 Vegetable flour			0.0	2.2	0.3%	2	0.3%
1207 Other oil seeds and fruits	0.1		26.7	0.2%	8	0.6%	
1212 Carobs	0.0		1.0	0.5%	3	0.2%	
1213 Straw and cereal husks	0.0		0.0	18.7%	3	0.0%	
1302 Vegetable juices and extracts	0.0		10.2	0.1%	10	0.1%	
1605 Prepared crustaceans	0.0		9.6	0.3%	3	0.8%	
1902 Pasta	0.0		22.2	0.2%	23	0.2%	
0102 Live cattle	0.0		0.6	0.4%	8	0.0%	
0207 Meat and edible offal of poultry	2.3		334.8	0.7%	182	1.3%	
0401 Unconcentrated milk and cream	0.0		3.7	0.0%	25	0.0%	
0402 Concentrated milk and cream	1.6		258.4	0.6%	186	0.8%	
0403 Butter whey	0.0		2.7	1.3%	18	0.2%	
0405 Butter	0.1		79.4	0.1%	33	0.2%	
0406 Cheeses and curd	0.0		283.8	0.0%	73	0.0%	
0602 Other live plants	0.0		3.7	0.0%	7	0.0%	
0603 Flowers and buds	0.0		0.1	0.2%	11	0.0%	
0702 Fresh or chilled tomatoes	0.0		2.4	0.0%	15	0.0%	
0703 Onions	0.0		212.0	0.0%	31	0.0%	
0704 Cabbages	0.0		0.2	0.8%	5	0.0%	
0706 Carrots	0.0		0.2	0.0%	11	0.0%	
0709 Other vegetables	0.0		9.2	0.1%	34	0.0%	
0710 Frozen vegetables	0.0		2.9	0.2%	8	0.1%	
0801 Coconuts	0.0		0.1	6.8%	38	0.0%	
0802 Other fresh or dried nuts	0.6		40.8	1.5%	118	0.5%	
0804 Dates, figs, avocados	0.1		2.7	1.9%	73	0.1%	
0805 Citrus fruit	0.5		566.1	0.1%	56	0.9%	
0806 Grapes	0.0		79.4	0.0%	21	0.1%	
0808 Apples, pears, and quinces	0.4		510.8	0.1%	38	1.2%	
0810 Other fruits or other edible parts of plants	0.1		113.2	0.1%	38	0.3%	
0811 Frozen fruits and other fruits	0.0		26.4	0.0%	3	0.1%	
0812 Preserved fruits and other fruits	0.0		0.7	0.0%	1	0.0%	
0902 Tea	0.0		105.9	0.0%	47	0.0%	
0909 Anise seeds	0.0		6.1	0.5%	7	0.4%	
0910 Ginger	0.0		0.4	0.0%	22	0.0%	

Among the products with potential for increased exports from Argentina to the UAE, there are three for which expansion carries certain reservations: Maize (1005), Bran (2302), and Yerba Mate (0903). The reservations regarding the increase in these exports stem from Argentina's already high position or share in UAE's imports; any strategy to increase these exports would result in greater dependency on Argentina for these products, which implies increased risk.

In most products with threats of decreased exports, the UAE is a relatively minor destination, except for Cereal Straw and Husk. Additionally, Argentina is a less significant source for these products in UAE's imports.

Product	Have:	Brazilian exports to		UAE relevance on Brazilian exports	UAE imports from World (USD millions)	Brazil's relevance on UAE's total imports (in %)
		UAE (USD millions)	World (USD millions)			
1007 Grain sorghum	Potential	0.1	3.3	1.7%	0.6	9.0%
1208 Flour of oil seeds or fruits		0.2	16.5	1.1%	0.8	21.5%
1701 Sugar cane or beet sugar and chemically pure sucrose		63.3	5945.0	1.1%	97.8	64.8%
2101 Extracts, essences, and concentrates		4.1	683.4	0.6%	31.3	13.2%
2306 Cakes and other solid residues from the extraction of veget		0.1	1.2	4.4%	0.3	16.1%
2401 Raw or unprocessed tobacco		10.4	2517.6	0.4%	64.2	16.2%
2403 Other tobaccos and tobacco substitutes		8.3	112.5	7.4%	54.5	15.2%
0201 Fresh bovine meat		10.7	1014.8	1.1%	73.0	14.6%
0202 Frozen bovine meat		45.7	6597.4	0.7%	79.5	57.5%
0207 Meat and edible offal of poultry		132.3	5953.7	2.2%	181.8	72.8%
0407 Eggs of birds in shell		2.2	60.8	3.6%	25.1	8.7%
0811 Frozen fruits and other fruits		0.6	24.7	2.5%	3.2	19.7%
0904 Pepper of the genus Piper		3.5	314.3	1.1%	17.7	19.7%
0907 Clove		0.8	11.0	7.1%	5.2	15.2%
1003 Barley	Threat	1.3	2.8	46.8%	22.0	6.02%
1205 Rape or colza seeds		1.2	2.2	55.6%	111.3	1.09%
1401 Vegetable materials of the species primarily used in basket		0.0	0.1	0.8%	0.2	0.25%
1601 Sausages and similar meat products		0.3	90.8	0.3%	5.4	5.41%
2002 Prepared or preserved tomatoes		0.2	3.8	4.1%	12.3	1.24%
2105 Ice cream		0.2	14.0	1.7%	9.0	2.70%
2201 Unsweetened water		0.0	0.3	2.1%	13.3	0.05%
0204 Ovine or caprine meat		0.1	0.9	9.8%	78.5	0.12%
0208 Other meat and edible offal		0.0	0.1	11.7%	0.5	2.57%
0402 Concentrated milk and cream		0.8	23.6	3.4%	185.6	0.43%
0408 Eggs of birds without shell		0.1	5.8	1.9%	1.4	7.90%
0713 Shelled dried vegetables		0.4	104.5	0.4%	83.2	0.54%
0808 Apples, pears, and quinces		0.4	63.2	0.7%	37.6	1.16%
0813 Dried fruits and other fruits		0.0	3.0	0.3%	3.5	0.25%

In all products where Brazil has potential for expanding exports to the UAE, Brazil already holds a significant share, although it is not high enough to consider that the potential would be limited (the UAE's share as a destination does not exceed 7%). Brazil is the most important supplier of sugar and frozen poultry and beef to the UAE, so an increase or greater concentration of origin seems like an unadvisable strategy for the UAE.

All products identified with threats of decreased exports for Brazil have a low share in UAE imports. Brazil should pay attention to three of these products, as the UAE is a very important destination. These products are: 1205 (oilseeds), 1003 (maize), and 0208 (frozen meat)

Product	Have:	Paraguayan exports to		UAE relevance on Paraguayan exports	UAE imports from World (USD millions)	Paraguay's relevance on UAE's total imports (in %)
		UAE (USD millions)	World (USD millions)			
1003 Barley	Potential	0.89	0.89	100.0%	22	4.1%
1007 Grain sorghum		0.03	2.07	1.4%	1	4.7%
1208 Flour of oil seeds or fruits		0.22	2.75	7.9%	1	26.3%
1507 Soybean oil		0.59	197.66	0.3%	7	7.9%
1515 Other fixed vegetable fats and oils		0.22	11.10	2.0%	12	1.8%
2304 Cakes and other solid residues from the extraction of soybe		3.30	1,037.19	0.3%	18	17.9%
2309 Animal feeding preparations		2.13	20.21	10.5%	37	5.7%
0203 Pork		0.08	8.06	1.0%	9	0.9%
0210 Meat and edible offal		0.01	0.03	21.1%	2	0.3%
1002 Rye		Threat	0.00	0.00	5.0%	0
1212 Carobs	0.00		1.14	0.2%	3	0.1%
1702 Other sugars	0.00		0.28	0.2%	7	0.0%
2106 Food preparations	0.00		1.79	0.1%	121	0.0%
2403 Other tobaccos and tobacco substitutes	0.02		5.56	0.3%	55	0.0%
0402 Concentrated milk and cream	0.29		21.41	1.3%	186	0.2%
0403 Butter whey	0.00		0.01	13.5%	18	0.0%
0405 Butter	0.02		3.43	0.6%	33	0.1%
0602 Other live plants	0.00		0.34	0.8%	7	0.0%
0710 Frozen vegetables	0.00		0.01	18.8%	8	0.0%
0713 Shelled dried vegetables	0.03		0.90	3.6%	83	0.0%
0810 Other fruits or other edible parts of plants	0.00		0.13	1.3%	38	0.0%
0813 Dried fruits and other fruits	0.00		0.00	4.4%	4	0.0%
0902 Tea	0.00		0.06	0.2%	47	0.0%
0909 Anise seeds	0.01	0.03	44.5%	7	0.2%	
0910 Ginger	0.01	0.05	14.4%	22	0.0%	

Among the products identified with potential for expanding exports from Paraguay to the UAE, increasing dependence on barley does not seem advisable. For the rest, Paraguay's largest share in UAE imports is in products for animal feed.

On the other hand, all products facing threats of decreased exports from Paraguay have a low share in the UAE, thus posing greater relative risks. Among these, Paraguay should particularly focus on 0909 (vanilla), 0710 (leguminous vegetables), 0910 (spices), and 0403 (yogurts and milk) as the UAE is an important destination.

Product	Have:	Uruguayan exports to		UAE relevance on Uruguayan exports	UAE imports from World (USD millions)	Uruguay's relevance on UAE's total imports (in %)	
		UAE (USD millions)	World (USD millions)				
1205 Rape or colza seeds	Potential	2.6	77.2	3%	111	2.3%	
1602 Other meat preparations and preserves		0.1	58.9	0%	17	0.6%	
0101 Horses		0.1	1.4	6%	1	5.5%	
0102 Live cattle		2.5	254.1	1%	8	32.1%	
0402 Concentrated milk and cream		0.8	271.8	0%	186	0.4%	
0403 Butter whey		0.0	7.4	1%	18	0.3%	
0405 Butter		0.4	54.2	1%	33	1.1%	
0805 Citrus fruit		0.2	132.9	0%	56	0.3%	
1214 Fodder turnips		Threat	0.00	0.07	2.2%	88	0.0%
1302 Vegetable juices and extracts			0.01	1.15	0.6%	10	0.1%
1604 Preparations and preserves of fish	0.00		3.53	0.1%	22	0.0%	
2103 Preparations for sauces and prepared sauces	0.00		16.94	0.0%	38	0.0%	
2203 Malt malt	0.01		2.37	0.5%	23	0.1%	
2204 Fresh grape wine	0.00		25.19	0.0%	53	0.0%	
0204 Ovine or caprine meat	0.14		93.50	0.1%	78	0.2%	
0207 Meat and edible offal of poultry	0.04		3.29	1.2%	182	0.0%	
0304 Fillets and other fish meat	0.00		5.52	0.0%	13	0.0%	
0409 Natural honey	0.01		42.79	0.0%	7	0.1%	
0808 Apples, pears, and quinces	0.02		6.72	0.3%	38	0.1%	
0810 Other fruits or other edible parts of plants	0.00		7.23	0.0%	38	0.0%	
0901 Coffee	0.00		3.53	0.0%	30	0.0%	

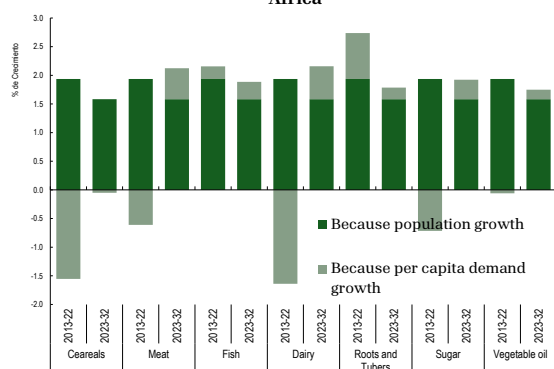


Uruguay appears well-positioned to increase exports in the identified products with potential, including 0102 (live horses) where it already holds a significant position.

On the other hand, all products facing threats of decreased exports from Uruguay have both a low share in UAE imports and limited current relevance in Uruguay's exports, making a reduction in trade for these products more likely.

Projections of Food Demand in the Middle East and North Africa

Estimates of Food Demand Growth in the Middle East and North Africa**



Notes: **No projections for UAE. Total food demand is considered for animal, human, and other uses

Source: OECD-FAO Agricultural Outlook

Variations* in Food Demand 2032 vs 2023

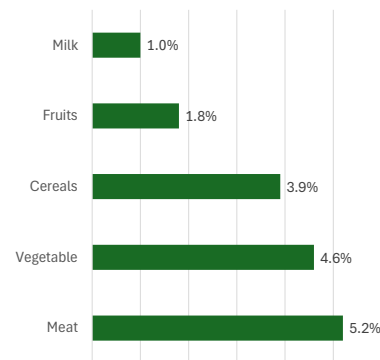
Basic food
-1,22%

Meat & Fish
+7,08%

Dairy
+5,9%

Vegetable oil
+10,9%

Growth Rates of Demand between 2022 and 2027 in UAE



Source: GCC Food Industry 2023

Food demand projections for the region are expected to increase primarily due to population growth. The highest percentage increase (2023 vs. 2032) is anticipated for vegetable oils, with a 7% growth also expected for meats and fish. These increases are significant for MERCOSUR, as meats are the primary export product to the UAE from the region, and despite currently exporting more flour, MERCOSUR is a competitive producer of vegetable oils, especially soybean oil, which has shown advantages for Paraguay. According to the GCC Food Industry 2023 demand projections for the UAE, meats are expected to experience the highest growth by 2027, followed by vegetables and then cereals.

On the other hand, a decline in sugar demand is projected, which would impact exports from MERCOSUR countries, with Brazil being particularly affected in the case of sugar, even though it is not a major destination currently.

Conclusions

United Arab Emirates is a country with a market population of 9.4 million people, representing 0.1% of the global population. Its annual population growth rate is similar to the global average, but its GDP per capita is notably higher, being more than four times the global average, with GDP growth exceeding the global average by more than double. Trade plays a crucial role in its economy, with a value almost double its GDP.

MERCOSUR is the most significant supplier to the UAE, primarily due to its trade relationship with Brazil, which leads the imports. However, MERCOSUR's share in total imports has been above 10% on average during the period 2018-2022. It is followed by India, the United States, Saudi Arabia, and New Zealand, indicating that the UAE does not rely excessively on a single trading partner.

The main products imported by the UAE are foodstuffs for human consumption, such as meats, dairy products, prepared foods, chocolates, and sugar. Although the import basket is not highly concentrated, the top ten products account for 33% of imports, with an average value of nearly USD 6.5 billion during the 2018-2022 period.

However, the import basket from MERCOSUR is more concentrated. The top six imported products represent over 75% of the total, primarily from the soybean complex, with Brazil exporting mainly poultry and beef, and sugar, while Argentina exports corn, and Uruguay exports turnip seeds and some dairy products.

A 3% annual growth in food demand in the UAE is expected, according to GCC Food Industry data. FAO indicates that vegetable oils and meats will experience the highest growth in the Middle East and North Africa region.

The potential for increased exports was analyzed based on Revealed Comparative Advantages, both from MERCOSUR and to the UAE. Products with relatively low market participation in the UAE are considered more likely to increase. Generally, products with export potential from MERCOSUR are related to animal feed and the soybean complex, with exceptions such as meats from Brazil, dairy products from Uruguay, beef from Paraguay, and corn, horses, and fruits from Argentina.

It is important to consider products with a risk of decreased trade, as the UAE is a significant buyer of some of them.

In terms of tariff measures, although agricultural products in the UAE face higher tariff rates compared to non-agricultural products, these rates do not exceed 5%, and nearly 98% of tariff lines have rates below 5%. Dairy products, the main exports from MERCOSUR to this destination, face a 5% tariff. Beverages and tobacco are the most protected products, with an average rate of 35.9%, which is significant for Brazil, which exports unprocessed tobacco to the UAE with a 100% tariff.

In summary, an economic complementarity agreement between the two regions could enhance certain trade flows. Currently, tariffs are not excessively high, and the UAE does not have trade agreements with regions producing similar goods to MERCOSUR, so such an agreement would help diversify and deconcentrate MERCOSUR's export matrix to the UAE.



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