**Economic Cooperation between the UAE and Japan**

* The UAE and Japan share a long history of close economic relations, which is amply reflected by cordial ties between the two countries.
* Since the 1970s relations between the UAE and Japan have revolved around the economic diplomacy when Osaka Expo 1970 was the first time hosted by Japan. The UAE pavilion was designed with a replica of an Al Ain fort which provided the most popularity among visitors.
* The dreams and ambitions achieved far more than Expo when the visitors enjoyed “Arabic coffee” served by the UAE delegation. It was the turning point in friendship relations connecting people and culture of two great nations.
* Nowadays, economic cooperation is diversifying further into non-energy sectors, enhancing trade, investments and business such as renewables, tourism, space, medical service, advanced technology and robotics, environment and climate change.

**Japan’s Export and Import with UAE** (in billion $)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2018** | **2019** | **2020** | **2021** | **2022**(est.) | **Growth**  | **Ranking** in 2022 |
| **Total trade** | 35,4 | 33,4 | 21,8 | 34,6 | **54,5** | **37%** |  **7** (10th in 2021) |
| **Export** | 7,9 | 7,2 | 5,5 | 7,5 | **8,5** | **12%** | **19** (21th in 2021) |
| **Import** | 27,5 | 26,2 | 16,3 | 27,1 | **46,0** | **41%** | **4** (7th in 2021) |
| **Balance** | -19,6 | -19,0 | -10,8 | -19,6 | **-37,5** |  |  |

* In the overall trade, UAE has become Japan’s 7th largest trading partner globally in 2022, and 4th in terms of Japan’s total imports from abroad.
* The UAE Top-ranked 1st by leading Japan’s overseas crude oil supply, which covered nearly 40% of Japan’s total crude oil imports, a record for the UAE satisfying Japan oil needs in 2022.
* In 2022, Japan’s export value amounted approximately to 8.5 billion USD and import value 46 billion USD from the UAE, resulting total trade of 54.5 billion US dollars.
* In 2022, the increase in Japan’s export to UAE by 12% is explained primarily by an increase in product exports of Cars *(share in total exports 35%)*, Motor vehicles (14%), Delivery trucks (7%), Spark-ignition engines (2.6%) Rubber tires (2.5%), Buses (2.3%), Vehicle parts, Large iron pipes, Machinery and Equipment.
* In 2022, Japan’s imports from UAE increased by 41% which is explained primarily bypost pandemic Covid-19 economic recovery, higher crude oil costs associated with a global demand, the yen depreciation and the increase of UAE’s main export products, including [Crude Petroleum](https://oec.world/en/profile/hs92/crude-petroleum) *(share in total imports 79%)*, [Refined Petroleum](https://oec.world/en/profile/hs92/refined-petroleum) (8.5%), [Petroleum Gas](https://oec.world/en/profile/hs92/petroleum-gas) (3.5%),

**Other non-oil products**: Raw Aluminium (3.5%), Cars (0.7%), Buses, Motor Vehicle and Aircraft parts, Rubber tires, Plastic and Chemical products, Iron pipes, Precious Metals, Ceramic, Sports equipment, Textile and Foodstuffs (pasta, tea, fish oil).

* Non-oil trade between the UAE and Japan reached 13.3 billion USD in 2021, with a 23% increase over 2020. **Non-oil trade between the UAE and Japan is estimated at 15 billion US dollars in 2022, a 14% increase compared to 2021.**
* In 2022 the exports of Japan were mainly from [Aichi](https://oec.world/en/profile/subnational_jpn/23), Tokyo, [Kanagawa](https://oec.world/en/profile/subnational_jpn/14), [Fukuoka](https://oec.world/en/profile/subnational_jpn/40) and Osaka, while UAE’s export destinations were mainly to prefectures like Chiba, Kagoshima, Kanagawa, Osaka, Tokyo and Wakayama.
* Japan is one of the UAE’s largest investment partners in both outbound and inbound investments, as Japanese investments in the country exceeded 4 billion USD in 2021, accounting for 3% of total FDI inflows and more than 8% of investments from Asian countries.
* As of October 2022, the value of Japanese investments in the UAE has exceeded 14 billion USD.
* Japan’s investment in the UAE is focused on sectors of petroleum & gas, construction, technology, renewable energy, wholesale & retail trade, transportation & logistics, real estate, healthcare, manufacturing of polyethylene and polypropylene.
* The major scientific achievement in space sector represents a milestone in the UAE-Japan relations. Inspired by the joint project Mars Mission “Hope Probe”, HAKUTO-R, a lander built by Japanese company iSpace lifted off UAE’s Rashid moon rover to the lunar surface in December 2022. The Emirates Lunar Mission is the first moon landing for the Arab world and Japan.
* The UAE and Japan have signed a hydrogen cooperation agreements, aiming to expand the joint areas of collaboration and enhance investment in the hydrogen sector, supporting the ambition to accelerate the energy transition towards a low-carbon future.
* Such partnerships support the direction of the UAE to align with the COP28 conference to be hosted in Dubai and the Paris Agreement on Climate Change, as well as contributing to forming the shift towards clean, renewable energy by relying on hydrogen production.
* Japan considers the UAE as a safe, stable, reliable and strategic partner in various industry sectors. More than 4,000 Japanese nationals live and work in the UAE, the largest number in the Middle East and North Africa.
* In addition, the UAE hosts around 340 Japanese companies and 13,400 registered Japanese brands, owed to the conducive investment environment, including free zones.

*Number of Companies*

 Emirates Airlines Etihad Airways

 Borouge Ptd Ltd Marcura Japan KK

ADNOC International Dubai Investment Fund

* Moving forward, we are committed to promote innovation-driven and sustainable projects in our bilateral relations. In this regard, Japan is going to be a key partner in the UAE’s economic growth journey and take advantage of the diverse opportunities and incentives offered by favourable business environment.

**Direct Flights between UAE and Japan**

|  |  |  |
| --- | --- | --- |
| **Updates** |  |  |
| Outbound Narita Tokyo to Dubai /AUH, Dates | Mo, Tu, We, Thu, Fri, Sat, Sun | Mo, Tu, We, Thu, Fri, Sat, Sun |
| Inbound Dubai /AUH to Narita Tokyo, Dates | Mo, Tu, We, Thu, Fri, Sat, Sun | Mo, Tu, We, Thu, Fri, Sat, Sun |
|  Flights Weekly  | 7 | 7 |
| Seat Capacity  | 488 / per flight | 299 / per flight |
| Kansai Airport, Osaka | 354 / per flight | No flights |
| Haneda Airport, Tokyo | Cancelled for winter schedule | No flights |
| Nagoya Chubu Airport | No flights | Suspending service |
| Empty Seats | 0 | 0 |
| **Passenger Limit** | No limits | No limits |

**Key Bilateral Agreements and Platforms**

|  |  |
| --- | --- |
| Name | Status |
| Comprehensive Strategic Partnership Agreement  | Signed in September 2022 |
| Promotion and Protection of Investments | Signed on April 30, 2018 |
| The Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income | Signed on May 2, 2013 |
| Avoidance of Double Taxation on Income in Respect of the Operation of Ships or Aircraft in International Traffic | Signed in December 2004 |
| Cooperation in the Peaceful Uses of Nuclear Energy  | Singed in July 2014 |
| Air Services (ASA) | Singed in March 1998 |
| Economic Partnership Agreement / Free Trade Agreement | Negotiations in process  |
| Japan-UAE Strategic Economic Partnership Forum | Annual  |
| The Abu Dhabi Japan Economic Council  | Annual  |
| The Japan-UAE Joint Economic Committee | Annual |
| UAE-Japan Business Council  | In process To be established in 2023 |