



UNITED ARAB EMIRATES
MINISTRY OF FINANCE



Foreseeing the future of financial stability in light of global changes

A report issued by the Ministry of Finance on the sidelines of the World Government Summit



We are optimistic about the future. Every year at the World Government Summit, we witness success stories and inspiring ideas that support our optimism. Exceptional government work is the only way to build the future.

His Highness Sheikh Mohammed bin Rashid Al Maktoum

Vice President and Prime Minister of the UAE and Ruler of Dubai



We believe that reaching financial leadership, economic security, and the well-being of the Arab people will be achieved through harmonising visions and joint Arab action.

HH Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum

Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance

Table of Contents

Overview	4
The role of fiscal policies in promoting economic stability	5
Keynote address by the Managing Director of International Monetary Fund	6
Fiscal sustainability in the Arab world beyond COVID-19 pandemic: challenges and opportunities	7
The economies of the Arab region and the repercussions of pandemic	8
Fiscal policies in the Arab region in light of global environmental and economic issues	9
Investing in climate solutions	10
Addressing climate change by enhancing future readiness	11
Opinion article by the Minister of State for Financial Affairs	12
The role of tax policies to achieve sustainable development	13
Tax policy reforms in the UAE	14
Opinion article by the Undersecretary of the Ministry of Finance	15
Regional and international partnerships and cooperation in the financial sector	16
Arab finance ministers emphasised the importance of collaboration for financial sustainability	17
Recommendations for promoting economic development in the region and establishing the foundations of joint Arab action	19
HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, met with finance ministers and central bank governors at the World Government Summit	20

Overview

The World Government Summit, in its exceptional 2023 edition, served as an inclusive platform hosting more than 30 international organisations, with 4,000 attendees, including government officials, industry experts, and private sector leaders, to explore the future of governments. It featured more than 110 sessions and workshops, and more than 15 forums to discuss the future of key sectors. The 7th Arab Fiscal Forum was held on the sidelines of the World Government Summit.

The Ministry of Finance's participation in the World Government Summit 2023 reinforced its commitment to enhancing global collaborations and opening new horizons of dialogue to jointly explore opportunities, tackle challenges and develop a forward-looking vision.

On the sidelines of the World Government Summit, the Ministry of Finance organised key sessions that focussed on significant topics related to government fiscal policies, climate change and climate finance, and forecasting the future of financial sustainability in the light of changing global circumstances.

Arab finance ministers, central bank governors, and representatives of financial bodies across the globe came together to share their experiences, with a vision to promote international cooperation efforts to achieve sustainable development and shape a promising future for the coming generations.

The participating experts discussed macroeconomic developments and prospects, ways to strengthen financial policies, and means to address current and urgent challenges to ensure economic and financial stability and promote comprehensive and sustainable growth in all sectors.

The World Government Summit 2023 proved its significance as a knowledge forum that promotes international cooperation to gain and share insights, showcase studies and analytics, and support global efforts and strategic cooperation with a vision to develop effective tools, policies and models that help advance future governments and build a sustainable economic future locally, regionally and globally.



World Government Summit



10,000

Experts and government officials



80

International organisations



80

Agreements signed between countries



20

State and government heads



250

Ministers

The role of fiscal policies in promoting economic stability

HE Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs, stated that the world is currently witnessing an increase in global economic slowdown and its repercussions on the Arab region, coinciding with high inflation levels, disruption of supply chains, geopolitical challenges, high food prices, as well as pressured financial conditions in the wake of the fiscal stimulus. It also comes in light of the unprecedented rise in external debt, as the debts of developing countries reached USD 11.4 trillion in 2020 compared to USD 10.6 trillion in 2019.

Countering this rise requires the establishment of a global partnership with regional and international multilateral development funds, the IMF, the World Bank, in addition to the Debt Service Suspension Initiative, which was launched during the G20 meetings in Riyadh as a result of the COVID-19 pandemic with the aim of addressing the debts of developing countries, increasing development aid, and creating an open global trade system.

The external debt of the Arab countries amounted to USD 364.9 billion until 2020, and the

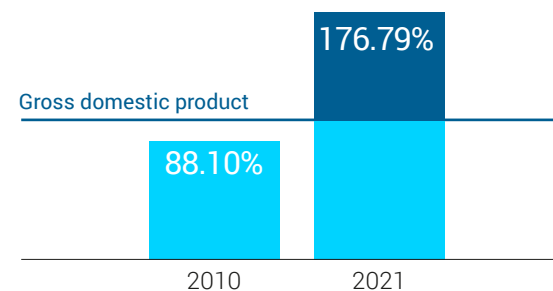
debt service expenses amounted to USD 25.6 billion. Additionally, statistics show that the ratio of public debt to the gross domestic product (GDP) of Arab countries increased from 88.10% in 2010 to 176.79% in 2021 (according to the Arab Economic Outlook Report 2022). Therefore, fiscal policies should be improved in a strategic manner to improve fiscal space and economic growth and reduce debt renewal by reducing expenditures and strengthening public budget mechanisms.

Fiscal policy tools

His Excellency emphasised the need for fiscal policies to contribute to enhancing the stability of the economy and accelerating growth. This is through utilising fiscal policy tools to manage aggregate demand, continuing to improve debt management and focus on financing through local markets, and drawing development plans according to current global economic developments. This is in addition to deploying counter-cyclical economic policies; whether to boost economic activity and generate jobs or to keep inflation under control and prevent the economy from overheating.

His Excellency added: "Arab countries tended to issue local and international debt instruments to raise the efficiency of debt management, in order to secure budget needs at the lowest costs and at a reasonable level of risk. These debt instruments also help increase Arab countries' ability to access various markets, including Shari'ah compliant financing instruments, such as sovereign sukuk and green bonds."

Ratio of public debt to the GDP of Arab countries



(According to Arab Economic Outlook Report 2022)

Debts of developing countries

2019
USD 10.6 trillion



2020
USD 11.4 trillion



External debt of Arab countries

2020
USD 364.9 billion



Debt service expenses
USD 25.6 billion



Strengthening fiscal sustainability in the Arab world

Keynote address by Kristalina Georgieva, IMF Managing Director

Throughout these years, the Arab world has made impressive advances and demonstrated true global leadership.

Global growth remains weak, but it may be at a turning point. After expanding by 3.4 percent last year, we see growth slowing to 2.9 percent in 2023 and rebounding slightly to 3.1 percent in 2024. We released our latest forecast two weeks ago. While less gloomy than in October, we still project slower growth, and the fight against inflation remains a priority for 2023.

On the positive side, we see inflation declining from 8.8 percent in 2022 to 6.6 percent this year and 4.3 percent in 2024—although for most countries, it will still be above pre-pandemic levels. China's reopening is helping, as well as resilient labour markets and consumer spending in the US and the EU.

As the global economy slows, growth is also expected to drop in the Middle East and North Africa—from 5.4 percent in 2022 to 3.2 percent this year before ticking up to 3.5 percent in 2024. The OPEC+ production cuts would reduce overall revenue for the oil exporters. For oil importers, the challenges would continue. Public debt is a

particular concern, with several economies in the region facing elevated debt-to-GDP ratios—some close to 90 percent.

For the fourth consecutive year, we expect inflation in the region to surpass 10 percent—above the global average. For the region's emerging market and low-income economies, this reflects the lingering effects of higher food prices and, in some cases, exchange rate depreciations.

So, it is important to highlight three guiding principles for countries to use fiscal policies to build resilience and then focus on how we can team up to score points on issues that we can only address together. The first guiding principle is having a robust framework to conduct fiscal policy and manage fiscal risks. With today's shock-prone and uncertain world the conduct of fiscal policy takes on added significance but also added complexity.

Just look at the volatility of energy and food prices in the region—requiring governments to step in to protect the vulnerable, while still maintaining development plans and investment. This requires resources and careful planning.

The second principle is long-term planning and investment to address climate challenges. From North Africa to Central Asia, the region is warming at twice the speed of the rest of the world. Governments in the region have identified multi-year financing needs of over \$750 billion for these actions. Enabling the environment for private climate finance through the right policies and financial solutions is key to meeting these needs.

The third principle is to boost tax revenues. If we are to invest in a more resilient future, we will need to further strengthen tax policy and administration. Many countries in the region have made good progress in expanding their tax capacity. And yet, the average tax-to-GDP ratio, excluding hydrocarbon-related revenue, remains at about 11 percent—less than half of what could potentially be collected.

The other key to boosting revenue is modernising tax administration, and using digital tools can help. Actions like these should raise revenue by increasing compliance—and IMF capacity development can help you design and implement them.

2022
Global growth expanded by 3.4%



2023
Global growth slowed to 2.9%



2024
Global growth set to grow to 3.1%



Seventh Annual Arab Fiscal Forum

In cooperation with the Arab Monetary Fund and the International Monetary Fund

Fiscal sustainability in the Arab world beyond COVID-19 pandemic: challenges and opportunities

القمة العالمية للحكومات
WORLD GOVERNMENT SUMMIT



Participants

- **HE Mohamed bin Hadi Al Hussaini**
Minister of State for Financial Affairs
- **Kristalina Georgieva**
IMF Managing Director
- **HE Abdulrahman A. Al Hamidy**
Director General Chairman
of the Board, Arab Monetary Fund
- **Ministers and governors of banks
& central banks of Arab countries**
- **Heads and directors of regional and
international financial institutions**



The economies of the Arab region and the repercussions of pandemic

His Excellency Dr Abdulrahman bin Abdullah Al-Hamidy, Chairman of the Board of Directors of the Arab Monetary Fund stated in his speech during the Seventh Annual Arab Fiscal Forum that the Arab Monetary Fund estimated the rate of economic growth in the Arab region in 2022 at 5.4 percent, compared to the rate of 3.9 percent recorded in 2021.

His Excellency attributed this to several factors including improved levels of global demand, the high growth rates of the oil and gas sectors, and the continuous adoption of stimulus packages by Arab countries to support the economy, which was more than USD 400 billion during the period 2020-2022, in addition to the implementation of many economic reform programmes and future strategies.

The Fund projected that the economic growth rate of the Arab countries would reach about 4% in 2023, impacted by the decline in economic activity globally. He mentioned that the global economy and the economies of the Arab region are facing many challenges, due to the current international and regional developments, and amid the repercussions of the COVID-19 pandemic.

High prices of commodities, such as grains and energy, fiscal policy recommendations to increase interest rates in order to mitigate the effects of the global inflation, increased debt of some countries, and the effects of climate change, such as heat waves and droughts, are all significant examples of such challenges.

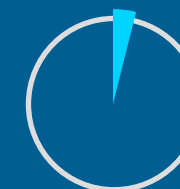
These exceptional circumstances led the international and regional institutions to reassess economic conditions by reviewing the forecasts for economic growth.

He added that adapting to climate change and building resilience is vital for both developed and developing economies, as countries are recommended to start planning for new climate conditions, develop adjustment policies and enhance their ability to implement such policies.

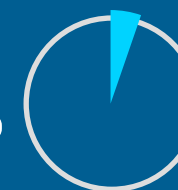
This keynote speech was delivered on the first day of the World Government Summit 2023 under the theme, "Fiscal Sustainability in the Arab World beyond COVID-19 Pandemic: Challenges and Opportunities".

Estimated economic growth in the Arab region

2023
4%



2022
5.4%



2021
3.9%



Fiscal policies in the Arab region in light of global environmental and economic issues



Session 1

Macroeconomic developments and prospects

The session focussed on key fiscal policy challenges and their impact on the Arab region. It was chaired by His Excellency Dr Khaled Al-Mabrouk Abdullah Al-Mabrouk, Chairman of the Council of Arab Finance Ministers, with the participation of HE Dr Muhammad Al Jasser, Chairman, Islamic Development Bank Group; and Jihad Azour, Director, Middle East and Central Asia Department, International Monetary Fund.



Session 2

Managing climate risks: Fiscal policy and climate change

The session was chaired by His Excellency Younis Haji Al Khoori, Undersecretary of the Ministry of Finance, and was attended by Katherine Olga Baer, Deputy Director of Fiscal Affairs Department, International Monetary Fund; Pascal Saint-Amans, Partner of the Brunswick Group and former Director of the Center for Tax Policy and Administration at OECD; and Gernot Wagner, Climate Economist and Senior Lecturer, Columbia Business School.



Session 3

Managing fiscal risks

The session was chaired by HE Sheikh Salman Al Khalifa, Minister of Finance and National Economy, Kingdom of Bahrain, with the participation of Carolina Renteria, Division Chief, Public Financial Management, International Monetary Fund; and Richard Hughes, Chair of the Office for Budget Responsibility in the United Kingdom. It focussed on enhancing fiscal risk management and addressing the challenges in Arab countries.



Session 4

Financing fiscal needs: Enhancing domestic revenue mobilisation

The session was chaired by HE Dr Mohamed Maait, Minister of Finance, Egypt, with the participation of Katherine Olga Baer, Deputy Director, Fiscal Affairs Department, International Monetary Fund; and Juliano Neves, Undersecretary of Corporate Management at the Internal Revenue Agency in Brazil. The session focussed on ways to enhance domestic revenue mobilisation.

Investing in climate solutions

In partnership with the International Monetary Fund

Chaired by

HE Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs

Participants

- **HE Dr Sultan bin Ahmed Al Jaber**
UAE Minister of Industry and Advanced Technology and COP28 President-Designate
- **Kristalina Georgieva**
IMF Managing Director
- **Ministers of Finance of Arab countries**
- **Governors of banks and central banks in Arab countries**
- **Presidents and directors of regional and international financial institutions**

A high-level closed session on Climate Finance organised by the Ministry of Finance, in cooperation with the International Monetary Fund, discussed the role of public and private sectors, as well as regional and international institutions and organisations in mitigating climate finance impediments. The participants, which included ministers and high-level dignitaries deliberated ways to increase climate financing and investments, particularly in emerging and developing countries, and the role that the IMF can play to achieve this goal.

They also shed light into the financial architecture reforms that can support global economic stability, in addition to means of empowering emerging economies, the private sector, the International Financial Institutions (IFIs), and Multilateral Development Banks (MDBs) to increase their commitment to providing climate finance.

Warming level and financial needs in the region



200% warming level

From North Africa to Central Asia, the region is warming at twice the speed of the rest of the world



USD 750 billion

Financing needs of Arab countries to invest in renewable energy

Addressing climate change by enhancing future readiness

His Excellency Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs, underlined the significance of enhancing dialogue and coordination in the field of climate finance, and previewing the best means of securing climate finance and investments to mitigate the repercussions of climate change.

The UAE is committed to working on addressing climate change by launching and activating national initiatives to enhance future readiness and achieve global goals related to climate change. Enhancing joint action and coordination is key in devising climate finance-related tools and policies to achieve these goals.

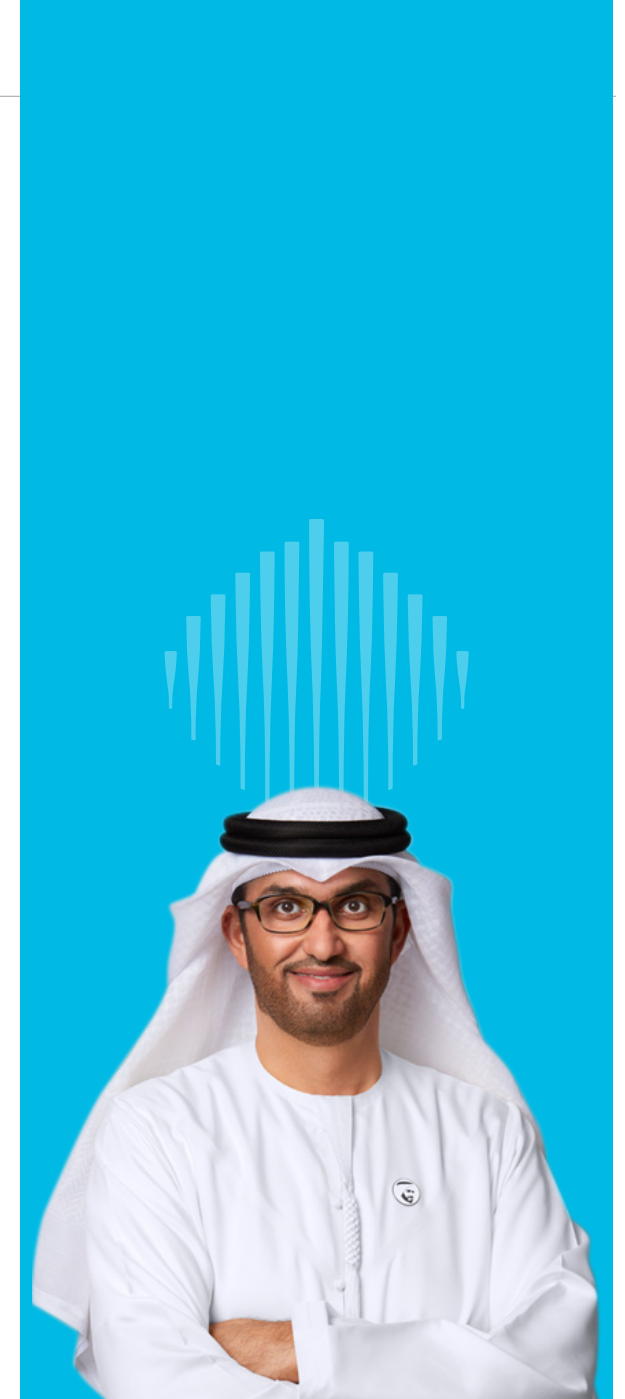
The significant effects of climate change have underlined the need for urgent action at the centre of policy priorities and development of ambitions and strategies. This requires us to continue the move from treaties to implementation, and this is where the UAE aims for COP28 to be an event of global solidarity and action, inclusive of diverse stakeholders, accountable for commitments, and actionable on solutions.



COP28 in the UAE will be a milestone moment where we will witness the World's first Global Stocktake to assess progress to limit global warming to 1.5°C. This will not just reveal gaps between ambitions and reality but will also set the stage to taking effective action to get the world back on track by 2030.

COP28

His Excellency Dr Sultan bin Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and COP28 President-Designate, emphasised that finance will be at the heart of COP28 as an enabler of 1.5 adaptation, and the response to loss and damage. While countries deliver on existing commitments, we must simultaneously focus on the policies and instruments that will leverage multiples of private finance for commercially ready, pro-growth investments like renewable and clean energy, climate-smart food production, and nature-based solutions. Reform of multilateral development banks will be also a core part of the COP28 outcomes, so that climate finance starts flowing at scale to the most vulnerable and fragile countries – an urgent priority in the face of growing climate disasters and their impacts.



Conference of the Parties (COP28): An international testimony to the excellence of the UAE model in climate sustainability

Opinion article by His Excellency Mohamed bin Hadi Al Hussaini

The United Arab Emirates realised early on the seriousness of the climate change that the world is witnessing, and the significance of facing the economic, social, financial and environmental repercussions it brings. Climate change is the main challenge facing the development efforts in the region and the world. As such, the country took action; it implemented certain measures and launched numerous initiatives aimed at addressing climate change as a major national priority.

Hosting the Conference of the Parties (COP28) next November is a key milestone for the UAE, reaffirming its pioneering position globally in formulating policies and implementing climate strategies to address this major challenge facing our world today and tomorrow. His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, reiterated this when he said: "COP28 will be the most important event hosted by the nation in 2023."

This year's climate conference is of historical importance, as it will witness a critical stocktaking moment for climate action under the Paris Agreement. The conference being held in the UAE carries undeniable significance.

To begin with, hosting COP28 showcases the global recognition and appreciation of the pivotal and leading role that the UAE plays in combatting

climate change. Perhaps, the great international support that the UAE received from most countries of the world to host this global event is the greatest evidence of confidence that the international community places in the country's climate action policy that is implemented under its leadership's directives. The policy was based on a futuristic vision that applies a systematic, practical, realistic and logical approach to achieve positive transformation in the energy sector and climate action as per the current and future requirements.

The second indication is the UAE's ability to communicate with all international parties, including governments, organisations and private institutions, to build bridges of dialogue and strengthen cooperation. These partnerships help to develop practical solutions for clean and renewable energy projects and put in place mechanisms for their implementation in order to ensure that they benefit all countries and societies.

Moreover, hosting COP28 will disseminate the UAE's pioneering experience in the field of environmental work at the global level. The UAE, which was the first country in the region to ratify the Paris Agreement and the first to adopt the blue economy, carries a historical legacy in the field of climate preservation laid by the UAE's Founding Father, the late Sheikh Zayed bin Sultan Al Nahyan. This legacy was further strengthened by the country's leadership through the implementation of

strategies to reduce emissions, accelerate growth of renewable energy, and support green and sustainable finance in all sectors.

The Ministry of Finance actively contributes to making the country's climate vision a reality by formulating and implementing financial policies that foresee climate change challenges and the opportunities it may bring. The Ministry also supports efforts to transition to a green economy by diversifying sources of income, contributing to providing the necessary investments to finance climate projects and directing budgets towards achieving climate neutrality and sustainable development goals.

In parallel with these efforts at the legislative, regulatory and financial policy levels, the Ministry harnesses its wide network of state relations to support climate issues and the reduction of carbon emissions. Therefore, on the sidelines of its participation in the World Government Summit 2023, the Ministry held a high-level closed session to discuss climate financing issues and the best ways to enhance investment sustainability and confront climate change while mitigating its repercussions.

During the session, the Ministry made sure to emphasise the need to take urgent measures through policies, strategies, and executional plans to confront the growing effects of climate change

on countries and their economic and social security. Furthermore, the Ministry urged its partners to enhance cooperation to ensure the achievement of the Paris Agreement goals and to overcome all obstacles that prevent it. The Ministry also called on its partners in the public and private sectors, as well as international and regional bodies, to actively participate in the efforts of COP28, as it is a key enabling factor for the goal of limiting global warming to 1.5°C.

Additionally, the Ministry continues to launch proactive solutions and initiatives that enhance the financial and monetary policies in the country, ensuring the security of the financial system and enhancing spending efficiency. The Ministry also adopts an innovative approach that seeks to harness technological advancement in achieving sustainable development and economic returns that, in turn, ensure the sustainability of efficient and effective climate policies.

At the Ministry of Finance, we will continue to work on harnessing our expertise, capabilities and our wide international network of relations to ensure that addressing climate issues is a global priority. We believe that we can only attain inclusive and sustainable development through strategic partnerships and constructive cooperation.

The role of tax policies to achieve sustainable development

In partnership with the Arab Monetary Fund

Participants

- **HE Dr Abdulrahman Al Hamidy**
Director General, Chairman of the Board of the AMF
- **HE Dr Youssef Khalil**
Caretaker Minister of Finance of Lebanon
- **HE Younis Haji Al Khoori**
Undersecretary of Ministry of Finance
- **Katherine Baer**
Deputy Director of IMF's Fiscal Affairs Department
- **Pascal Saint-Amans**
Partner at Brunswick Group and Former Director of OECD Centre for Tax Policy and Administration
- **Daniel Witt**
President, International Tax and Investment Center
- **Officials, finance sector experts and thought leaders**

The session highlighted the importance of fiscal policies in achieving sustainable development in the post-COVID-19 period and refocussing the role of fiscal policy to achieve the SDGs, specifically Goal 8 that seeks to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. It also deliberated Goal 17 that seeks to revitalise global partnerships for sustainable development.

The session also focussed on the significance of implementing the two-pillar solution of the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting.

The panel also discussed the Pillars One and Two potential implementation challenges faced by developing countries, as well as the future role of tax and investment incentives, the role of double tax and bilateral investment agreements in attracting foreign direct investments, and the role of taxes (other than corporate income tax) in achieving the best outcome for developing countries.

The role of fiscal policy in achieving Goal 13 was also discussed, which stresses the need to take urgent action to combat climate change. The session emphasised the importance of tax policy in designing green financing instruments to support increased investment in renewables and other projects to accelerate a clean energy transition.

Tax policy reforms in the UAE

The Ministry of Finance held a panel discussion titled "The Role of Tax Policy to Drive Global Growth, Prosperity, and Climate Action", in cooperation with the Arab Monetary Fund. The session discussed the role that fiscal policy can play in achieving sustainable development. HE Dr Abdulrahman Al Hamidy, Director General, Chairman of the Board of the AMF, chaired the session, with the participation of HE Younis Haji Al Khoori, Undersecretary of Ministry of Finance, HE Dr Youssef Khalil, Caretaker Finance Minister of Lebanon, Ms. Katherine Baer, Deputy Director of International Monetary Fund's Fiscal Affairs Department, Mr. Pascal Saint-Amans, Partner at Brunswick Group and Former Director of OECD Centre for Tax Policy and Administration, and Mr. Daniel Witt, President of the International Tax and Investment Center, as well as officials, finance sector experts and thought leaders.

During his speech, His Excellency Al Khoori stressed on the importance of the session in providing a platform to exchange opinions and views on how to devise more efficient and effective financial policies that can make an impact on sustainable development. His Excellency said: "The UAE has made the Sustainable Development Goals a fundamental part of its vision and future ambitions, making them an essential element of its 2030 agenda."

His Excellency noted that the National Committee on SDGs has been established in 2019 for implementation of the SDG at the national level, engaging relevant stakeholders, building an action plan, monitoring its progress, submitting periodic reports on the country's achievements, and ensuring that these goals are aligned with the UAE's national development priorities.

His Excellency underlined that while the VAT Law was originally introduced in 2018, the UAE has aimed to make continuous enhancements to the Law by effecting targeted amendments, with a view to increase flexibility for taxpayers. One of the most recent significant changes included a reduction in the penalties scheme and of the introduction of a temporary amnesty scheme which provided a 70% discount on fines that met certain conditions.

The UAE is in the process of implementing the Corporate Tax Law, noting that the policy for Corporate Tax implementation is based on internationally recognised principles of neutrality and transparency in designing tax policies. His Excellency mentioned that a decision has been taken to apply targeted exemptions which include government entities, given their contribution to the social fabric and the promotion of economic welfare in the country.



Facing financial challenges

Opinion article by His Excellency Younis Haji Al Khoori

Sustainable development goals have been placed at the heart of the UAE's vision and future ambitions, and an essential part of its development strategies and 2030 Agenda. This stems from the country's belief that sustainable development is not an option, but rather a prerequisite for promoting economic growth and prosperity and building a sustainable tomorrow.

In light of the financial risks that the world is witnessing today, including but not limited to food insecurity, inflation, and exacerbating debts, the World Government Summit 2023 agenda discussed the importance of adopting sustainable and efficient financial policies. This discussion came as a part of a plenary session organised by the UAE Ministry of Finance in cooperation with the Arab Monetary Fund. The session sought to deliberate the significance of drawing more efficient and effective financial policies to achieve sustainable development, and the role of balanced and sustainable financial policies in contributing to shaping the economy while advancing progress and prosperity. The session also focussed on looking beyond COVID-19 and refocussing the role of fiscal policy to achieve the SDGs, the significance of tax policies in designing green financing tools to increase investments in renewable energy sources and other projects that support the transition to clean energy.

The UAE has implemented key reforms in the national fiscal policy, most notably the extension of the Excise Tax scope to include e-cigarettes, e-liquids and sugar sweetened beverages, in addition to carbonated drinks, tobacco products and energy drinks as initially introduced in 2017. This change aims to discourage or reduce consumption of unhealthy and harmful commodities, thereby promoting overall sustainable well-being of citizens and residents.

At the beginning of 2018, the UAE implemented the Value Added Tax (VAT), which was applied to most goods and services that are supplied throughout the supply chain. VAT provided a new revenue for the country, allowing the government to continue providing high quality services, and move towards achieving the UAE's vision to build fruitful partnerships that lay the foundations for development and environmental action while addressing climate challenges. The UAE is constantly keen on making the necessary amendments, with a view to increase flexibility for taxpayers.

The UAE is also in the process of implementing the corporate tax according to the best international standards and practices, integrated with a wide network of Double Taxation Agreements based on internationally recognised

principles of neutrality and transparency in designing tax policies. This process aims to achieve the UAE government's directives and its future strategic goals to enhance economic diversification and diversify sources of government income, with a vision to serve society, build a sustainable future, and to enhance the UAE's position and its economic and financial competitiveness globally.

At the Ministry of Finance, we believe that the power of partnerships is undeniable. As such, we are keen to establish partnerships with economic parties and bolster joint cooperation with local, regional, and international entities to contribute to devising the necessary measures to maintain global financial stability and enhance long-term financial sustainability. Such partnerships also help us in contributing to advancing the country's position globally, building a sustainable, competitive, diverse, and knowledge-based economy, and formulating financial policies that promote sustainable social and economic development, in line with the country's vision and ambitions.

Regional and international partnerships and cooperation in the financial sector

His Excellency Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs, met with officials and finance ministers of countries participating in the World Government Summit 2023. The meetings discussed the means of boosting joint cooperation in various financial, economic and investment fields.

His Excellency met with Kristalina Georgieva, Managing Director of the International Monetary Fund; Shaikh Salman bin Khalifa Al-Khalifa, Minister of Finance and National Economy of Bahrain; His Excellency Dr Abdulrahman Al Hamidy, Director General, Chairman of the Board of the Arab Monetary Fund; Her Excellency Nadia Fettah, Morocco's Minister of Economy and Finance; His Excellency Philip Ozouf, the Minister for External Relations and Financial Services of the Bailiwick of Jersey; Ferid Belhaj, Vice President Middle East and North Africa Region, World Bank; Dr Mansour Al-Shamali, Executive Director for Arab States and the Maldives at the World Bank; Dr Muhammad Sulaiman Al Jasser, Chairman, Islamic Development Bank (IsDB) Group; and Makhtar Diop, Managing Director and Executive Vice President, International Finance Corporation (IFC).

The meetings reiterated the UAE's direction to leverage structural reform to promote economic diversification, trade and investments, and inclusion. This is in addition to stressing the COP28 objective to work closely with the global community to advance multilateral cooperation on unlocking climate finance, as well as other issues of common interest. The meetings also showcased the UAE's post-pandemic economic outlook, in addition to the active role of all parties participating in COP28 in achieving its objectives.



Arab finance ministers emphasised the importance of collaboration for financial sustainability



“The Arab Fiscal Forum is one of the most important forums in the field of fiscal policy, allowing Arab countries to participate and share insights and experiences in this sector. The Forum helps decision makers in public finance address the challenges in terms of dealing with global challenges in this area. It is an ideal opportunity to exchange knowledge and expertise among Arab countries.”

HE Shaikh Salman bin Khalifa Al Khalifa

Minister of Finance and National Economy, Kingdom of Bahrain



“The Arab Fiscal Forum focussed on the current changes in the global landscape, inflation rates and increasing interest rates which presented many challenges. Policies were discussed to address these issues, most importantly, the countries with debt burden which are also affected by high interest rates. There is a consensus that integration among all Arab countries is required to overcome these challenges and reach sustainable solutions.”

HE Abdulwahab Al-Rasheed

Minister of Finance and Minister of State for Economic Affairs and Investments, Kuwait

Arab finance ministers emphasised the importance of collaboration for financial sustainability



“The Arab Fiscal Forum is a valuable platform for exchanging viewpoints and experiences to mitigate the effects of the successive crises that the world and Arab countries have witnessed, and to develop solutions to advance economies and reduce the pressure on budgets in these countries. I think that cooperation would be an opportunity for Arab countries to be optimistic about a prosperous future for their people.”

HE Nadia Fettah

Minister of Economy and Finance, Morocco



“The Arab Fiscal Forum dealt with the global economic developments and its repercussions on the Arab economy, as well as the role of the general budgets and fiscal policies in overcoming major challenges, especially climate change and the impact of its adaptation on public fiscal policy. However, when it comes to adaptation, the largest share of its burden falls on the general budget.”

Dr Mahmoud Mohieldin

UN Special Envoy on Financing the 2030 Agenda for Sustainable Development

Recommendations for promoting economic development in the region and establishing the foundations of joint Arab action

01. Monitoring efforts made by concerned authorities in Arab countries to maintain economic and financial stability and promote inclusive growth and sustainable development
02. Promoting climate investments and finance, particularly in emerging and developing countries
03. Addressing financial architecture reforms that will support global economic stability, and ways to empower emerging economies, private sector, International Financial Institutions (IFIs), and Multilateral Development Banks (MDBs) to increase their commitment to providing climate finance
04. Implementing the two-pillar solution of the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting
05. Enhancing the role of tax policy in designing green financing instruments to support increased investment in renewable energy and other projects to accelerate a clean energy transition



HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, met with finance ministers and central bank governors at the World Government Summit



Foreseeing the future of financial stability in light of global changes

Issued in February 2023 by the UAE Ministry of Finance in cooperation
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