

A pestle analysis of the uae

Business



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The United Arab Emirates, often abbreviated to just the ‘ UAE’, is an affluent Middle Eastern country located on the Arab Peninsula. According to the World Bank, the United Arab Emirates had one of the top 25 Gross Domestic Products per capita in 2014 [1]. This country earns most of its wealth through the export of oil and other fossil fuels, with secondary income sources appearing elsewhere in industry or tourism. In this article, we will be taking a closer look at the socioeconomic circumstances that the UAE finds itself in, with the aid of a PESTLE analysis.

PESTLE analyses look at the Political, Economic, Social, Technological, Legal, and Environmental factors that affect a venture, organization, or country’s success. If you’re still unsure as to what a PESTLE analysis is, be sure to read this article before moving on.

Political Factors

As an entire country, the United Arab Emirates certainly has a few different political factors that affect its standings. These include the following:

Each of the 7 Emirates themselves have individual governmental organizations, allowing for flexible management across the country.

On the negative side, the United Arab Emirates occasionally has political conflicts with nearby countries about the ownership of oil reserves or land [2].

The UAE has healthy trade relations with many countries across the globe.

Economic Factors

A country's economy is always one of the particularly relevant factors when looking at its standings. Here are some of the economic variables affecting the UAE's circumstances:

The UAE has an exceptionally high GDP per capita, as mentioned previously.

The United Arab Emirates also has a very low Unemployment Rate [3].

This country also has one of the highest amounts of Foreign Direct Investment in the region.

Social Factors

The social factors with regard to the United Arab Emirates are interesting, to say the least. Some of these include:

The inhabitants of the UAE typically live comfortable lifestyles thanks to their well-paying jobs.

Globalization is gradually resulting in a mix of many different cultures within the Emirates.

Religion is an important matter in the area, which greatly affects society. An example of this is the specific clothing which native women are expected to wear.

Technological Factors

In today's world, technological variables are more prominent than ever. With the United Arab Emirates' wealth and middle-aged population, technology shouldn't be a problem — but in more depth, here are the technological factors affecting the UAE:

The relatively young population is very tech-savvy, which allows companies all across the UAE to leverage technology.

The wealth that this country possesses allows it to purchase new equipment and be in the vanguard of technological development.

Legal Factors

In the case of a country, there's little sense in discussing the legal factors that affect it as a whole (as opposed to the laws affecting those inside), because there simply aren't any. Instead, international repercussions resulting from malpractice (for example) are rather 'political' factors, and as such have already been listed above.

Environmental Factors

In any PESTLE analysis, the environmental factors are left till last. Here they are for the United Arab Emirates:

This country has quite a hot, dry climate, which can result in many different things. For example, productivity might be slightly lower, farming is not so easy, and air conditioners have the potential to sell well.

The UAE also finds itself near a few coastal areas, allowing for easier trade by sea.

That's all there is to discuss in this PESTLE analysis of the United Arab Emirates. It seems to be thriving with its high economic growth and investment, but is it too reliant on fossil fuel based industries? Only time will tell. Do you have any questions or comments to add? Be sure to leave them below.

<https://assignbuster.com/a-pestle-analysis-of-the-uae/>

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[1] <http://www.worldbank.org/>

[2] <http://countrystudies.us/persian-gulf-states/91.htm>

[3] <http://www.tradingeconomics.com/united-arab-emirates/unemployment-rate>