

Mercer report on uae

[Finance](#), [Investment](#)



Mercer conducts an evaluation of the quality of living and ranking of cities every year. The purpose of Mercer's survey is to help governments as well as major organizations in their placing of employees for international assignment. This survey plays a major role in encouraging employee mobility and in addition to that, it helps in keeping competition abreast. Reliable information is essential in calculating fair and consistence allowances for expatriates.

The Mercer report contains key elements which may provide assistance in calculating hardship allowances in numerous cities around the world (Mercer, 2009). The report is based on 39 key elements which are assessed and evaluated. With regards to these elements, major states of United Arab Emirates (UAE) which include Abu Dhabi and Dubai were ranked above 50 in the 2007 and 2008 Mercer reports (Mercer, 2008). Similarly, in the 2009 report, these states never appeared in the top 50 rankings, in terms of their quality of living (Mercer, 2009).

This may provide a negative implication regarding UAE's economy despite the flaws in the metrics used. The report covers many elements which are normally difficult for governments to maintain high standards and performances in respective cities. One city might have better recreation facilities while another superior economic environment. In terms of their quality of living according to Mercer's metrics such cities can occupy the same position. This implies that the ranking is not reflective of economic developments within a particular city.

Conversely, despite the global financial crisis, the economy of UAE is recovering at a tremendous rate thus better placed in terms of economic

development. In 2009, most Arab companies recorded growth and about 95% of these companies expect growth in the coming six months while several of them expect sales growth of between 25 to 50 percent (Kapur, 2010a), thus providing an implication of a stable and growing economy. The apparent growth anticipated in the coming months by the Arab companies translates to more employment opportunities in the country.

In addition, UAE has been experiencing a booming employment growth through the tremendous growth observed in the tourism and travel industry (Kapur, 2010b). Currently, the tourism industry is emerging as a major contributor to UAE's economy and in the coming years, the country is expected to gain significantly from this sector. Moreover, UAE has an advanced transportation and communication infrastructure which constitute the necessities for realization of economic growth and development.

Regarding safety and security by Mercer (2008), UAE's major cities occupied the top 50 positions which might be termed reflective of UAE as its business climate is ranked amongst the best in the world. Security and safety play crucial roles in economic development through inspiration of confidence from domestic and foreign investors. Lack of these elements can hamper economic growth in a country as investors recede from participating in major investments as a result of the high risk to be incurred.

UAE therefore has superior business climate and this provides it with the potential of realizing major developments in all sectors. In conclusion, the study by Mercer can be termed biased since it does not take into account major challenges which are irreversible in a particular nation such as the geographical location which play a major role in climatic conditions and

economic development. For a country like UAE including the natural environment might be termed vicious since the country is located in a desert.

For UAE to realize major economic developments addressing such challenges is crucial unlike other countries which are located in non-arid areas. Comparing UAE with countries located in less challenging areas might be considered unjust and the ranking erroneous as on same grounds, Abu Dhabi and Dubai would have occupied a much better position from the one by Mercer. References Kapur, S. (2010a). More jobs likely as Arab companies record growth. Emirates Business 24/7. Retrieved May 9, 2010 from <http://www.business24-7.ae/economy/uae-economy/more-jobs-likely-as-arab-companies-record-growth-2010-04-29-1>. 238211 Kapur, S. (2010b). UAE to lead world in tourism jobs growth.

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