Annex 2. Enhancing Economic Diversification in Brunei Darussalam – The Role of Inward Foreign Direct Investment (FDI)[77]

Introduction

1. **Brunei Darussalam's economic structure is inextricably linked to the O&G sector, underscoring the importance of economic diversification to reduce its high dependence on a single sector.** Over the past decade, the economy has been beset by multiple shocks, stemming from fluctuations in global energy prices and domestic production disruptions. The O&G fields are also maturing, as they have been in operation for a significant period. The shift to renewable energy is also presenting a threat to the fossil fuel industry. In order to address such vulnerabilities, it is imperative for Brunei to press ahead with the diversification of its economy to mitigate the risks associated with over-reliance on a single sector for growth. Economic diversification is therefore crucial for sustaining long-term growth and fostering resilience,[78] while helping to increase employment opportunities. Recognizing the importance of further economic diversification, the Brunei authorities have, since the 7th National Development Plan for 1994-2000 (RKN7), been actively integrating economic diversification efforts in its national economic plans, including in the *Wawasan Brunei 2035*.

2. **Amongst the key strategies, well-directed inward FDI has the potential to significantly enhance Brunei's economic diversification efforts.** It has been well documented in the literature that FDI is a key catalyst for economic expansion and diversification (Klasa, 2019; Bekmurodova, 2020; Haini *et al*., 2023). Specifically, FDI inflows that are well-directed towards strategic sectors for economic diversification can play a transformative role, steering the country toward a more balanced economic structure, while bringing in needed capital and facilitating technology diffusion. This can, in turn, foster a more resilient and dynamic economy. For policymakers, the challenge lies in identifying and attracting suitable FDI projects that align with Brunei's diversification goals. This selected issue reviews how FDI inflows have contributed toward Brunei's economic growth and progress in diversification in the last decade, reviews the relevant literature on FDI strategy formulations in other oil-exporting countries, and discusses some policy considerations.

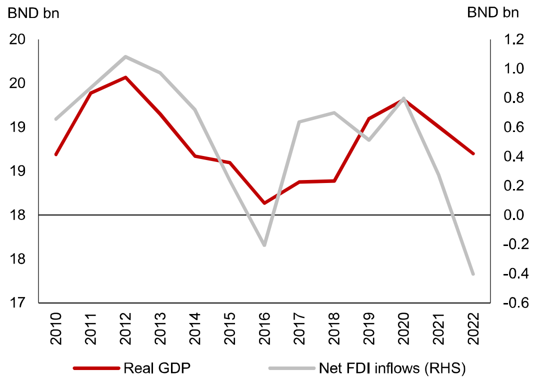
Role of FDI in Promoting Economic Growth and Diversification in Brunei

3. **FDI has played a pivotal role in fostering economic growth in Brunei over the past decade.** A discernible positive correlation can be observed between (net) FDI inflows and the country's total value-added (or real GDP) over 2010-2022 (Figure A2.1). During this period, the country saw the initiation of several new FDI projects (such as the Hengyi Project Phase I),[79] which augmented economic activities in the country. The realization of these FDI projects has contributed substantially to economic activities, helping to raise GDP growth by 1.5 percentage points from 2019-22 (Figure A2.2).

---

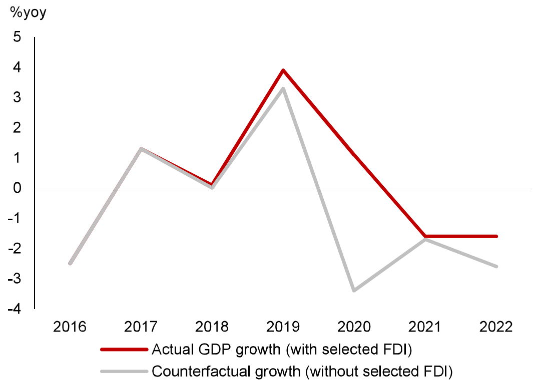
[77] This selected issue was prepared by Andrew Tsang, Senior Economist.
[78] In addition, according to the empirical results of Haini *et al.* (2023), Brunei's diversification has a positive and significant association with export upgrading (towards more sophisticated export structures) in the long run.
[79] Hengyi Industries is a joint venture on a refinery and petrochemical project between the Brunei government and a private Chinese enterprise. With an investment value of USD3.45 billion, it has become the most sizeable FDI project in Brunei. Hengyi Project Phase I started operations in November 2019 and has made a significant contribution to the economy already.

Figure A2.1. Net FDI Inflows and GDP



Source: DEPS; AMRO staff calculations

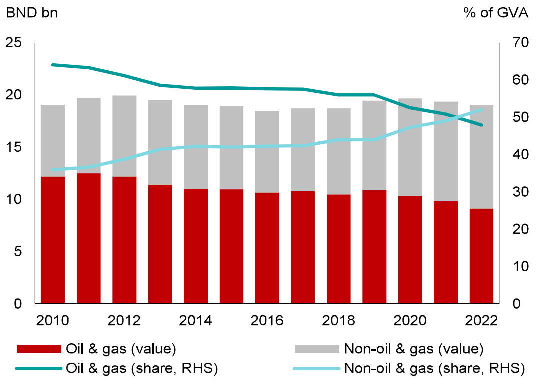
Figure A2.2. Contribution of FDI to GDP growth



Source: DEPS
Note: The contribution of selected FDI to GDP is determined by calculating the estimated value-added of selected FDI companies. The counterfactual growth refers to the growth rate of the counterfactual GDP, where the latter is derived by subtracting the contribution of the selected FDI to the GDP from the actual GDP.

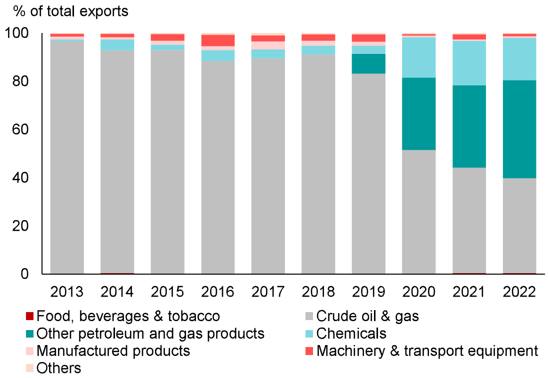
4. Significant efforts have also been made to diversify Brunei's economy, which has also benefited from the realization of FDI projects in recent years. The country has put considerable effort into diversifying the economy away from the upstream O&G sector. The non-O&G sector, including downstream refinery, accounted for 52 percent of the real gross value added in 2022, from 43 percent in 2018 (Figure A2.3). As a result, Brunei has seen a marked increase in the share of non-O&G exports, comprising mainly petrochemical exports (such as methanol, propylene, benzene, etc.) since 2020 (Figure A2.4). Encouragingly, since 2023, Brunei has also started to export fertilizers, thanks to the realization of another key FDI project – Brunei Fertilizer Industries (BFI). This has enabled the economy to transition from being a predominantly upstream O&G producer to having a more balanced upstream and downstream mix. By directing FDI into such downstream activities, Brunei has benefited immensely from this strategy, at a time when its economy is facing strong headwinds in the upstream O&G sector. Despite these positive trends, the upstream O&G sector has remained an important pillar supporting the economy.

Figure A2.3. Share O&G and non-O&G sectors in Gross Value Added (GVA)



Source: DEPS; AMRO staff calculations
Note: GVA in constant 2010 prices.

Figure A2.4. Exports by Key Products



Source: DEPS; AMRO staff calculations
Note: Exports of oil refineries are AMRO staff estimates given data unavailability.

Experiences of Other Oil-exporting Countries

5. Cross-country experiences suggest that formulating strategic FDI policies is essential, involving the careful selection of suitable projects that align with the objectives of economic diversification. It is imperative to engage in strategic planning and to carefully select suitable FDI projects that contribute to more balanced and sustainable economic portfolio (Callen *et al*., 2014; Bekmurodova, 2020; Eissa and Elgammal, 2020). Cross-country experiences suggest that the criteria for selecting FDI projects in the context of a successful economic diversification strategy should come with the following considerations:

- **The country should prioritize FDI projects that leverage on its comparative advantages.** Notably, diversification strategies should be centered around optimizing the utilization of the country's resources, including natural resources, workforce, and abundant capital (Haini *et al*., 2023). For example, Bahrain and Dubai in the UAE actively develop their financial services sector, capitalizing on their comparative advantages in Islamic finance, although Dubai also created a financial zone (Dubai International Financial Centre) where Shariah laws do not apply. Meanwhile, owing to their strategic locations, Dubai, Oman, and Qatar focus on attracting FDI in the logistics and trade industries. Drawing inspiration from this experience, Brunei could better formulate its FDI policy to entice projects that align with its comparative advantages.

- **The establishment of new FDI projects should align with the country's sustainable development strategy.** It is essential to diversify the economy into sectors that offer country-specific advantages, fostering local employment. Furthermore, the introduction of new FDI projects should be in harmony with the imperative of ensuring a sustainable environment (Bekmurodova, 2020). In general, FDI policies in GCC countries focus on attracting new projects that align with their sustainable development strategies. Saudi Arabia requires new FDI projects that contribute to increased local employment, boost SME contributions to GDP, and enhance women's workforce participation. Likewise, Kuwait and Oman prioritize private sector engagement in national economic activities. In the longer term, GCC countries seek to build a knowledge-based economy—one that is aligned with environmental sustainability. This entails attracting FDI that focuses on technology, innovation, and environmentally friendly projects. In similar vein, Brunei can draw upon such cross-country experience in charting its FDI policy strategies, consistent with its sustainable development strategy.

6. The formulation of well-defined policies is imperative to effectively achieve the objective of economic diversification through well-targeted FDI. Figure A2.5 summarizes the significant determinants for identifying well-targeted FDI in literature. Crafting policies that strategically leverage on these determinants is integral in realizing the goal of economic diversification through increased FDI.[80] Figure A2.6 lists the policies to enhance FDI inflows for economic diversification and the latest developments in Brunei. In general, Brunei has been proactive in enhancing its FDI policies to promote economic diversification. Fostering a knowledge-based economy and the continuing upskilling of the workforce would be essential to unlock future diversification potential. Moreover, drawing from other oil-exporting countries' experience, policymakers are encouraged to strengthen Brunei's FDI inflows by making further enhancements to its FDI policy to be more conducive to businesses. Box A2

[80] Theoretically, heightened FDI inflows can result from a country's well-functioning institutional framework (as per institutional theory) or the distinctive advantages it offers (according to internalization theory). These advantages encompass ownership benefits, location features, and internalization opportunities (Dimitrova *et al*., 2020).

summarizes the experience of formulating and implementing FDI policies to promote economic diversification in the GCC countries.

Figure A2.5. Significant Country-specific Factors Determining FDI Inflows

Natural resource endowment	• Availability of O&G resources • Availability of other resources
Macroeconomic and financial factors	• Trade openness • Domestic market size • Infrastructure quality • Global and domestic economic performance • Debt level, fiscal policy and monetary policy
Institutional and regulatory factors	• Institutional quality • Political stability • Ease of doing business • Trade Agreement
Socio-cultural factors	• Human capital (Education) • Cutural distance

Source: Dimitrova *et al.* (2020); Bekmurodova (2020); Eissa and Elgammal (2020); Lashitew *et al.* (2021)

Figure A2.6. Policies to Enhance FDI Inflows for Economic Diversification

Policy (Literature)	Findings on the Latest Developments in Brunei
Institutional improvement (Babayev, 2019; Arman *et al.*, 2022; Haini *et al.*, 2023)	Brunei possesses a robust institutional framework and physical infrastructure.
Infrastructure enhancement (Mosteanu and Alghaddaf, 2019; Dimitrova *et al.*, 2020)	Brunei's physical infrastructure is well developed.
Development of knowledge economy (Babayev, 2019; Jeong, 2020; Arman *et al.*, 2022)	It would be essential for Brunei to foster a knowledge-based economy, while undertaking further upgrading of its economic standing (e.g., in the area of education and skills developments).
Human capital enhancement (Arman *et al.*, 2022; Shittu *et al.*, 2022; Haini *et al.*, 2023)	It would be essential for Brunei to enhance the skills of its workforce to meet the requirements of a knowledge-based economy.
Investment policy (Mosteanu and Alghaddaf, 2019; Arman *et al.*, 2022; Haini *et al.*, 2023)	Brunei has taken a proactive step by establishing the FDI Action & Support Centre (FAST), and has implemented attractive investment incentives, exemplified by tax breaks.
Trade policy (Babayev, 2019; Haini *et al.*, 2023)	Brunei has demonstrated proactive involvement in FTAs, leveraging its membership of ASEAN and fostering bilateral agreements with countries in Asia-Pacific region.

Source: AMRO staff compilations

Policy Considerations

7. The strategic attraction of FDI to sectors beyond downstream activities—that are aligned with the *Wawasan Brunei 2035* and Brunei's comparative advantages—becomes imperative for a sustained pace of economic diversification. While commendable diversification progress has been made in recent years, particularly in the downstream sector (such as the Hengyi Industries and BFI), a similar strategic approach in attracting FDI in other priority sectors (such as food (including halal and agrifood business), tourism and info-communication technology (ICT)) is imperative to ensure a sustained pace of economic diversification. For example, in the area of food, Brunei can take advantage of its natural endowment, i.e., its rich biodiversity, by harnessing its marine resources in advancing the developments of the aquaculture industry. By amalgamating its traditional labor-intensive aquaculture industry with high-tech digital technology, Brunei can potentially attract more FDI into these emerging industries. Encouragingly, tangible progress has been seen in recent FDI announcements in Brunei, such as the expanded investments in the aquaculture sector, encompassing barramundi and salmon farming in Tutong and Belait districts. These FDI projects are well-aligned with Brunei's comparative advantages, which would help sustain the pace of economic diversification.

8. **Brunei's FDI policies should actively address and/or alleviate the potential scarring effects caused by the COVID-19 pandemic, which may have caused some setbacks to the progress of economic diversification.** The extended period of border closures and mobility restrictions during the pandemic have notably affected sectors such as tourism, causing significant disruptions to activities with a negative impact on employment. Although the COVID-19 pandemic has ebbed, the tourism sector may take a while to stage a full recovery, underscoring the potential scarring effects from the COVID-19 pandemic. For example, scarring in the labor market is most evident, as sectoral employment, particularly in contact-intensive segments of the hospitality service, has yet to recover to pre-pandemic levels. In this context, country authorities are encouraged to re-examine FDI projects that place greater emphasis on local job creation, including human capital development and digitalization priorities. This approach underscores the commitment to not only mitigate the scarring effects of the COVID-19 pandemic, but also to ensure that FDI projects actively contribute to the overall positive welfare of the country.

9. **Fostering the development of the knowledge-based economy and ensuring that the workforce is up to the challenge would unlock the promise of future diversification potential.** Brunei benefited from the robust institutional framework and physical infrastructure that are attractive to FDI. Looking ahead, the development of a knowledge-based economy—one that reflects a higher level of sophistication in the economy—would unleash future FDI potential. The upgrading of economic growth potentials, particularly in the area of human capital development (education and skills), would be critical particularly in priority sectors such as ICT. Drawing on the experience of GCC countries, Brunei can strategically incorporate innovation and knowledge-driven projects into its long-term development plans. Policymakers could consider providing incentives, such as tax exemptions, to target and attract FDIs notably in the R&D and technology space. Recognizing the pivotal role of skilled labor in the establishment of a knowledge-based economy, prioritizing upskilling of the domestic workforce would be encouraged. This can be achieved through initiatives like providing quality education at the tertiary level and facilitating on-the-job training to ensure a competent and adaptable workforce that aligns with the demand for a knowledge-centric economic landscape.

Box A2.1. GCC Countries: Key Thrusts of FDI Policies

The FDI policies of GCC countries have been formulated to attract foreign investment to help diversify their economies. The FDI policies in GCC countries are accompanied by high-level economic visions, government initiatives, engagement with investment promotion agencies, and the creation of specific regulatory frameworks. These policies are designed to attract foreign investment. The details of key FDI policies in different GCC countries are summarized in Table A2.1.1.

Table A2.1.1. Key FDI Policies in GCC Countries

Country	Key FDI Policies
Bahrain	The advantages for foreign investors include zero taxation for private companies, few indirect taxes for private enterprises and individuals, and free movement of capital – 100 percent foreign ownership of business assets and real estate in most sectors.
Kuwait	The advantages for foreign investors include the right to transfer abroad the profits, capital, or proceeds resulting from the disposal of their shares or participation in the Investment Entity or the compensation (according to the laws), exemption from income tax or any other taxes for a period not exceeding 10 years from the date of the actual commencement of operations of the licensed investment entity, as well as exemption from customs duties of certain imports.
Oman	The advantages for foreign investors include competitive services' prices, tax exemption for five years or longer under certain conditions, no income tax for individuals, freedom of transferring capital and profits and freedom of exchanging foreign currency with a fixed exchange rate. Investors can form more than

	one legal entity to organize their business (e.g., public joint stock companies, public closed cooperation, limited liabilities companies, and holding companies).
Qatar	The advantages for foreign investors include part-ownership in Qatar shareholding companies, exemption from income tax for 10 years and no quantitative quotas on imports, no restrictions on money exchange and transfer of profits abroad, no export duties or taxes on corporate profits for pre-determined periods, and flexible regulations and procedures to import skilled and unskilled workforce.
Saudi Arabia	Bilaterally, Saudi Arabia has signed treaties for the avoidance of double taxation of income and capital (DTAs) with 29 countries as well as agreements aimed at promoting and protecting the investments of the enterprises of one contracting party in the territory of the other with 23 countries, including some of the European Union (EU) member states. Corporate income tax, applicable on foreign ownership of Saudi-based companies, with a statutory corporate rate, is set at 20 percent, the lowest in the G20.
UAE	UAE allows foreign investors to own up to 100 percent of the business. In addition, incentives include investment protection guarantees, financial transfer facilities, and the possibility of modifying the partnership, merger, acquisition, and transfer of ownership under the investor's interest.

Source: EU-GCC Dialogue on Economic Diversification Project, European External Action Service (EEAS), EU
Note: The content is extracted from various country economic profiles published by EEAS, EU.

FDI policies in GCC countries are crafted to attract investments in specific sectors identified for diversification. In general, the GCC countries have undertaken diversification of their economies away from the O&G sector by targeting the services sector (ranging from technology and tourism), as well as manufacturing and logistics. These are well-aligned with longer-term strategic objectives of economic development in the respective economies (Table A2.1.2), which are aimed at fostering a more resilient and diverse economic landscape. However, the success of economic diversification efforts hinges on the effectiveness of FDI policies in attracting foreign investments that align with the countries' strategic goals. The following is a summary of the relationship between FDI policies and economic diversification in the GCC by country:

Bahrain

- Bahrain's FDI policies are aligned with its goal of economic diversification. Efforts are made to attract investments in sectors beyond oil, such as in financial services, manufacturing, and technology.
- FDI policies in Bahrain often include incentives for non-oil industries, encouraging foreign investors to contribute to the diversification of the economy.

Kuwait

- FDI policies in Kuwait are part of the New Kuwait 2035 vision, emphasizing economic diversification. The focus includes attracting foreign investors to contribute to the development of non-oil sectors.
- FDI policies support privatization efforts and investments in infrastructure, aligning with Kuwait's broader goal of diversifying the economy.

Oman

- Oman's FDI law is designed to attract foreign investments that contribute to economic diversification. The law specifies sectors for FDI, including logistics, tourism, and manufacturing.
- Special Economic Zones (SEZs) with favorable FDI policies have been established to attract investments in targeted industries, fostering diversification.

Qatar

- Qatar's FDI policies play a role in opening up specific sectors to foreign investors, contributing to diversification efforts beyond hydrocarbon-related industries.
- FDI policies support investments in infrastructure and tourism, aligning with Qatar's goals of economic diversification and reducing reliance on traditional revenue sources.

Saudi Arabia

- Saudi Arabia's Vision 2030 serves as a blueprint for both FDI policies and economic diversification. The FDI framework focuses on opening up new sectors, reducing reliance on oil, and attracting foreign capital to non-oil industries.
- FDI policies in Saudi Arabia actively support diversification initiatives, including privatization efforts, development of the entertainment sector, and investment in renewable energy.

The UAE

- The UAE has a clear strategic vision for economic diversification and aims to reduce its historical dependence on oil revenue. FDI policies are formulated with the broader goal of diversifying the economy by attracting investments in non-oil sectors such as technology, tourism, renewable energy, and healthcare.
- UAE's policies are designed to incentivize and attract foreign investors to key sectors identified for diversification. This includes offering favorable conditions in free zones, relaxing ownership restrictions, and providing financial incentives to companies operating in strategic areas.
- UAE's FDI policies often emphasize the development of a knowledge-based economy. Investments in technology, research and development, and innovation are actively encouraged to position the UAE as a hub for advanced industries and services.

Table A2.1.2. Economic Diversification Goals in GCC Countries

Country	Economic Development Objectives
Bahrain	• The country's development plan is mapped out in the Economic Vision 2030 document – goal: a sustainable, competitive, and fair economy capable of doubling real household income by 2030. • The roadmap to achieving the Vision is the National Economic Strategy, developed by the ministries under the guidance of the Economic Development Board. • Empower the private sector to drive economic growth by enhancing productivity and skills, focusing on existing high-potential sectors, and capturing emerging opportunities through an environment highly conducive to entrepreneurship and innovation. • Efficient government focusing on developing high-quality policies and reforming the public sector to become more productive, to strengthen investor trust and confidence in Bahrain's free market economy. • Implement energy-efficiency regulations and facilitate direct investments in technologies that reduce carbon emissions, minimize pollution, and promote the sourcing of more sustainable energy.
Kuwait	• The country's development plan is mapped out in the Vision 2035 "New Kuwait" – goal: to transform Kuwait into a financial and trade hub attractive to investors, where the private sector leads the economy, creating competition and promoting production efficiency. • Sustainable, diversified economy: ➢ Develop a prosperous and diversified economy to reduce the country's dependency on oil export revenues. ➢ Increase local productivity and development of non-oil economic sectors. ➢ Engage the private sector in the national economic activity of the country. • Infrastructure development – Develop and modernize the national infrastructure to improve the quality of life for all citizens. • Sustainable living environment – Ensure the availability of living accommodations through environmentally sound resources and tactics, utilize renewable energy, and improve the efficiency of waste management.
Oman	• Oman Vision 2040 focuses on reshaping the roles of and relations between the public, private, and civil sectors to ensure effective economic management, achieve a developed, diversified, and sustainable national economy, ensure fair distribution of development gains among governorates, and protect the nation's natural resources and unique environment. • National economic priorities: ➢ Economic Leadership and Management – solid and effective economic legislative framework, Effective economic leadership with binding powers and a clear mandate to swiftly respond to development needs. ➢ Economic Diversification and Fiscal Sustainability – diversified, sustainable and competitive economy based on knowledge and innovation, one that adapts to the industrial revolutions and achieves fiscal sustainability. ➢ The Private Sector, Investment and International Cooperation – The private sector drives a competitive economy that is integrated with the world economy.
Qatar	• Qatar's National Vision aims that by 2030 Qatar becomes an advanced society capable of sustaining its development and providing a high standard of living for its people. • Sound Economic Management – achieve reasonable and sustained rates of economic growth, financial and economic stability, a stimulating business climate capable of attracting foreign funds and technologies, and encouraging national investments, and open and flexible economic structures capable of competing in a changing world. • Responsible exploitation of oil and gas – establish balance between reserves and production, and between economic diversification and the degree of depletion. • Economic diversification aiming to reduce dependence on hydrocarbon industries. Design and development of economic activities in which Qatar can specialize, including the technical and human requirements of these activities; build a knowledge-based economy characterized by innovation, entrepreneurship, excellence in education, and world-class infrastructure.
Saudi Arabia	• The Kingdom of Saudi Arabia's 'Vision 2030' outlines the Kingdom's goals and objectives that will enable the country to become 'a pioneering and successful global model of excellence, on all fronts. • Job Creation – Lower the unemployment rate, increase SME contribution to GDP, increase women's workforce participation. • Investing for the long-term to develop the national economy – become one of the world's top 15 largest economies, increase localization of oil and gas sectors, increase Public Investment Fund (PIF) assets, increase the competitiveness of renewable energy through the gradual liberalization of the fuels market.

	• Open for Business – Increase FDI, develop sophisticated digital infrastructure that is integral to advanced industrial activities, and increase the contribution of modern retail trade and e-commerce. • Leveraging Unique Position – build out a logistics hub and integrate regionally and internationally.
UAE	• The UAE set out to become 'one of the best countries in the world' and outlined its vision to do so by the Golden Jubilee of the Union, in 2021. • Competitive Knowledge Economy – innovation, research, science, and technology will form the pillars of a knowledge-based, highly productive, and competitive economy. • Sustainable Environment and Infrastructure – ensure sustainable development while preserving the environment. • Besides the UAE Centennial 2071 plan, several programs and initiatives focus on economic growth and diversification: UAE Policy for Advanced Industries, Emirates Blockchain Strategy 2021, Science, Technology and Innovation Policy, National Strategy for Advanced Innovation, National Food Security Strategy 2051, National Advanced Sciences Agenda 2031, UAE Energy Strategy 2050, National Climate Change of the UAE 2017-2050, UAE Water Security Strategy 2036, UAE Strategy for the Fourth Industrial Revolution, UAE Strategy for Artificial Intelligence, and the UAE Centennial 2071.

Source: EU-GCC Dialogue on Economic Diversification Project, EEAS, European Union EU
Note: The content is extracted from various country economic profiles published by EEAS, EU.

References

Arman, Husam, Simona Iammarino, J. Eduardo Ibarra-Olivo, and Neil Lee. 2022. "Systems of Innovation, Diversification, and the R&D Trap: A Case Study of Kuwait." *Science and Public Policy*. Vol.49. pp. 179–190.

Babayev, Bahruz. 2019. "Studying the Case of the UAE in Economic Diversification and Non-Oil Export Growth: Public Policy Lessons for Azerbaijan. *The Journal of Economic Sciences: Theory and Practice*. Vol.76(2). pp. 46-55

Bekmurodova, Gavkhar. 2020. "Theoretical Features of FDI (Foreign Direct Investment) and its Influence to Economic Growth." *International Journal of Management Science and Business Administration*. Vol.6(2). pp. 33-39.

Callen, Tim, Reda Cherif, Fuad Hasanov, Amgad Hegazy and Padamja Khandelwal. 2014. "Economic Diversification in the GCC: Past, Present, and Future". *International Monetary Fund Staff Discussion Note.* International Monetary Fund, Washington, D.C. https://www.imf.org/external/pubs/ft/sdn/2014/sdn1412.pdf

Dimitrova, Anna, Tim Rogmans and Dora Triki. 2020. "Country-specific determinants of FDI inflows to the MENA region: A systematic review and future research directions." *Multinational Business Review*, Vol.28(1), pp. 1-38.

Eissa, Mohamed Abdelaziz and Mohammed M. Elgammal. 2020. "Foreign Direct Investment Determinants in Oil Exporting Countries: Revisiting the Role of Natural Resources." *Journal of Emerging Market Finance*. Vol.19(1), pp. 33–65.

Haini, Hazwan, Wei Loon Pang and Li Li Pang. 2023. "Can Export Diversification Promote Export Upgrading? Evidence from an Oil-Dependent Economy." Resources Policy, Vol.80, 103292. https://doi.org/10.1016/j.resourpol.2022.103292.

Jeong, Hae Won. 2020. "Between Economic Diversification and Nation-Branding: The UAE's Pivot to Asia and Innovation Strategies in the Post-Zayed Era." *Journal of Global South Studies*. Vol.37(2). pp. 181-208.

Klasa, Adrienne. 2019. "How FDI can help emerging markets to diversify," FDI Intelligence, Financial Times.

Lashitew, Addisu, Michael Ross, Eric Werker. 2021. "What Drives Successful Economic Diversification in Resource-Rich Countries?" *The World Bank Research Observer*, 36 (2): 164-196. https://doi.org/10.1093/wbro/lkaa001

Mosteanu, Narcisa Roxana and Carla Alghaddaf. 2019. “Smart Economic Development Using Foreign Direct Investments – UAE Case Study.” *Journal of Information Systems & Operations Management*. Vol.13(1). pp.9-20.

Shittu, Waliu Olawale, Hammed Oluwaseyi Musibau and Sodiq Olaiwola Jimoh. 2022. “The Complementary Roles of Human Capital and Institutional Quality on Natural Resource – FDI-Economic Growth Nexus in the MENA Region.” *Environment, Development and Sustainability*. Vol.24. pp.7936–7957.