

CHAPTER 1

INTRODUCTION

1.1 Background

Free Trade Area (FTA) is an area that has agreed on a free trade agreement. These agreements involve the cooperation of two or more countries to reduce trade barriers, quotas, and import tariffs, as well as improve trade and investment flows between countries. As an application of the principle of free trade areas, *the Gulf Cooperation Council* (GCC) emerged as a regional organization that not only focuses on political and economic cooperation in the Gulf countries, but also facilitates economic integration among its member states, which is in line with the objectives of the free trade agreement in reducing trade barriers and increasing the flow of goods and services.

The Gulf Cooperation Council (GCC) is a regional organization of Gulf, established in 1981. The main focus of this organization's cooperation is in the political and economic fields. The GCC has six member monarchical states, which include Qatar, Kuwait, and Bahrain (constitutional monarchies), Saudi Arabia and Oman (absolute monarchies), and the United Arab Emirates (federal monarchy).¹ As a regional cooperation organization in the economic field, the GCC has the main

¹ Annisa Noor Azizah Marten Hanura and Ika Riswanti Putranti, "GULF COOPERATION COUNCIL (GCC) AS A REGIONAL INTER-GOVERNMENTAL ORGANIZATION IN THE PERSIAN GULF REGION IN HANDLING THE QATAR-SAUDI ARABIA DIPLOMACY CRISIS," *Journal of International Relations* Volume 9, Number 1, (2023): 189–208.

objective of facilitating trade through the establishment of FTAs (Free Trade Areas).²

Since its founding in 1981, the GCC has opened the FTA for its members to interact with the international world. During the FTA period, intra-GCC trade volumes increased from less than US\$6 billion in 1983 to about US\$20 billion in 2002.³ As an effort by the Gulf Cooperation Council (GCC) to increase trade through the establishment of a *Free Trade Area* (FTA), Dubai as part of the United Arab Emirates (UAE) took a strategic step by establishing the *Dubai World Trade Center* (DWTC). The DWTC plays a pivotal role in fostering economic growth and innovation, alongside its responsibilities in free zone administration and related licensing procedures.

To realize sustainable development, Dubai-UAE established the *Dubai World Trade Center* (DWTC) which is committed to overseeing the policies and regulations of the *existing Free Trade Area* (FTA) in Dubai-UAE. The authority responsible for the supervision and management of the Free Zone, with the provisions outlined in the DWTC Establishment Act.⁴ DWTC is responsible for economic growth and innovation in Dubai-UAE.⁵ Development and management

² McCormick Kihl, Y. W. J. M., "Intergovernmental Organizations and Foreign Policy Behavior: Some Empirical Findings. The American Political Science Review," 73(2), 494–504. <https://doi.org/10.2307/1954893> (n.d.).

³ Marten Hanura and Ika Riswanti Putranti, "GULF COOPERATION COUNCIL (GCC) AS A REGIONAL INTERGOVERNMENTAL ORGANIZATION IN THE PERSIAN GULF REGION IN HANDLING THE QATAR-SAUDI ARABIA DIPLOMACY CRISIS."

⁴ Dubai World Trade Center Authority, "Rules and Regulations of DWTC (Dubai World Trade Center) Authority," in *Rules and Regulation* (Dubai-UAE, n.d.).

⁵ Dubai World Trade Centre, *Our Sustainability Stocktake From Purpose to Practice* (March 2024).

¹¹ Chirathivat, S., 'ASEAN-China Free Trade Area: Background, Implications and Future Development', *Journal of Asian Economics*, 13, 671-686. (2002). ¹² Clausing, K. A, 'Trade Creation and Trade Diversion in the Canada-United States Free Trade Agreement', *Canadian Journal of Economics*, 34, 677-696. (2013).

of Free Zones as well as the issuance of regulations for registration and licensing for licensees and business license holders in the area. Based on the authority granted by the DWTC Establishment Law.⁶ Along with Dubai-UAE's efforts to realize sustainable development through the establishment of *the Dubai World Trade Center* (DWTC), Dubai-United Arab Emirates (UAE) is strategically utilizing its wealth of natural resources. With great potential in the oil and gas sector, as well as the significant contribution of the petroleum sector to *the Gross Domestic Product* (GDP), the UAE plays an important role in the global and regional economy.

Dubai Petroleum Company (DPC) operates as the main operator in this oil and gas extraction business. Dubai has two percent of the world's oil reserves in the UAE. Gas oil fields can generate up to 140 million CFDs.⁷ Although Dubai-UAE has faced significant declines in oil and gas reserves over the past decade with a projected further decline in the next 20 years, oil and gas extraction operations, managed by *Dubai Petroleum Company* (DPC) and Dubai Natural Gas (DUGAS), continue to play a key role in the country's economy.

Non-oil and gas investment in the United Arab Emirates (UAE) includes the channeling of capital into economic sectors outside the oil and gas industry, with the primary goal of economic diversification. Development in Dubai-UAE includes sustainable projects that are in line with the UAE's strategy to reduce dependence on fossil energy and improve sustainability. With a focus on specific sectors, Dubai-

⁶ Ibid

⁷ DWTC, "Dubai World Trade Centre Authority "Rules and Regulations of DWTC (Dubai World Trade Centre) Authory in Rules and Regulations" (Dubai World Trade Centre Authority, 2023).

UAE seeks to create a dynamic economic environment, support long-term growth, and mitigate risks associated with fluctuations in global oil prices.⁸

Dubai as a state of the United Arab Emirates has increased after opening the *Free Trade Area* (FTA) to open up opportunities for *Foreign Direct Investment* (FDI) on a sustainable basis.⁹ By eliminating tariffs and trade barriers, Investment is increasingly accessible to countries involved in the *Free Trade Area* (FTA).¹⁰ Sustainable development in Dubai-UAE is an effort aimed at overcoming the challenge of petroleum emissions so that it can have the effects of the hot climate caused by the petroleum crisis. Dubai-UAE is strategically shifting its focus away from dependence on oil and gas by investing in various non-oil and gas sectors as part of their efforts to diversify the economy and enhance global competitiveness.¹¹

As Dubai seeks to strengthen its economy through the opening of the *Free Trade Area* (FTA) and sustainable non-oil and gas investment, it is also important to consider the Islamic teachings on the principle of adherence to the treaty or *Aqd* fairly. Dubai-UAE is committed to providing guidance on the importance of adhering to promises and agreements made fairly in the International business concept of *Free Trade Area* (FTA) in line with Islamic principles that emphasize the need to maintain a balance of agreements or contracts (*Aqd*). As expressed in the

⁸ Saif Sallam Alhakimi, "The Impact of Non-Oil Exports, FDI, and Services on Economic Growth in Saudi Arabia: An Empirical Analysis," *Journal of Economics and Sustainable Development* Vol.9, No.6, (2019).

⁹ Lira Zohara, 'Foreign Direct Investment In Indonesia Economic Development, Islamic Economic Perspective', *Maro; Journal of Sharia Economics and Business*, Volume 4 No (2021), p. E-ISSN: 2621-5012 P-ISSN: 2655-822X.

¹⁰ PP Afrika, 'Utilization of Trade and Investment Connectivity of the Aqaba Special Economic Zone.', *Jakarta Indonesia: Ministry of Foreign Affairs Republic of Indonesia.*, 2019. ⁹ DWTC, *Dubai World Trade Centre Authority Rules and Regulations*.

¹¹ Ahmed Ali S Alodadi, An econometric analysis of oil/nonsectors and economic growth in the GCC: evidence from Saudi Arabia and the UAE, 2019-01-01.

Qur'an, the principle of obedience to covenants in Islam as affirmed in Qs. Al-Maidah verse 01:

يَا أَيُّهَا الَّذِينَ آمَنُوا أَوفُوا بِالْعُقُودِ ۖ أُحِلَّتْ لَكُم بَهِيمَةُ الْأَنْعَامِ إِلَّا مَا يُتْلَى عَلَيْكُمْ غَيْرَ مُحِلِّي الصَّيِّدِ
وَأَنْتُمْ حُرْمٌ ۖ إِنَّ اللَّهَ يَحْكُمُ مَا يُرِيدُ

"O you who believe! Keep those promises. It is lawful for you to (eat) livestock, except what will be mentioned to you (haram), but you should not hunt while you are doing ihram. Indeed, Allah decrees the law according to His will."
(QS. Al-Maidah: 01)

Justice in Islamic business, the principle of justice is one of the main foundations that must be upheld. Allah SWT said in Surah Al-Maidah verse 01 provides principles that are very relevant to the discussion of agreements and transactions in the context of business, according to Islamic views it is included in international trade relations involving the Free Trade Area (FTA) policy which correlates with the Hudaibiyah agreement agreed between the Prophet PBUH and the Qurasish in Mecca. This verse teaches about the importance of obeying the agreed agreements, as well as maintaining integrity in every transaction. This principle is very profound and provides guidelines in maintaining fairness in trade between countries based on Islamic business principles. The principle of justice in the agreement is found in QS. An-Nisa verse 58 :

إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُمْ بَيْنَ النَّاسِ أَنْ تَحْكُمُوا بِالْعَدْلِ ۚ إِنَّ اللَّهَ نِعِمَّا
يَعِظُكُمْ بِهِ ۚ إِنَّ اللَّهَ كَانَ سَمِيعًا بَصِيرًا ﴿٥٨﴾

"Indeed, Allah has commanded you to convey the Trusts to their owners, when you establish the law among mankind so that you may establish it justly. Indeed, Allah has given you the best instruction. Indeed, Allah is All-Hearing and All-Seeing."
(QS An-Nisa: 58)

This study aims to describe the impact of increasing *the Free Trade Area* (FTA) in Dubai-UAE on Investment Inflows in Dubai-UAE in 2019-2023. The perspective used by the author is that the development of Dubai-UAE Investment Inflows in the Context of *the Free Trade Area* (FTA) can explore how the impact of the FTA affects the overall Dubai-UAE Investment Inflows in the form of *Foreign Direct Investment* (FDI).¹²

The increase in *Foreign Direct Investment* (FDI) has made Dubai-UAE a country with large FDI flows, making this topic interesting because researchers can see the extent to which the role of the Dubai-UAE Government in increasing *the Free Trade Area* (FTA) makes the Development of Investment Inflows in Dubai-UAE an effort to deal with these problems. Powered by data provided by *the Dubai World Trade Centre* (DWTC) managed by the Dubai-UAE Agency or government. The author uses a concentration of Dubai-UAE investment developments through data sourced from a report made by *the Dubai World Trade Center* (DWTC).

1.2 Problem Formulation

Based on the description above, the main problems that will be discussed by the researcher in the thesis are as follows:

¹² Hery Hermawan, 'Analysis of Indonesian Policy through the Implementation of Indonesia Investment Authorization for the United Arab Emirates in 2021' (Syarif Hidayatullah State Islamic University, 2022).

What is the Impact of the Increase in *Free Trade Area* (FTA) on Investment Inflows in Dubai-UAE in 2019-2023?

1.3 Research Objectives

This study aims to analyze the Impact of Increasing *Free Trade Area* (FTA) on Infows Investment in Dubai-UAE in 2019-2023.

1.4 Research Benefits

1.4.1 Theoretical Benefits

The theoretical benefits that can be obtained in this research in the academic and scientific fields are:

- 1.1 To provide knowledge and information on the impact of Free Trade Area (FTA) improvements on investment inflows in Dubai-UAE from 2019 to 2023.
- 1.2 To Provide a basic for study and discourse in subsequent research endeavors, encompassing student dissertations, scholarly articles, and national and international publications.

1.4.3 Practical Benefits

The research findings can provide valuable input for stakeholders concerned with the researched problems and discussed topics, and serve as comparative material for future research.

1.5 The Literature Review

This research will present relevant prior studies related to the impact of Free Trade Area (FTA) expansion on investment inflows from 2019 to 2023 :

The first research is titled "**Economic History of the Middle East: A Portrait of Dubai's Economy**". Written by Ghina Wilma F.A.¹³ The results of this study explain that Dubai is the Emirate of the seven emirates in the UAE that has a veto on the issue of national interest crisis in the country's Federal National Council. The emirate's revenue comes from trade, real estate and financial services. Revenues from oil and natural gas accounted for less than 6% (2006) and Dubai's economy was worth 37 billion (US dollars) in 2005. Real estate and construction, accounted for 22.6%, before the large-scale construction season that has been going on until now. Dubai has captured the world's attention through its innovative real estate projects and sporting events. This raises concerns, along with its importance as a world business link, has also raised human rights concerns regarding the involvement of many foreign workers. The difference between this study and the research that will be written by the author is that the author specifically describes the concept of Free Trade Area (FTA) and FDI, where the increase in FTA in Dubai-UAE has an impact on non-oil and gas investment as a manifestation of sustainable development with economic diversification.

¹³ Ghina Wilma F.A Nahla Nadia akbar, and Indah safitri, 'Economic History of the Middle East: Portrait of the Economy of Dubai', *SYARIF HIDAYATULLAH STATE ISLAMIC UNIVERSITY*.

The second research, entitled **"Changing of The United Arab Emirates Foreign Trade Priorities"**. Written by Iriana A. Rodinov.¹⁴ The results of this study explain that the UAE's economic growth according to GCC data has a currency that has the potential to rise in the modern world. In 2016, the UAE country's DGP was around \$669 Billion. Although the orientation of the UAE's national interests is in the form of exports and the development of the country's strategy. The UAE can develop into a developed country with a high standard of living, with the importance of innovation and its entrepreneurial growth. The UAE's economy is not only supported by petroleum export commodities, but also the development of knowledge, industrial intensity, transportation, infrastructure, and international tourism. By becoming the 7th largest producer in the world according to data in 2016 with 182.4 billion tons of Petroleum. Because it should be remembered that since July 2014, the price of petroleum in the international market has decreased, so the UAE with revenues that are still supported by petroleum commodities needs opportunities to profit from other revenues. With the aim of this study, it can assess how to change the geopolitical order and commodity structure of the UAE with commodities. FDI can have an impact on the UAE economy with an integrity process in the world economy. The difference between this study and the research that will be written by the author is that the author specifically describes the concept of Free Trade Area (FTA) and FDI, where the increase in FTA in Dubai-UAE has an impact on non-oil and gas investment as a manifestation of sustainable development by reducing the petroleum crisis as the UAE's main source of income.

¹⁴ Konstantin A. Merkulov, Maria V. Potapenko, and Irina A. Rodinova, 'CHANGING OF THE UNITED ARAB EMIRATES' FOREIGN TRADE PRIORITIES', *IX International Scientific Conference Analysis of International Relations 2018*, 2018.

The third study, entitled "**The Greater Arab Free Trade Area (GAFTA): An Estimation of Its Trade Effects**" was written by Javad Abedini.¹⁵ The results of this study explain that the role of GAFTA in trade has an impact on increasing Foreign Direct Investment (FDI) through the liberalization of cross-border markets in the Arab League. With the existence of GAFTA, it provides welfare to the UAE country. GAFTA is not only an inter-regional agreement but also a cross-border agreement of the Arab League with a long-term agreement using market liberalization at non-tariff costs. With a focus on research and technology developments. The difference between this study and the research that will be written by the author is that the author specifically describes the concept of Free Trade Area (FTA) and FDI, where the increase in FTA in Dubai-UAE has an impact on Non-oil and gas investment as a manifestation of sustainable development by reducing the petroleum crisis as the UAE's main source of income. As a member country of the Arab League, Dubai-UAE independently increases the country's foreign exchange in the form of diversifying the non-oil and gas economy.

The fourth research, entitled "**The Significance of Energy in Geopolitical Dynamics in the Middle East**", was written by Muhammad Badaruddin.¹⁶ The results of this study explain that the interests of a country are inseparable from the need for Natural Resources (SDA), the UAE as a country with the potential for petroleum reserves can dominate the export market from the Middle East. However, claims for petroleum reserves can become increasingly heated with the existence of

¹⁵ Javad Abedini Nicolas Périay, 'The Greater Arab Free Trade Area (GAFTA): An Estimation of Its Trade Effects', *Journal of Economic Integration*, 23(4),848-872 (2019).

¹⁶ MUHAMMAD BADARUDDIN, *The Significance of Energy in Geopolitical Dynamics in the Middle East* (Bakrie University, 17 July 2020).

resource wars among Arab League countries such as Kuwait, Iraq, and the UAE to benefit the United States. *Resource Wars* are potential conflicts to pursue natural resources, especially developed countries in a region to be utilized and secured as an economic and geopolitical strategy. The difference between this study and the research that will be written by the author specifically describes the concept of Free Trade Area (FTA) and FDI, where the increase in FTA in Dubai-UAE has an impact on non-oil and gas investment as a manifestation of sustainable development due to the natural resources crisis in the form of petroleum in the Arab League.

The fifth study, titled " **Intra Urban Spatial differentiation of tourism: Evidence Johannesburg, South Africa**", was written by Christian M. Rogerson, Jayne M Rogerson.¹⁷ The results of this study explain that Dubai adopts policies oriented towards economic liberalization, privatization, and the provision of business incentives to attract foreign investment, one of the policies taken is the establishment of economic zones or "economic zones" that provide a conducive business environment and encourage the growth of key sectors such as finance, trade, and logistics after the territorial dispute with Abu Dhabi. Dubai is experiencing a decline in its economy. However, Dubai diversifies its economy by building long-term infrastructure, such as the Dubai Creek (Dubai Harbour Improvement) project which requires large capital. The Dubai government made various efforts to fund the project, including persuading entrepreneurs to donate, collect taxes, and indebted to various countries. However, the author specifically

¹⁷ Christian M. ROGERSON, J. M., '(December 2016). Intra-Urban Spatial Differentiation of Tourism: Evidence from Johannesburg, South Africa.', *JSTOR*, Vol. 27, No. 2 ,.

focuses on the impact of increasing the Free Trade Area (FTA) on non-oil and gas investment as a manifestation of sustainable development in Dubai-UAE.

1.6 Conceptual framework

1.6.1 Concept of Free Trade Area (FTA)

Free Trade Area (FTA) is a free trade agreement between two or more countries that aims to remove barriers to trade and investment. FTAs can be established bilaterally between two countries or regionally among multiple countries. The main objective of FTAs is to promote economic growth, welfare, and investment among the countries involved. Through the reduction or elimination of tariffs, import quotas, and other trade regulations, Free Trade Agreements (FTAs) foster a more liberalized trade environment, thereby facilitating an increased flow of goods and services among participating nations. Furthermore, the FTA also encourages *Foreign Direct Investment* (FDI) by creating legal certainty and security for investors to operate in their trading partners' markets.¹⁸

The Free Trade Area (FTA) is an agreement that covers three main aspects, namely trade in goods, trade in services, and investment, to eliminate trade barriers between the countries involved. In the context of trade in goods, FTAs aim to eliminate tariffs and address non-tariff barriers that often hinder the flow of goods across borders. By eliminating or reducing import tariffs, FTAs allow goods to become more affordable for consumers and expand market access for producers in the countries involved. In addition, efforts to address non-tariff barriers such as

¹⁸ Ministry of Cake, B., 'Free Trade Agreement (FTA) and Economic Partnership Agreement (EPA),

and its effect on trade and investment flows with partner countries.', *Jakarta: Center for Regional and Bilateral Policy*, 2019.

technical regulations and product standards help to facilitate the flow of goods across borders and improve efficiency in international trade. Regarding trade in services, FTAs aim to maintain fair market access and foster favorable conditions for service providers. Thus, the FTA not only leads to the liberalization of trade in goods, but also includes a vital aspect of trade in services that is increasingly important in the ever-growing global economy.¹⁹

In addition, the FTA also opens up opportunities for Dubai-UAE to expand its trade reach with other partner countries outside the region, which can increase the volume of international trade. Economic diversification is also a possibility with the presence of FTAs, where Dubai-UAE can see the potential to develop new economic sectors in addition to trade and finance, such as manufacturing, technology, tourism, and logistics. However, it is important to remember that effective implementation and good cooperation between member states are key to the success of the FTA. Without good coordination and compliance with the provisions of the FTA, the expected positive potential may not be fully realized, and the impact can be limited. Therefore, a strong commitment from all parties involved in the proper execution of the FTA is critical to ensure that its benefits can be maximally felt for Dubai's investment, trade and economic growth as a whole.²³ The

Gospel of Jesus Christ

1.6.2 The concept of FDI (Foreign Direct Investment)

Foreign Direct Investment (FDI) is an investment or investment that comes from foreign or foreign parties. FDI involves the purchase of real assets to obtain

¹⁹ Cabalu, H. A., 'Does AFTA Create or Divert Trade?', *Global Economy Journal*, 7(4). (2020). ²³ Chandra, A.

full control of the company in the recipient country, either through mergers, acquisitions, or joint ventures. Foreign Direct Investment (FDI) may manifest as vertical investments, wherein companies extend their operations internationally while remaining within the same supply chain, or as horizontal investments, wherein they expand independently of their existing supply chain. In addition, FDI also brings various significant benefits to the recipient country, such as technology transfer, job creation, and contribution to corporate tax revenues in the host country. Therefore, Cohen's view highlights that a comprehensive understanding of FDI's role and impact requires in-depth research into its complexities within the dynamic global economy.²⁰

According to Stephen D. Cohen in his book entitled "Multinational Corporation and Foreign Direct Investment: Avoiding Simplicity, Embracing Complexity" discusses the concept of *Foreign Direct Investment* (FDI) with an approach that emphasizes its complexity. Cohen highlighted that FDI is not a simple or easy-to-understand phenomenon in the context of the global economy. Instead, he underscores the complexity of the FDI process, motivation, and impact in the context of multinational corporations and the interaction between host countries and foreign investors. Cohen emphasized the importance of understanding the dynamics that influence foreign direct investment decisions, including the political, economic, cultural, and legal factors that apply in each country. In his book, Cohen also highlights the important role of multinational corporations in driving FDI, as well as the complexity of the relationship between investment recipient countries and

²⁰ Armington, P., 'A theory of demand for products distinguished by place of production.', *International Monetary Fund Staff Papers*, 16(5), 159–178. (2019).

foreign investors. Thus, Cohen's view emphasizes that to fully understand the role and impact of FDI, a deeper understanding and in-depth research of the complexity of the phenomenon is needed in the context of the ever-changing global economy.

The FDI that enters Dubai creates a dynamic economy that is developed and can increase economic growth in a sustainable manner. Dubai has significant potential to increase investment attractiveness, strengthen International trade, and encourage economic diversification. With FDI, investment opportunities to Dubai can become more attractive to foreign investors, due to the reduction of trade and regulatory barriers that allow easier access to regional markets.

1.7 Hypothesis

The increase in the *Free Trade Area* (FTA) in Dubai-UAE during the 2019-2023 period significantly affected the growth of FDI investment inflows. The FTA policy implemented is expected to reduce trade barriers, open up wider market access, and increase Dubai's attractiveness as a global investment destination. The impact of the implementation of this policy can be seen in the growth of foreign investment in key strategic sectors, namely Manufacturing, Tourism, Renewable Energy, and Innovation Technology. Thus, the relationship between FTA policy and investment inflows can be identified as an important factor in creating a competitive investment environment and supporting sustainable Development in Dubai-UAE.

1.8 Research Methods

1.8.1 Research Design

This study employs a qualitative case study method, collecting interrelated variables to explain the impact of Free Trade Area (FTA) expansion on Dubai-UAE

investment inflows from 2019 to 2023. Qualitative research values researchers with innovative strategies and flexibility. Qualitative research aims to understand social events. Thus, qualitative research is employed to investigate the condition of a given subject. Furthermore, qualitative methodologies are capable of elucidating previously unknown phenomena.²¹

1.8.2 Research Objects and Limitations

This research focuses on the impact of Free Trade Area (FTA) expansion on investment inflows in Dubai-UAE from 2019 to 2023.

1.8.3 Data Collection Technique

In this study, the researcher used a data collection technique with literature studies (*Library research* and secondary data to obtain the necessary data. Literature study is a technique of collecting data from several works of plural such as journals, scientific journals, books, *websites*, *add and*, newspapers also collecting data from various kinds of official documents and others. Then after being collected, the data will be filtered and selected and then grouped into discussions. In addition to collecting data through literature and written documents related to the Impact of the Increase in *Free Trade Area* (FTA) on Investment Inflows in Dubai-UAE in 2019-2023.

1.8.4 Data Analysis Techniques

The data analysis employs a descriptive research technique, systematically connecting all variables to draw conclusions that address the research problem and summarize them in Chapter 4.

²¹ Nugrahani, F., & Hum, M, "Qualitative Research Methods", *Solo: Cakra Books*, 1(1), 3-4.

1.9 Writing Systematics

The systematics of writing this research consists of 4 sub-chapters:

CHAPETR I : INTRODUCTION

This introductory chapter outlines the research background, problem statement, objectives, benefits, literature review, conceptual framework, hypotheses, methodology, and research structure. This chapter provides a brief overview of the impact of Free Trade Area (FTA) expansion on investment inflows in Dubai-UAE from 2019 to 2023.

CHAPTER II: DYNAMICS OF THE DEVELOPMENT OF FREE TRADE AREA (FTA) AND INVESTMENT INFLOWS IN DUBAI-UAE IN 2019-2023

In this chapter, the author discusses the dynamics of the development of *the Free Trade Area* (FTA) in Dubai-United Arab Emirates (UAE), as well as its influence on *Foreign Direct Investment* (FDI) flows in Dubai-UAE during the period 2019 to 2023. Dubai, being a leading investment hub in the United Arab Emirates region, has experienced significant growth in attracting FDI thanks to the progressive implementation of FTA policies. The FTA in Dubai not only strengthens the attractiveness of investment, but also accelerates the process of diversifying the economy, which was previously heavily dependent on the oil and gas sector, into new, more sustainable and innovative sectors such as Manufacturing, Tourism, Renewable Energy, and Technology Innovation. The years 2019-2023 were a pivotal period in FDI growth in Dubai, where Dubai not only managed to maintain its position as a major destination for foreign investment, but also increased its contribution to global investment flows. With strong FTA policy support from the government through *the Dubai World Trade Center* (DWTC). The author presents

various data as supporting materials in this analysis, such as data on the expansion of the *Free Trade Area* (FTA) in Dubai, the increase in FDI in Dubai, and the countries that invest in Dubai. The data was used to strengthen the analysis of the impact of the increase in FTA on Investment inflows in Dubai-UAE.

CHAPTER III: IMPACT OF INCREASING FREE TRADE AREA (FTA) ON INVESTMENT INFLOWS IN DUBAI-UAE IN 2019-2023.

In this chapter, the author describes the impact of increasing the Free Trade Area (FTA) on Investment Inflows in Dubai-UAE. In this analysis, the author explains the relationship between increasing Investment Inflows and the impact of increasing FTA using the concept of FDI. Therefore, this study shows the extent to which FTAs have influenced FDI in Dubai-UAE. Through in-depth analysis, it provides a better understanding of how the FTA has shaped investment inflows in Dubai-UAE. This chapter provides comprehensive insights into how the FTA has impacted the Dubai-UAE economic transformation and enhanced Dubai's role as an investment hub with the realization of sustainable development with Dubai Vision 2030.

CHAPTER IV: CONCLUSION

In this chapter, the researcher will provide a conclusion from the discussion of the previous chapters, the findings of the researcher that have been examined regarding the Impact of Increasing *Free Trade Area* (FTA) on Investment Inflows in Dubai-UAE in 2019-2023 and the end of this study.