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The role of multinational companies in attracting foreign direct investment to developing countries (UAE as a model)

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Abstract:

Multinational corporations are a huge economic force through the huge investments they make in the global economy. They have become an important center and a basic driving force for the global economic and political system through their influence in making economic, social and .political events and transformations in the world
The study aimed to clarify the impact of multinational companies in attracting foreign direct investment to developing countries, including the UAE, based on the hypothesis that these companies are the main gateway to attracting foreign direct investment, as their investments and expansion of their activities had several positive effects such as creating new job opportunities and obtaining advanced technology. In addition to obtaining an increase in complementary relations in various sectors, the study concluded that foreign direct investment has become a global phenomenon that various countries are working to obtain, as the United Arab Emirates topped the Arab countries in incoming foreign investment, amounting to (13787) million dollars in the year (2019) due to Availability of an appropriate investment climate, advanced infrastructure, the establishment of many free and specialized industrial zones, in addition to its expansion through privatization operations .and business-friendly legislation
The study came up with a package of proposals, including the need to develop and encourage investments to include sectors other than the oil and gas sector, and work to facilitate administrative procedures to facilitate the entry of investment companies, and continuous communication with international organizations interested in the work of these companies, in addition to not giving way to investment companies. In aspects occupied by local investors

Keywords:

THE INTRODUCTION

Scientific and technological development led to the rapid emergence of a new world order after the end of the Cold World War, where the term globalization in its various aspects emerged and the countries of the world were in harmony with each other in economic relations thanks to scientific and technological progress, which made the world a small country and no longer had a nationality for investment as a result .of the liberalization of trade international
Multinational companies have received wide attention because of their clear impact on the countries of the world in the field of development, especially the developing ones. They have emerged as an economic force that represents the most prominent features of the new economic system represented by globalization through the magnitude of their investments, as they have become the driving force of the international economic and political system through their influence in Making events and economic, social and political .transformations
From the lack of confidence in multinational companies and their investments in the Arab countries, and the least attractive to them, to the full interest in them as a means of merging with the international networks of production, marketing and distribution, it worked to improve the appropriate climate by removing restrictions related to the movement of capital in addition to granting material and moral incentives to foreign investors to attract more investments. As well .as reducing taxes and fees incurred by them
Research problem: - The multinational companies play a very important role in influencing the events and developments that take place at the global level, such as directing the movement of international investment and consolidating commercial and financial

globalization, which left a fierce debate and dialogue between supporters and opponents regarding the benefit and feasibility of these companies for .developing countries

The importance of the research : The importance of the research stems from the fact that multinational companies are a very important means in attracting foreign direct investment to developing countries, including the UAE, due to their huge size, diversity of .activities and geographical spread

Research objective : The research aims to clarify the impact left by these companies on developing countries, including the UAE, because it is one of the forms and means used by foreign investment to enter .new markets. profits

Research hypothesis : - The research is based on the hypothesis that multinational companies are the main gateway for foreign direct investment, as the investment of these companies in the UAE and increasing their activity achieves several positive .effects

Research methodology : - In line with the hypothesis of the research to reach its goal, the descriptive analytical method was used, using the available data in the report of the United Nations Conference on Trade and Development regarding .global investment

:**Research Structure** : The research included

.First: the concept of multinational companies

Second: the emergence and development of .multinational companies

.Third: the effects of multinational companies

Fourth: Characteristics of multinational .companies

Fifth: The reality of multinational companies in . the UAE

.First: the concept of multinational companies

Multinational corporations are the main engine of the international economic and political system at the present time, as they are a force that has a profound impact on economic, social and political events in the .contemporary world

It represents the traditional and narrow meaning of multinational companies by limiting them to activities related to the ownership of fixed assets abroad, especially foreign direct investment, and they are also called global companies, as they perform their investment activity at the international level, i.e. outside the borders of the mother country. Nationality, this is due to the practice of its productive and investment activities in more than one country without being restricted to a specific nationality (Al-Jubouri, .(2015 ,227

It is also defined as those projects that these companies own and control their production units in more than one country and manage them with unified production strategic frameworks belonging to the .parent company (Gutyar, Rasheed, 25, 2009)

(**Milton Friedman**) also indicates that it is the company that makes direct investments, according to its competence, in more than one country, and organizes its activities at the present time and in the future with regard to conducting business and long-term strategies at the international level (Mufidah, Wardah, 139, 2020), according to (Vernon **) It is the organization that is able to raise its turnover or annual sales to more than (100) million dollars in addition to** owning branches and facilities in six or more foreign countries. About (25%) of the kidney (Al-.(Fakhry, 8, 2010

And the United Nations Organization for Trade and Development (UNCTAD) defined them as institutions that have specific or unspecified responsibility, consisting of the parent company and its foreign subsidiaries, provided that the assets that are used abroad are owned by the parent company (Qabal, 41, .(2013

Others believe that it is every project that owns and controls facilities in the production process (factories, facilities, mines, offices, consultancies, and the like) in more than one country, and its activity extends to all aspects of economic life in the industrial, commercial and financial fields (Abdul Aziz and others, 119, 2010) .

From the foregoing, it can be said that they are companies of an international nature that are characterized by economic independence and are present in more than one country and with different branches and nationalities, provided that their ownership returns to the parent company, in addition to their transfer of capital, technology and knowledge between countries of the world, in addition to that they are characterized by a monopolistic nature, and their large size, It also works to provide large quantities of goods, services and raw materials that .individuals need, and its main goal is to obtain profits

Second: the emergence and development of .multinational companies

The historical origin of the emergence of multinational companies goes back to the emergence of colonial companies, as the first starting point was the Netherlands, which established the West India Company, and Britain, which established the East India Company in 1660, while France established these two companies in 1664. This phenomenon developed in the period that It preceded the First World War, and

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many companies expanded outside the borders of the mother country, such as the American Singer Sewing Company, which established its first factory in Britain in 1867 AD, and in 1914 the concept of these companies emerged clearly, and the global amounts of foreign direct investment for these companies were estimated at about $ 14 billion Where British companies topped these investments, followed by American and German companies (Quedery, 11, 2012-.(19

Some believe that the period in which multinational companies emerged is between 1850 and the end of World War I, when American companies, in addition to large European ones, began expanding outside the borders of the mother country in the late eighteenth century, similar to the Samuel Colt company specialized in the arms industry by setting up a factory for it. In Britain in 1852, followed by the German Bayer company specialized in chemical industries, as it established a branch in the United States of America in followed by the Singer company specialized in ,1865 the manufacture of sewing machines and established a branch in the British city of Glasgow in 1871, and in multinational companies became the main pillar 1881 of the economies of capitalist countries (Abdul .(Majeed, 18, 2017-19

In the sixties and seventies, there was the emergence of Japanese companies such as Toyota, Mitsubishi, and Sony, in addition to European companies such as the German company Volkswagen, as large companies to compete with American companies in the global and even domestic markets, which worked on production and export to various countries of the world. In the eighties, the outlook of developing countries changed regarding The matter of foreign direct investment, especially after the emergence of the indebtedness crisis, which encouraged those countries to deal with multinational companies in order to obtain expertise and technology (Al-Jawzi, Dahmani, 85, 2015-86), but in the nineties of the last century the work of these companies increased, exchanges diversified across borders as well as the movement of capital, technology, goods and services. The United Nations report in 1993 indicates that there are approximately multinational companies that possess 37,000 approximately 170,000 subsidiary organizations, with an estimated internal and external sales of approximately (5.5) trillion dollars, which exceeds the total world trade, which we estimate about (4.3) .trillion dollars in 1992 (Abdul Majeed, 19, 2017)

It is clear from the foregoing that most of the multinational companies, which have branches in various countries of the world, were the starting point for them in export operations . Products are originally .raw materials for the wealth of developing countries

Third: the effects of multinational companies

There are different effects of the activity of multinational companies in developing countries hosting foreign direct investment, including: (Abdulaziz et al., 2010-128, 129) (Al-Jubouri, 2015-229, 229-230) .(Balough, 2002, 11)

1- The activity of multinational companies has a very important role in achieving comprehensive growth in developing countries by providing job opportunities, improving the income level, increasing productivity, in addition to developing local competition by overcoming the monopoly of some national companies, and thus increasing the volume of competition among international companies, whether they are national. .foreign mother

2- Through its large financial resources, multinational companies can bridge the gap between developing countries' need for capital to finance .development projects and local savings

3- The work of multinational companies has a negative impact on the balance of payments in developing countries, which comes through the necessary capital transfers for direct investment, offset negatively by transferring the returns of these investments to their headquarters in the mother country, in addition to what results from the activity of the branches of these companies in increasing exports .and imports

4- Its contribution to raising tax revenues if the host country possesses the qualifications to impose tax standards on the income of profits generated from development projects for those companies, as well as achieving economic economies of scale through the establishment of certain industries by these companies .as a result of the expansion of the size of this industry

5- These companies work to move towards agricultural lands and forests with the aim of establishing modern projects, which results in a decrease in the area of arable land, and that saying that these investments eliminate unemployment is incorrect because most of these large companies when they merge with other companies, they work to lay off workers, whether it is In developing or developed .countries

Fourth: Characteristics of multinational companies

Multinational companies are the cornerstone of the new world order, and they have become a means for implementing development projects in most countries of the world, due to their monopoly power and financial

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and technical savings, as multinational companies have :many characteristics, including

1. **Large size:** Multinational companies are characterized by large size when compared to other economic institutions and projects. In the year (2013) the financial capabilities available to the largest (5000) companies around the world remained high, exceeding (11%) of their total assets. The available liquidity was estimated The multinational companies of developed countries have approximately (3.5) trillion dollars. As for developing and transitional countries, the liquidity available to these companies has reached nearly one trillion dollars, and the liquidity-to-assets ratio of multinational companies of developing countries has remained stable for five years at (12%).) (Al-Jubouri, 231, 2015), in addition to that, it is considered one of the largest global institutions controlling all economic activities, as it constitutes approximately (80%) of the gross national product, and approximately (85%) of the total world trade, in addition to its control over Two-thirds of world trade, as there are approximately (350) major companies belonging to major countries that obtain about of international trade. Part of these (%40) companies have economic capabilities that exceed the capabilities and capabilities of most countries. Indonesia's annual gross national product, while (Sony) sales equaled Egypt's gross national product, while (IBM) sales exceeded the combined GDP of Chile, Costa Rica and Ecuador. Another example of the large) size of a part of these companies isABB It (was established in 1987 as a result of the merger of two large companies, one of them is) SwedishASEA) and the other is Swiss (BROWN BOVERY which invested during its ,(founding 3.6 billion dollars, which included the merger and purchase of 60 other companies, and it acquires more than 1300 companies, including 130 companies in third world countries and 41 in European countries Eastern .(Tashtoush, 2010, 94)

:The following table shows some indicators of the activity of multinational companies

Schedule(1)
Selected indicators of the activity of multinational companies for the period 2018-2020 (billion dollars)

2020	2019	2018	**the year / pointer**
999	1530	1437	foreign direct investment inflows
740	1220	871	outflows of foreign direct investment
41354	36377	32784	Inward foreign direct investment balance
39247	34351	31219	Balance of outgoing foreign direct investment
1745	2202	2375	Foreign branch sales
4.1	6.2	6.9	The added value (product) of foreign branches
1802	2205	2330	Total assets of foreign branches
4.9	6.3	6.8	Foreign branches exports
475.0	507.4	815.7	Number of employees in foreign branches

Source:UNCTAD(world Investment Report 2021:Investment in the SDGS:An action plan)UN,New York,2021,p22.

The previous table shows an increase in the economic activity of multinational companies for the year (2020), as the balance of incoming foreign direct investment increased from (32784) billion dollars in (2018) to approximately (41354) billion dollars in the year while companies' sales witnessed ,(2020) Multinational, a clear decline from (2375) billion dollars in (2018) to (1745) billion dollars in (2020), with an added value of (4.1) billion dollars in (2020) compared to the year (2018), in addition to the decline in its exports from (From (6.8) billion dollars in (2018) to billion dollars in (2020), and the number of (4.9) employees decreased from (475.0) million workers in compared to (815.7) million workers in (2018) 2020)

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2. **Geographical spread:** The wide-ranging investment activity is what characterizes multinational companies, and their geographical expansion across the borders of the mother country, because they have great capabilities in the field of marketing, as they participate in drawing and formulating strategies at the international level, and then determine the quantities and types that are produced at the level. Global, as multinational corporations are considered large entities with various activities that are dominated by horizontal and vertical integration processes, and their triple center dominates the global economy (the United States of America, the European Union, and Japan), where recent estimates show that the number of multinational corporations owned by countries is approximately (550) companies in countries It has more than (15,000) thousand foreign companies affiliated with it all over the world, which is equivalent to (77%) of the total multinational companies around the world (Al-.(Jubouri, 9-10, 2018
3. **Monopolistic advantages:** Multinational companies are characterized by their monopolistic advantage. This is due to the nature of the markets in which these companies operate. Most of them take the form of oligopolists. These companies work to monopolize modern technical progress, technical and administrative knowledge and skills with high efficiency and specialized, in addition to having great capabilities. And high in the field of finance, management and marketing, it facilitates the process of borrowing in the most appropriate terms from the global financial market because of the confidence and strength of its financial position, in addition to its high capabilities in the field of training, consulting and management research (Al-Qud', .(without a year, 35
4. **Establishing strategic alliances:** Multinational companies are working hard to maintain their complementary relations with each other, by adding strategic alliances with the aim of achieving common economic interests, and giving them competitive and marketing capabilities that are higher than their counterparts from other companies, and these alliances are the result of global competition and privatization. And open markets and modern patterns of international division of labor and the information and communication .revolution (Abdul Hamid, 164, 2006)
5. **Excellence and technological progress:** The control of these companies over the field of research and development is one of the most prominent features that made these companies strive to search for scientific and technological achievements, which results in lower costs, improved products, increased business opportunities, as well as the creation of additional sources of income, which made Knowledge is the decisive resource for competition between companies to dominate global markets rather than a commodity .(Muhammad, et al., 20, 2018-21)

Fifth: The reality of multinational companies in the UAE

Multinational companies are more like the locomotive that pulls foreign direct investment towards the regions of different countries, as foreign direct investment is the main indicator through which the economic activity of these companies is identified, .whether it is in a state of recovery or contraction

Where foreign direct investment flows have become a global phenomenon, various countries of the world are racing with each other to obtain the largest share of .these investments

A- Incoming and outgoing foreign direct investment globally

The total value of incoming foreign direct investment in the world amounted to about (1540) billion dollars in (2019), achieving an increase of (3%) billion dollars from what it was in (2018), which was (1495) billion :dollars, and this is what the table shows the following -

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Schedule(2)
Incoming and outgoing foreign direct investment flows to the regions of the world for the period (billion dollars) (2019-2017)

outflows			incoming flows			the year / Region
2019	**2018**	**2017**	**2019**	**2018**	**2017**	
917	534	1095	800	761	950	**advanced countries**
475	419	539	429	364	570	**European Union**
202	41-	379	297	297	304	**north america**
373	415	467	685	699	701	**Developing countries**
5	8	12	45	51	42	**Africa**
328	407	417	474	499	502	**Asia**
280	345	367	389	416	422	**East and Southeast Asia**
12	12	11	57	52	52	**South Asia**
36	50	39	28	30	28	**west Asia**
42	0,1	38	164	149	156	**Latin America and the Caribbean**
24	38	38	55	35	50	**transition states**
1314	986	1601	1540	1495	1700	**the world**

Source: UNCTAD (world investment Report 2020: International production beyond the pandemic) UN, New York, 2020, p13.

It is clear from the above table that foreign investment inflows to developed countries increased by (5%) to reach about (800) billion dollars, which is equivalent to of global flows. They were concentrated in (%52) Europe, with an increase of (18%) to reach (429).) billion dollars, regaining the percentage of what was lost since the year (2015), which is due to the jumps in a few economies and the stability they enjoy, such as Ireland and Switzerland, after a sharp decline in these flows in the year (2018), and with regard to developing countries Incoming investment flows decreased slightly, by (2%), to reach about (685) billion dollars. As for the transitional countries, they were able to increase the percentage of incoming flows to them to reach (4%), with a value of (55) billion dollars in the year (2019) compared to With .billion dollars during the year (2018) (35)

As for outbound flows worldwide, they achieved an increase of (1314) billion dollars, compared to the year where (70%) of those flows were the share of ,(2018) developed countries, which amounted to (917) billion dollars, and the reason for this increase is due to The decline in the impact of tax reforms in the United States at the end of (2017), which led to a large negative outflow in (2018), while developing countries contributed by (28%) and transitional countries by .respectively ,(%2)

B- Incoming foreign direct investment flows to Arab countries

Foreign direct investment inflows to the Arab countries, according to the data of the UNCTAD report for the year (2020), witnessed a slight increase, by amounting to (34.6) million dollars in (2019) ,(%2.3) compared to (33.8) million dollars in (2018). This is :what the table shows following

Schedule(3)
Incoming foreign direct investment flows to Arab countries for the period (2018-2019) (in millions of (dollars

2019	2018	the year / Country
13787	10385	The UAE
9010	8141	Egypt
4562	4247	Saudi Arabia
3124	4190	Sultanate of Oman
2128	2653	Lebanon
1599	3558	Morocco
1381	1466	Algeria
941	1654	the two seas
915	954	Jordan
885	772	Mauritania
844	1035	Tunisia
825	1135	Sudan
447	408	Somalia
181	170	Djibouti
175	251	Palestine
104	204	Kuwait
7	6	Comoros
-371	-282	Yemen
-2812	-2186	Qatar
-3075	-4885	Iraq
34657	33876	Total

Source: The Arab Investment Guarantee Corporation (Investment Climate Report in the Arab Countries), Safat, Kuwait, 2020, p. 38

The share of investments incoming to Arab countries represented (2.3%) of the total global inflows amounting to (1540) billion dollars for the year (2019) and (5.1%) of the total inflows to developing countries amounting to (685) billion dollars, and over the decade In the past, the share of the Arab countries in the total global flows witnessed stability at (3%) during the period between (2008) and (2012), before declining to reach (1.3%) in the year (2013) and (1.7%) during the two years (2015) . (2016), while during the year it reached (1.8%) before it witnessed a slight (2017) .increase in the year (2018) when it reached (2.3%)
It also appears from the above table that foreign direct investments were concentrated in a number of Arab countries for the year (2019), as the UAE took the lead, with a total value estimated at about (13787) million dollars, at a rate of (39.8%), and this represents an increase of about a third over last year. The reason for this was the conclusion of major investment deals in the oil and gas sector, especially in the Emirate of Abu Dhabi, followed by Egypt in second place, which maintained its position as the largest future for foreign direct investment in Africa during the year (2019) with a total value of (9010) million dollars, which is (26 percent). %), and Saudi Arabia came in third place, with an estimated value of about (4562) million dollars, with a rate of (13%) (Investment .(Climate Report in the Arab Countries, 2020, 38
As for the number of foreign direct investment projects operating in the Arab countries, the following table :shows them

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Schedule(4)
Foreign direct investment projects coming to Arab countries for the period (2003_2020)

number of jobs (thousands)	total investment (in million dollars)	Number of projects	the year
65675	46024.2	415	2003
58015	56672.3	316	2004
107663	75767.7	542	2005
163,461	112340.3	737	2006
105263	50580.5	641	2007
264,357	168,114.6	1170	2008
138,643	106,280.4	967	2009
115663	58680.5	885	2010
99842	57043.2	955	2011
88586	45,753.8	899	2012
68124	53188.9	785	2013
89099	60412.8	743	2014
82008	43313.3	698	2015
95434	90179.3	668	2016
77149	70374.8	690	2017
117368	82302.4	768	2018
102702	57008.6	999	2019
54083	33945.9	616	2020
1,893,135	1,267,983	13539	the total

Source: The Arab Corporation for Guaranteeing Investment and Export Credit (Investment Climate Report 2021), .Safat, Kuwait, p. 56

It is clear from the above table that foreign direct investment projects in the Arab countries witnessed a high growth, as it increased from (415) projects in the year (2003) with an average of (65,675) thousand workers to (1170) projects in the year (2008) and with a job average of ((264,357) thousand workers, which is the highest rate recorded by these projects, then it took a downward trend and the reason for that is attributed to the global financial crisis in the year and its repercussions until it reached in the (2008) year (2013) to (785) projects and the total number of jobs amounted to (68124) thousand worker, and continued to increase in varying proportions until it reached (999) projects in the year (2019) and the number of jobs amounted to (102,702) thousand workers, but these projects returned to their decline in the year (2020) after the clear increase in the level of the number of projects in the year (2019). The reason for this is due to the repercussions of the new Corona virus and the accompanying closure measures in the region and the world, especially the main capital-exporting countries (Investment Climate in Arab .(Countries, 30, 2021

C- The reality of multinational companies in the UAE

The UAE enjoys a strategic location, advanced infrastructure, political and economic stability, in addition to its government having an ambitious vision and drawing an effective development path and turning its strategic goals into a real reality through its wise policy to upgrade the economy, which is one of the most diversified, competitive and flexible economies based on science and innovation, in addition to providing an environment Modern investment policies have been put in place that facilitate and accelerate the establishment of companies through electronic platforms, and it has achieved advanced ranks in its attractiveness to companies by issuing amendments to the Companies Law (UAE Ministry of Economy, Investment Environment), in addition to owning (26) free zones and (4) registration zones. Establishment in addition to ten industrial zones and a law encouraging foreign investment, and paving the way for the private sector to enter into all economic activities and encouraging it to participate in multinational companies to raise its contribution to the process of economic growth (Al-.(Jubouri, 240, 2015

To track the development of incoming and outgoing foreign direct investment flows in the UAE, we note :the following table

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Schedule(5)
Evolution of inward and outward foreign direct investment flows in the UAE for the period (2017-2019) (million dollars)

2019	2018	2017	2016	the year / pointer
13787	10385	10354	9605	Incoming foreign direct investment
15901	15079	14060	15711	Outward foreign direct investment

Source:UNCTAD(world Investment Report 2020: International Production Beyond The Pandemic)UN, New York, 2020, p240.

It is clear from Table (5) that foreign direct investment flows from the UAE to the countries of the world have reached (15901) million dollars, recording a noticeable increase compared to (15079) million dollars in 2018, as for the development of foreign investment flows The direct incoming to the UAE accounted for about of the total inflows to the Arab countries in (%36.2) the year (2017) with a value of (10.4) million dollars compared to the year (2016), and behind these inflows were foreign direct investment in the year (2017). Mainly new foreign investment projects coming to the Arab region, which numbered (809) projects, from which the GCC countries attracted (542) projects, of which the United Arab Emirates acquired (60.5%) UAE Ministry of Economy, Annual Economic Report,) These inward flows continued to increase .(2018 ,41 slightly until they reached in the year (2018) a value of million dollars, with a growth rate of (0.3%), (10385) thus accounting for about (33.3%) of the total inward foreign direct investment flows to the Arab countries in the year (2018).) The reason is due to achieve ah These positive results lead to political stability, in addition to rational and effective economic policies, and business-friendly legislation, as well as strong economic relations with various countries of the world and the important strategic geographical location that made it a vital commercial gateway to various regional markets, the efficiency of government services, the effectiveness of the judicial system, and the quality of stimulating financial, tax and customs systems. For investment, the availability of modern infrastructure and technology and free zones with advanced infrastructure (UAE Ministry of Economy, Annual Economic Report, 44, 2019), and these flows continued to rise until they reached a value of (13.8) million dollars for the year (2019), with a growth rate of about (32%). %) It is expected that in the coming years, the UAE will receive a lot of development in foreign direct investment flows incoming to it, with the adoption and implementation of a package of initiatives and granting facilities and incentives in the field of attracting foreign capital, the most important of which is the issuance of Decree-Law No. 26 of 2020 to amend some provisions Federal Law No. 2 of 2015 regarding commercial companies, as for the development of investment flows a For direct foreigners coming to the UAE from the largest (10) :investing countries, as shown in the following table

Schedule(6)
The evolution of incoming foreign direct investment flows to the UAE from the most important (10) investing countries between (January 2013 and December 2017)

Number of companies	Number of projects	the cost (Million dollars)	Country
117	130	9,893	India
333	362	6,277	United State
268	288	3,840	United kingdom
46	49	3,680	Japan
28	36	2,889	China
20	21	2,864	Saudi Arabia
78	34	2,037	Germany
12	23	1,975	Kuwait
83	90	1,740	France

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38	40	1,670	Holland
485	524	12,040	other
1,508	1,657	48,905	Total

Source : The Arab Corporation for Investment and Export Credit Guarantee, Investment Climate in the Arab .Countries, Daman Index for Investment Attractiveness, Safat, Kuwait, 2018, p. 52

It is clear from the above table that India topped the investment flows incoming to the UAE for the period (January 2013-December 2017) at an investment cost of about (9,893) million dollars, as the number of projects reached 130 projects and 117 investment companies, and the United States ranked second with an investment cost that recorded about (6, (277) million dollars, with a number of projects amounting to investment projects and (333) investment (362) companies, then the United Kingdom ranked third with an investment cost of about (3,840) million dollars, as the number of projects amounted to (288) investment projects and (268 investment companies, and the total investment cost amounted to (48,905) million dollars, (1,657) investment projects and (1,508) investment companies. As for the largest (5) invested :companies in the UAE, the following table shows Schedule (7)

The largest investments (5) companies invested in the UAE between (January 2013-December 2017)

Cost (million dollars)	Country	Company Name
4,000	India	Sobha (Sobha Developers)
2,617	India	Apar industries
1,800	Saudi Arabia	Acwa power lntemational
1,444	China	Harbin Electric
1,389	Kuwait	Agility

Source: Arab Corporation for Investment and Export Credit Guarantee, Investment Climate in Arab Countries, Daman Index for Investment Attractiveness, Safat, Kuwait, 2018, p. 52

It is clear that the UAE, in recent years, has taken the lead in attracting multinational companies, as it has become the largest recipient of foreign investment among the Arab countries, due to its stable political climate, rational and effective economic policies, and a strategic geographical location. Sobha (Sobha Developers) The Indian company, as well as the (Apar Industries company, inward investment flows at (an investment cost of about (4,000) and (2,617) million dollars, during the period from January 2013 to December 2017, followed by the Saudi (Acwapower lntemational) and the Chinese (Harbin Electric) and (Harbin Electric) Agility at an investment cost of (and (1,389) million dollars each, as (1,444) ,(1,800) .shown in Table (7)

From the foregoing, it is clear that the UAE was able to attract multinational companies to it by achieving the first positions for investments coming to Arab countries, and that this superiority was the result of its enjoyment of political and economic stability in addition to rational economic policies and business-friendly legislation, and its strong relations with various countries of the world and its geographical location. The strategic strategy that made it a vital commercial gateway to the various regional markets, in addition to the effectiveness of the judicial system and the quality of the financial, tax and customs systems that stimulate investment and its possession of a developed infrastructure in addition to free zones with modern .infrastructure

CONCULSION

1- Multinational companies are more like the locomotive behind which foreign direct investments are pulled, as these investments are the main indicator by which the economic activity of multinational companies is identified, whether it is in a state of recession .or recovery
2- These companies operate internationally in more than one country and have the ability to mobilize financial, human and natural resources, as they are international .companies
3- The UAE government was able to provide an attractive environment for foreign investment by enacting laws and providing advanced banking and communications services, in addition to its strategic geographical location, which made it a vital commercial gateway to various regional markets, the efficiency of government services, the effectiveness of the judicial system, the quality of financial, tax and customs systems, and the availability of

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infrastructure and modern technology Free zones with advanced infrastructure that .stimulate investment

4- Increasing foreign investment through multinational companies, as it has become a global phenomenon that various countries are working to obtain, as inward flows increased globally from (1495) billion dollars in the year to (1540) billion dollars in the year (2018) .with an increase rate of (0.3%) ,(2019)
5- It was found that the UAE took the lead in incoming foreign investments in the Arab world, with a value of (13787) million dollars in the year (2019), with a rate recorded The oil and gas sector, the .(%39.8) establishment of many free zones and specialized industrial zones, and its expansion .in privatization operations
6- In recent years, the UAE has taken the lead in attracting multinational companies, as the five largest companies invested about (11250) billion dollars in it during the period from January 2013 to December 2017, topped by the Indian company Sobha (Sobha Developers) with an amount of (4000)million .dollar
7- As for the development of foreign direct investment inflows into the UAE from the top ten invested countries, India topped it with a value of (9893) million dollars, between January 2013 and December 2017, with a number of projects amounting to (130) and companies. Investment, followed by the (117) United States with about (6277) million dollars, and (362) projects and (333) investment companies, then the United Kingdom came in third place with a value of million dollars, and with a number of (3840) projects that reached (288) projects and (268) .companies. investment for the same period

SUGGESTIONS

1- Not allowing foreign companies to invest in the sectors invested in by local investors except after making sure that local companies are unable to do so unless they seek the help of .foreign companies
2- Work to facilitate all administrative procedures related to the entry of investment companies into the UAE and continuously review the legislation related to them and make them more flexible and realistic, in addition to not allowing these companies to bring in foreign manpower in order to employ local manpower, as well as to reduce the transfer of funds .abroad
3- Developing and stimulating investment programs in economic sectors other than the oil sector to attract more foreign investments, in addition to continuous communication with international organizations interested in the activity of multinational companies, such as the United Nations Conference on Trade and Development (UNCTAD) and the Industrial Development Organization, with the aim of .exchanging information and experiences
4- Developing countries, including the UAE, must continuously monitor and follow up the activity of multinational companies, and put in place a legal system that limits the freedom of these companies and preserves the interest of .developing countries
5- Encouraging joint ventures and standing up to projects wholly owned by foreign investors with the aim of enabling the government to impose control over the activity of foreign .investors
6- The UAE government can redirect the investment of these companies towards the less developed regions through its tax policy so that those regions can achieve their desired development, and that is by providing many advantages and tax exemptions for investment .companies

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