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## Doing Business in the United Arab Emirates



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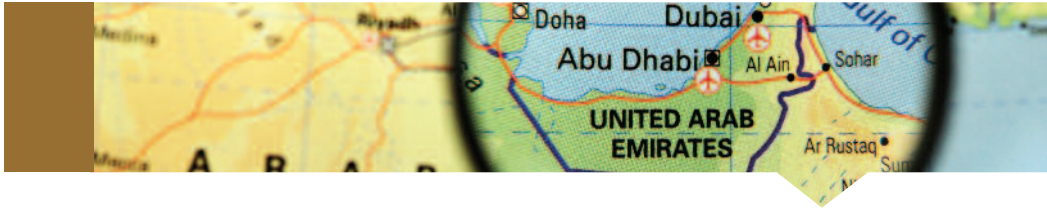


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## UAE Overview

The United Arab Emirates (UAE) is a country located in the Arabian Gulf, bordered by Saudi Arabia and Oman. Because it is located in the centre of the Gulf countries, Indian Sub-Continent, Commonwealth of Independent States (CIS) and Africa, the UAE enjoys a strategic position that allows it to present unlimited opportunities across a wide range of sectors. In fact, as this guide will indicate, the UAE is now a hotbed of innovation brimming with new ideas. Being a hub for new ideas is a reclamation of a long tradition of Arab thinking and research.

The UAE's surface area is 83,600 km<sup>2</sup>, with diverse geographical terrains ranging from plains to mountains and from deserts to beaches. However, in spite of its limited area, it is this diversified landscape and strategic location which give the UAE a distinguished competitive advantage. The country has a significant coastline on the Gulf of Oman to the east and the Arabian Gulf to the west and northwest. Oil and natural gas are the primary natural resources in the UAE, and petroleum production is the most important industry.

The UAE is also located next to the southern lines of the Strait of Hormuz, an essential passage for more than 40% of the world's crude oil. It is for these same reasons that the UAE's ports and airports today are ranked among the top choices for major carriers when planning their routes from the east to the west.





## **Foreword from H.E. Sultan Bin Saeed Al Mansoori, the Minister of Economy**

I am delighted to welcome you to this guide to Doing Business in the UAE, which provides essential information, guidance and support for UK companies considering entering the UAE market.

The UAE – the UK's largest export market in the Middle East and North Africa – enjoys a strategic position that allows it to present unlimited opportunities across a wide range of sectors. The leadership of the UAE launched the UAE National Innovation Strategy at the end of 2014, aiming to make the UAE the most innovative nation in the world by 2021. In fact, as this guide will indicate, the UAE is now a hotbed of innovation brimming with new ideas.

The World Economic Forum has judged the UAE first in the world for the quality of its roads, low inflation and the absence of organised crime. Furthermore, it receives favourable scores for its stable macroeconomic environment, its overall infrastructure, the effectiveness of its government institutions, and its ease of access to finance.

Today, the UAE is the de-facto financial centre between Singapore and London and the host to the world's largest man-made port and some of the world's busiest airports. It also hosts the world's first free zone dedicated to biotechnology and research and has the world's only capital connected with a fibre network.

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Our unrivalled infrastructure, accommodating internationally-benchmarked laws and regulations, cutting-edge technological environment, the openness embedded in our culture and the amazing lifestyle that you and your family can enjoy, and above all, our determination to aim higher, continue to make the UAE the location of choice for the most renowned multinational companies, international investors and well-qualified professionals.

*“Being amongst the best nations in the world”* is a promise that was made by our leaders – not only to the citizens of the UAE, but to the investors, businessmen, employees and families who choose to work and live here. After 44 years of hard and diligent work since the creation of the UAE, I stand proud of our achievements. I am also proud and confident of the unique and well-structured value proposition that we today present to the international business community.

It is my hope that this guide encourages you to explore and challenge the wealth of opportunities that await you and your organisation in the UAE. It is to share this ambition and to take part in this success story that I invite you all.

**H.E. Sultan Bin Saeed Al Mansoori, the Minister of Economy**  
United Arab Emirates

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## Welcome from Lesley Batchelor OBE, FIEEx (Grad) - Director General, The Institute of Export

Preparing for any new market needs consideration when thinking about a country like the United Arab Emirates there are many issues both cultural and business linked that you need to think through.

This guide offers you the opportunity to think through your market issues and learn how to enter the market successfully and with as little pain as possible. The Institute of Export's mission is to enhance the export performance of the United Kingdom by setting and maintaining professional standards in international trade management and export practice. This is principally achieved by the provision of education, training and practical support, a helpline and one-to-one assistance with paperwork.

Dedicated to professionalism and recognising the challenging and often complex trading conditions in international markets, the Institute is committed to the belief that real competitive advantage lies in competence and that commercial power, especially negotiating power, is underpinned by a sound basis of knowledge.

Why not contact us and find out how you can join?

**Lesley Batchelor OBE, FIEEx (Grad) -  
Director General - Institute of Export**  
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## Doing Business in the Middle East

The diverse and culture rich countries of the Middle East, particularly those in the Gulf, have been on a journey of growth and transformation. Governments have purposefully tried to shift from an overdependence on hydrocarbons, into more sustainable and better diversified economies.

Companies from around the world have joined them on this journey, establishing operations across the region and tapping into the significant opportunities it offers.

For the last 25 years, Al Tamimi & Company has been right alongside these governments and companies on that journey, helping international law firms and in house counsel to navigate the different and sometimes challenging regulatory environments and cultural nuances of this vibrant region.



UK Export  
Finance

## Foreword from Louis Taylor, Chief Executive of UK Export Finance

I am pleased to welcome readers to this first IOE guide to doing business in the UAE, one of the world's most dynamic and innovative markets.

UK firms – some of them supported by UK Export Finance – have already played a significant role in the diversification of the UAE's economy beyond its core of oil and gas, to become the region's major trade and transport hub. British architects, urban designers and construction firms have worked on many of the UAE's flagship developments, from new business and retail districts to the various eye-catching tourism projects that have captured the world's imagination.

At the heart of it is aviation: one of our most innovative initiatives to date, anywhere in the world, was our recent guarantee of a US\$913 million Sharia compliant sukuk bond issuance used to finance the purchase of Airbus A380 aircraft by Emirates. UKEF has also indicated its willingness to support some of the US\$30 billion investment planned for the Al Maktoum International Airport project, generating further opportunities for UK suppliers.

As well as supporting loans to their buyers in the UAE, we continue to support UK firms and their banks with the trade finance guarantees and export insurance they need to export with confidence. Overall, we are committed to remaining a dependable partner to UK businesses as they help drive the UAE's expansion.

I hope this guide will prove useful to firms of all types and sizes as they look to become part of the next chapter of this exciting story.

**Louis Taylor**

**Chief Executive of UK Export Finance**

[www.gov.uk/government/organisations/uk-export-finance](http://www.gov.uk/government/organisations/uk-export-finance)



**John Iossifidis** is an experienced banking professional having worked in large multinational and regional Financial Institutions (FIs) in the Middle East, Asia and Australia.

As EVP and Group Head, International Banking (IBG) at Mashreqbank, John is a member of the Executive Committee with accountability for developing the Bank's International franchise. He is responsible for the Bank's 11 Operations outside of the UAE and runs the Bank's FI business.

Prior to joining Mashreq, John was Regional Head, Origination & Client Coverage, Wholesale Banking with Standard Chartered Bank (SCB). John joined SCB in 2000, following the acquisition of Grindlays Bank, where he successfully integrated the two banks. In 2002 he moved to Singapore in a strategy development role.

Before joining SCB, John had a 16 year career with ANZ Bank in various corporate banking, strategy development, project management and finance roles. His last role at ANZ was CEO Sri Lanka.

John graduated from Monash University, Australia in 1984 [B.Ec(Acctg)]. Completed a MBA again from Monash University in 1992 and is a Fellow of the Australian Institute of Bankers.

John has recently become Mashreq's Head of Corporate & Investment Banking and a new Head of IBG will be announced in Q4 2015.

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# UAE:



## A Global Hub for Commerce

Before the skyscrapers, mega malls and hotels, foreign trade was the United Arab Emirates (UAE) claim to fame. The UAE appeared in trading routes as early as 30,000BC, motivated by the trade in copper, from the Hajar mountains.

Trade continues to be at the forefront of the UAE's growth. Trade per capita is approx. \$69,000 (£45,000) according to the World Trade Organisation (2011-2013). To put that into context, the same figure for the UK is around \$24,000 (£15,000). The World Economic Forum ranks the UAE as the best place in the Middle East and North African ("MENA") region for trade and number one in the world for transport and communications infrastructure.

The UAE's success as a dynamic hub for global commerce is built on three key factors:

1. Strategic location between East and West;
2. Unmatched first world infrastructure; and
3. Stability and security which have made the UAE a "safe haven" for investors amid the political turbulence gripping the Arab world.

These factors provide optimum trading conditions and mean the UAE is poised to take advantage of economic activity amongst the world's fastest growing and developing economies in the emerging markets in Asia, the Middle East and Africa. As such, thousands of Chinese businesses use Dubai as a hub for Africa.

Indian traders use the emirate to access the world and, of course, Western multinationals and UK corporates use the UAE as a hub for the Middle East and increasingly Africa.

### **Mashreq London:** **Connecting the UAE**

Mashreq is uniquely placed to connect businesses globally. Established in 1967, it is the second oldest bank in the UAE and the Bank's heritage is closely linked with the creation of the modern UAE. It is therefore no surprise that Mashreq has established itself as one of the region's leading commercial banks with a focus on cross border trade finance.

Based in London, one of the world's major Global Financial Centres, Mashreq is ideally positioned to support UK companies through our specialist, experienced and dedicated trade finance team. The London branch acts a window for many of our UK & European clients, not only into the UAE and the Middle East, but also on a world-wide basis.

The branch's time zone alignment is often seen as a great advantage. We follow our clients' trade finance needs across Africa and into the Indian Sub-Continent and South East Asia. This footprint and focus is entirely consistent with the UAE's role being at the centre of Asian, Middle East and African trade.

As well as London, Mashreq is present in 11 other countries with 22 overseas offices. Its other branches are in Qatar, Kuwait, Bahrain, Egypt and the financial hubs of Dubai, New York, Hong Kong and Mumbai.



These are supported by representative offices in Pakistan, Bangladesh and Nepal and a global network of correspondent banks covering 81 countries. So, if ever you need to trade in any of the world's fastest growing economies, Mashreq can be your first point of call.

Mashreq has extensive knowledge of world-wide markets, regulations and authorities arising from deep routed experience across these important trading regions. In London branch too, we have a wealth of trade finance experience that we can share with our clients. We work very closely with UK companies, both large and small, and in a great variety of different industry sectors, in order to support their businesses. We cover clients with exports ranging from oil and fertilisers to tractors and scrap steel. We also work with major commodity companies providing relevant solutions to mitigate their documentary trade risk.

Whilst our Middle East capabilities are traditionally strong, the bank's strengths extend credibly throughout Africa, across the Indian sub-continent and into South East Asia, where we have been doing business in countries there for very many years.

### **Mashreq UAE:** **A Window of Opportunities**

As well as its extensive trade finance capabilities world-wide, Mashreq offers a diverse range of other banking products and services to clients in the UAE from deposit-taking, cash management and lending to contract & project finance and treasury & capital markets services amongst others.

With the development of the UAE's real economy, Mashreq is uniquely placed to link clients who aspire to participate in the phenomenal array of development projects in the region.

The Gulf Co-operation Council (GCC) countries in the Middle East region have grown their economies by being among the world's lowest cost producers of energy. The past decade has seen these countries diversifying away from oil; billions of dollars have been invested in developing world class infrastructure, transport connectivity and logistics, which provides tremendous opportunity for corporates and contractors alike.

In 2014, the UAE was upgraded from Frontier to Emerging Market status on the MSCI index, bringing to the country increased equity investment flows. Also there has been significant increased appetite for Middle East bank paper in the last couple of years as investors look for attractive yields in new and stable credit and economic environments. In this context, and as part of the bank diversifying its funding sources, Mashreq launched its own Certificate of Deposit (CD) programme in November 2014, with CDs offered and issued through its London branch. The programme itself is rated at A-2 / P-2 (Standard & Poor's / Moody's).

Our specialist Treasury & Capital Markets division can provide support across the full range of our Middle East treasury, fixed income, derivatives and equity products. In the asset management arena, the Bank also has one of the longest and most successful investment track records in Middle East equities and fixed income markets with various investment options delivered via discretionary investment mandates and attractive fund formats.

Whilst Mashreq is a conventional lending bank, it also has a well-established Islamic Banking division, Mashreq Al Islami, offering Sharia compliant banking services. This allows the Bank to provide a variety of financing, hedging and investment solutions to its clients.

This is increasingly important for corporates and FIs looking to develop their Middle East business against the backdrop of the rising demand for Islamic solutions.

Mashreq also enables clients to forgo extra infrastructure costs and the deployment of resources by providing them a state-of-art electronic banking platform right in their office. The centralised processing capability, coupled with a robust core banking platform, presents itself in the most user-friendly yet standardised look and feel across our network.

### **Mashreq: Market Recognition**

Mashreq's growing banking credentials in the UAE and the Middle East have been favourably recognised with an increasing number of awards and accolades gained in retail, corporate and investment banking. Many awards received in 2014, included one's from EMEA Finance-Middle East Banking, "Best Loan House in the UAE", "Best Cash Management Services in the Middle East" and, for Global Trade Services, "Best Local Bank". John Iossifidis commented, "these awards are clear evidence that we are delivering on our promise to deliver our clients the most rewarding banking relationships. The most pleasing thing is we are doing this by harnessing the product capabilities we possess in different groups, to seamlessly deliver to our clients wherever they are."

### **Mashreq: We Make Possible**

At Mashreq, our culture is relationship driven. We believe that our success depends on establishing lasting, mutually beneficial partnerships. Mashreq clearly understands its role in the financial eco system where it is a banker to most local banks in the fastest growing emerging geographies; and at the same time being a very important service provider to our clients in the financial value chain connecting domestic businesses globally. Our services underline our philosophy of 'We Make Possible'.

Mashreq would very much like to be your bank of choice in the UAE.



**Rob Dollery** is an experienced Financial Institutions (FI) banker having worked in London for over 25 years with major UK and European banks.

He joined Mashreq in London in September 2013 as UK Country Head to develop the bank's core trade finance and payments business and also grow the bank's broader business and franchise in the UK & Europe.

Prior to Mashreq, Rob was Head of FI at Credit Agricole CIB in London where he was responsible for insurers, asset managers and banks in the UK, Ireland, Holland and South Africa. Previously he was in senior FI coverage at WestLB.

After graduating in 1985 from Loughborough University, with a First Class honours degree in Banking & Finance (B.Sc) and becoming ACIB qualified, Rob started his banking career at Midland / HSBC where he undertook a variety of roles including in retail, mid-market corporates, FIs and group risk management.

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## About International Market Advisor (IMA)

International Market Advisor (IMA) works with British and foreign government departments, Embassies, High Commissions and international Chambers of Commerce throughout the world. Our work helps to identify the most efficient ways for British companies to trade with and invest in opportunity-rich overseas markets.

During the last ten years IMA has worked with the British Government's overseas trade and investment department UK Trade & Investment (UKTI), and has written, designed, produced, launched and distributed over one million copies of more than 100 country-specific print and multi-media based reports, guides and publications, including the internationally-recognised 'Doing Business Guide' series of trade publications. These are composed of market and industry sector-specific, multi-format print and digital trade reports, together with some of the internet's most visited international trade websites - all of which are designed to advise and assist UK companies looking to trade with and invest in overseas markets. These reports and guides are then distributed free-of-charge through the IMA and UKTI global networks - over 500 distribution outlets in total. Further distribution takes place at global exhibitions, roadshows, conferences and trade missions, and IMA receives daily requests for additional copies of the guides from these networks and from businesses considering exporting.

Each of IMA's 'Doing Business Guides' is produced in three formats: a full colour, glossy, paper-based brochure; a supporting fully-interactive and updatable multi-media based website; and the website contents available as a free-of-charge downloadable smartphone/tablet app.

The guides' contents focus on the market in question, how to approach that market and the help and support available, and include informative market overviews, plus details of business opportunities, listings with website links to British and Foreign Government support services and essential private sector service-provider profiles.

Sponsoring a 'Doing Business Guide' therefore offers a unique opportunity to positively promote your products and services to high-profile business leaders, specific exporters, investors and effective business travellers who will be actively seeking out service providers to assist them in developing their business interests in the targeted markets.

For more information on IMA please visit our website:

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## About UK Trade & Investment (UKTI)

UKTI is the British Government department that helps UK-based companies succeed in an increasingly global economy. UKTI also helps overseas companies bring their high quality investment to the UK's economy. UKTI's range of expert services are tailored to the needs of Individual businesses to maximise their international success. UKTI provides companies with knowledge, advice and practical support.

Through a range of unique services, including participation at selected tradeshows, outward trade missions and providing bespoke market intelligence, UKTI can help you crack foreign markets and get to grips quickly with overseas regulations and business practice.

With headquarters in London, UKTI have professional advisers around the UK and staff across more than 100 countries.

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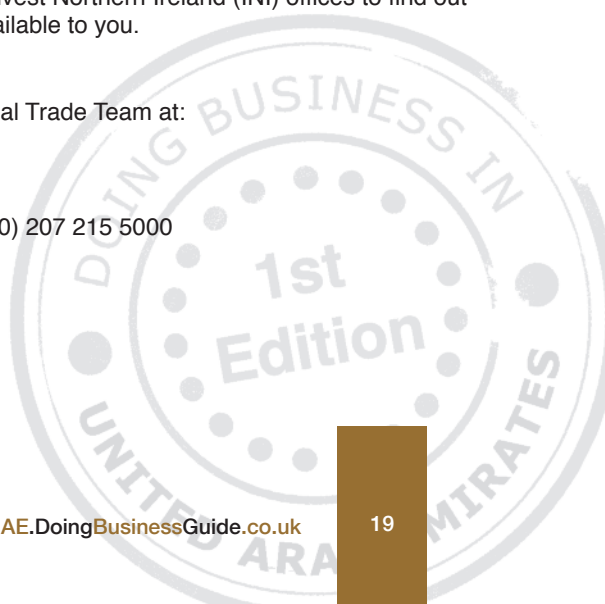
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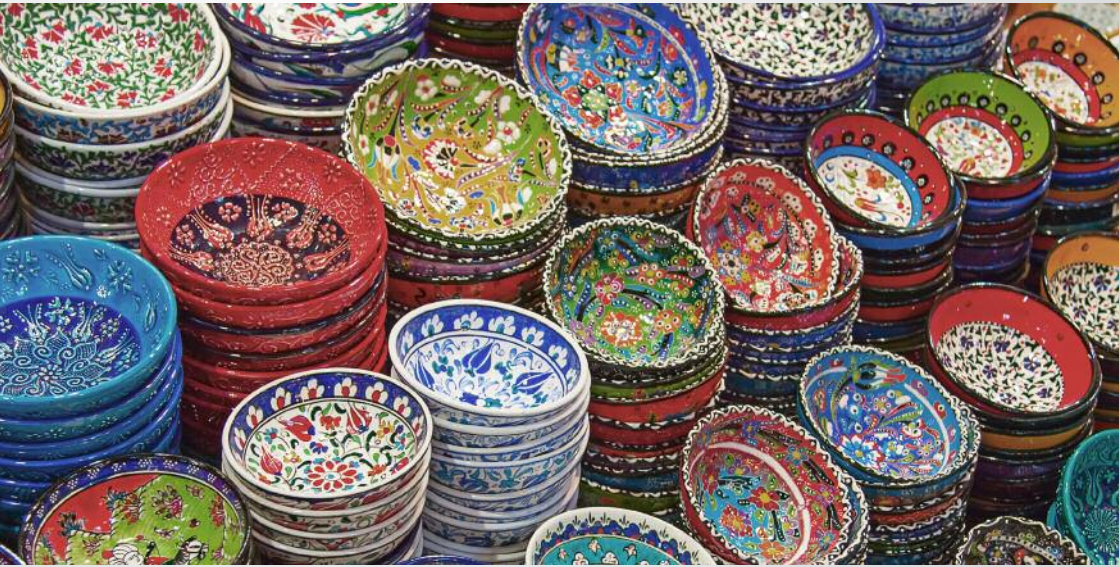
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# Relationships

## that build success

Al Tamimi & Company has been on quite a journey over the last 25 years. Our substantial experience has enabled us to forge long term relationships and offer deeper insight on doing business in the Middle East than any other law firm. It has also meant that we have become the most connected law firm in the region.

Al Tamimi's 330 lawyers come from all over the world, offering international perspective but local application. With the 16 offices spread across 9 countries, we offer our clients more access to more lawyers in more places.

That's quite a journey of our own.

## ABOUT THIS GUIDE

This guide aims to provide a route map of the way ahead, together with signposts to other sources of help.

The main objective of this **Doing Business in the UAE Guide** is to provide you with basic knowledge about the United Arab Emirates; an overview of the economy, business culture, potential opportunities and to identify the main issues associated with initial research, market entry, risk management and cultural and language issues.

We do not pretend to provide all the answers in the guide, but novice exporters in particular will find it a useful starting point. Further assistance is available from the UAE Ministry of Economy. Full contact details are available in this guide.

A special thank you to Al Tamimi & Company for their contribution to the content in the guide.

This guide is available in four formats:

- Website ([www.UAE.DoingBusinessGuide.co.uk](http://www.UAE.DoingBusinessGuide.co.uk))
- a 'free' downloadable 'mobile device-friendly' app
- PDF download (please see the website for more details) and
- this full colour hard-copy brochure

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## UNITED ARAB EMIRATES

The United Arab Emirates was established in 1971 when the rulers of six emirates reached an agreement on forming the nation now known as the UAE. The seventh emirate joined the new federation in 1972.





## Introduction

### Country and people

The United Arab Emirates (UAE) is a country located in the Arabian Gulf, bordered by Saudi Arabia and Oman. Because it is located in the centre of the Gulf countries, Indian Sub-Continent, Commonwealth of Independent States (CIS) and Africa, the UAE enjoys a strategic position that allows it to present unlimited opportunities across a wide range of sectors. In fact, as this guide will indicate, the UAE is now a hotbed of innovation brimming with new ideas. Being a hub for new ideas is a reclamation of a long tradition of Arab thinking and research.

The UAE's surface area is 83,600 km<sup>2</sup>, with diverse geographical terrains ranging from plains to mountains and from deserts to beaches. However, in spite of its limited area, it is this diversified landscape and strategic location which give the UAE a distinguished competitive advantage. The country has a significant coastline on the Gulf of Oman to the east and the Arabian Gulf to the west and northwest. Oil and natural gas are the primary natural resources in the UAE, and petroleum production is the most important industry.

The UAE is also located next to the southern lines of the Strait of Hormuz, an essential passage for more than 40% of the world's crude oil. It is for these same reasons that the UAE's ports and airports today are ranked among the top choices for major carriers when planning their routes from the east to the west.

### Population

The population of the UAE is growing at a rapid rate, estimated at 8.3 million at midyear 2010, as strong economic growth is attracting workers from all over the world. The UAE hosts expatriates from over 150 countries, which make up approximately 80% of the overall population. These are predominantly nationals of South and Southeast Asia (60%), as well as other Arab nationalities such as Palestinians, Egyptians, Jordanians, Yemenis and Omanis, as well as many Iranians, Filipinos and Westerners.

The UAE's population is predominantly young, with approximately 75% between the ages of 15 and 64, and roughly 20% under 14. The majority of the population lives in urban areas and in the two largest emirates, Abu Dhabi and Dubai. The population of males living in the UAE is significantly higher compared to females. Whilst the majority of the UAE's citizens are Muslims, non-Muslims living in the UAE practice many different faiths without interference from the government.

### History and government

The United Arab Emirates was established in 1971 when the rulers of six emirates reached an agreement on forming the nation now known as the UAE. The seventh emirate joined the new federation in 1972. The UAE has a federal political system, where the constitution effectively brings together the seven emirates and lays the foundations for the UAE Federal Government.



Each individual emirate retains its judicial and political power. However, the federal government maintains exclusive jurisdiction in a number of areas, including foreign affairs, defence, health and education, while the individual emirates retain exclusive jurisdiction in other matters including those relating to municipal work and natural resources.

The former ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum, became the first Vice President of the UAE, a post he continued to hold until his death in 1990. Sheikh Zayed Bin Sultan Al Nahyan, the ruler of Abu Dhabi at the time, was elected as the first president of the UAE, a post that he fulfilled with great achievement until his death in 2004. Both were succeeded by their Crown Princes, who became rulers of their emirates and were elected by members of the Federal Supreme Council to become President. In Abu Dhabi, H.H Sheikh Khalifa bin Zayed Al Nahyan became President. Sheikh Rashid's successor as Vice President, Sheikh Maktoum, died in early 2006, and was succeeded as ruler by his brother, the Crown Prince Sheikh Mohammed bin Rashid, who was then elected as the UAE's third Vice-President.

### Political overview

The President of the UAE is the Ruler of Abu Dhabi, Sheikh Khalifa bin Zayed Al Nahyan. He has the full backing of the ruling families in the other six emirates. The Vice President and Prime Minister is the Ruler of Dubai, Sheikh Mohammed bin Rashid Al-Maktoum. His priority is Dubai's business development but he still takes a keen interest in regional politics. Both President and Vice President have appointed Crown Princes to ensure a smooth line of succession.

The Federation is governed by the Supreme Council, comprised of the rulers of the seven emirates. The Council is advised by the 40-strong Federal National

Council (FNC), with 20 members elected by the citizens through the general election and 20 by the 6,689 handpicked members of the Electoral College and rulers of each emirate.

UAE foreign policy remains a balance between the maintenance of its strategic alliances with the west and the imperative of maintaining friendly relations with Iran, with whom the UAE enjoys strong historical trade relations.

### UAE's federal structure

**Federal Supreme Council:** The Federal Supreme Council is a federation of the seven emirates. The Supreme Council ratifies federal laws and decrees, plans general policy and elects the President (who acts as head of state) and Vice President from among its members. During the initial discussions on forming a federation, the rulers of the seven emirates agreed that each of them would be a member of the Supreme Council, the top policy-making body in the new state, and that they would elect a President and a Vice President from amongst their number, to serve for a five-year renewable term.

**Federal National Council:** The Federal National Council (FNC) is the parliamentary body responsible for reviewing federal legislation and federal budget among other responsibilities. It has 40 members drawn from each emirate, based on its population. The FNC plays an important role in consolidation of the principles of Shura (consultation) in the country, which was enhanced by the introduction of indirect elections for half the FNC members.

## Doing Business in the United Arab Emirates

**Federal Judiciary:** The Federal Judiciary, whose total independence is guaranteed under the constitution, comprises the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council of Rulers. The judges decide on the constitutionality of federal laws and arbitrate on inter-emirate disputes and disputes between Federal Government and the emirates. Parallel to and interlocking with federal institutions, each emirate has its own ruler and manages its own internal affairs including infrastructure development, civil defence and schooling. Defence, telecommunication and tertiary education are managed at the federal level by the UAE Government.

### The UAE today

Since its establishment, the UAE has transformed from a collection of small coastal and desert settlements dependent on meagre trade, pearling and subsistence farming into a nation characterised by its rapid economic growth, modern infrastructure and high standards of living. The property, harmony and modern development that characterise the UAE is often attributed to the discovery of oil in the 1960s and the role played by H.H. Sheikh Zayed prior to the formation of the federation and in the 33 years that followed until his death.

### The seven emirates

The UAE is a federation of the following seven emirates, which came together as one state in 1971:

- Abu Dhabi
- Dubai
- Sharjah
- Ajman
- Fujairah
- Umm Al-Quwain
- Ras Al-Khaimah

#### Abu Dhabi

Abu Dhabi, the federal capital of the UAE, is the wealthiest and the largest emirate, and the principle petroleum producer and financier of the federation, with approximately 10% of the world's proven oil reserves (98.2 billion barrels) and 5% of world's natural gas (5.8 trillion m<sup>3</sup>).

*Source: IEA's Oil Market Report*

The emirate also has an impressive investment portfolio financed from oil income, and has traditionally been the cornerstone of the economy. Abu Dhabi is diversifying its activities with the development of new industrial cities, real estate developments and other major projects including ports, airport expansion and new hotels.

It has been selected to house the secretariat of the International Renewable Energy Agency (IRENA), the first time an international organisation has chosen a Middle Eastern city for its headquarters.

## Dubai

Dubai, the second-largest emirate, is a modern cosmopolitan city and a centre for trade in the UAE. It derives its wealth primarily from a service-based economy. Today Dubai is most famous for its man-made off-shore developments, such as the Burj Al Arab and Atlantis Hotels. In addition, Dubai is home to Burj Khalifa, the tallest building in the world.

Dubai's economy developed at a huge rate since 2000 and has established itself as the region's exhibition, financial, trade and tourism hub. It has a significant infrastructure base and is very accessible, with over 170 shipping lines and, as of early 2015, over 8,000 weekly flights operated by 140 airlines from over 270 destinations.

The northern emirates of Sharjah, Fujairah, Ajman, Umm Al-Quwain and Ras Al-Khaimah each have their own commercial profile and economic priorities. Each emirate has a port, most of which are running at near capacity and have expansion programmes to cope with increasing demand. Major industries for the smaller emirates include agriculture, tourism and manufacturing ventures.

## Sharjah

Sharjah is the third-largest of the emirates and home to two-thirds of the UAE's manufacturing base. It has a fast-growing international airport, two free zones and two active ports. The Emirate is more conservative than Dubai; alcohol is illegal and Sharjah's decency law requires that people dress more conservatively than in Dubai.

Sharjah's impressive architectural buildings, libraries, museums and distinctive Islamic souqs are world-renowned. UNESCO named Sharjah as the cultural capital of the Arab world in 1998 in recognition of its commitment to art, culture and preserving the local heritage.

## Ajman

Despite being the smallest of the seven emirates, Ajman has experienced rapid growth in the construction sector, spurred by the offer of 100% freehold ownership of real estate for non-Emiratis.

Ajman is situated to the Northwest of Sharjah and is home to a variety of factories producing goods including food-stuffs, beverages, tobacco, textiles, leather goods, paper products and ready-made garments. Ajman also has a thriving boat building industry, manufacturing boats ranging from traditional wooden dhows to more sophisticated luxury yachts.

## Fujairah

The fifth-largest emirate in the UAE, Fujairah is the only emirate that is almost totally mountainous. The free zones have flourished, partly due to the relaxation of ownership laws within the zones, allowing full foreign ownership.

Situated on the Gulf of Oman, Fujairah's port was deepened and extended in 1985 in order to attract new shipping lines and new business. The port gives access to the UAE without the need to enter the Gulf through the Strait of Hormuz and is among the top three bunkering ports in the world. A number of ongoing projects include power generation, water desalination and hotel construction.

## Umm Al-Quwain

Umm Al-Quwain, the least populated of the seven emirates, is famous for its multi-million Dirham Dreamland Aqua Park, beach resorts and a more restful and relaxed lifestyle which attracts thousands of visitors. It has a variety of industrial developments with a cement factory, manufacturing units producing pipes and corrugated sheets. Agriculture is an important part of the local economy too, and a number of different crops are grown. The emirate is also home to a large poultry farm.

### Ras Al-Khaimah (RAK)

RAK, the fourth-largest and most northern of the emirates, is north-east of Umm Al-Quwain and is the main farming area of the northern emirates. Mining is also one of the foremost activities; there are two quarries and four cement plants. There are also factories producing tiles and ceramics, glass tableware and pharmaceuticals. Some oil exploration is underway. With a deepwater port situated near the Strait of Hormuz, RAK is in a strategic location.

Education and healthcare are the key development initiatives of the RAK Government. Having the perfect combination of sun, sea, sand and mountains, RAK is rapidly reinventing itself as the Middle East's best tourist hub.

The emirate has established a free zone and is also developing a US\$1 billion resort and hi-tech port, Jazirat al Hamrah, combining luxury waterfront residential and resort apartments with a technology park. There is also considerable agricultural potential with 15% of land under cultivation. Several large companies are also involved in dairy products, livestock and poultry production.



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**UNITED ARAB EMIRATES**

The UAE promotes a liberal business environment and has a high standard of living that continues to attract expatriates from around the world.



## Economic overview

### Background

The UAE promotes a liberal business environment and has a high standard of living that continues to attract expatriates from around the world. The UAE is diversifying its economy away from a reliance on oil and gas. The global economic downturn will reduce growth in the UAE from its historic recent highs of over 10%. The sectors most likely to be affected are construction, real estate and financial services.

In order to stimulate the economy and keep strategically important infrastructure projects on track, the UAE has been announcing major increases in public spending in the last few years.

For more information and up-to-date statistics, please see the UAE National Bureau of Statistics:  
[www.uaestatistics.gov.ae/EnglishHome/tabid/96/Default.aspx](http://www.uaestatistics.gov.ae/EnglishHome/tabid/96/Default.aspx)

The long-term economic outlook for the UAE is positive. Abu Dhabi's oil and gas-driven wealth underpins economic development throughout the UAE, with approximately 94% of the UAE's proven oil reserves, of around 100 years. The UAE also owns some of the world's biggest investment funds, including the biggest, ADIA, founded for the purpose of managing the Emirate's excess oil reserves, estimated to be between US\$500 and US\$900 billion.

*Source: US Energy Information Administration, Oil & Gas Journal*

### WEF ranking

The Global Competitiveness Report of the World Economic Forum's (WEF) Global Competitive Index assesses each country's competitiveness based on twelve qualitative and quantitative factors such as infrastructure, macroeconomic environment, education, market efficiency and innovation.

The latest report (Sept. 2014) has placed the UAE 12<sup>th</sup> in the world, seven places higher than last year, between Norway and Denmark and only three behind the UK – indeed the UAE is ranked higher than 22 EU members. It is also the highest-rated economy in the Arab world. By way of comparison, Switzerland is now ranked 1<sup>st</sup>, Singapore 2<sup>nd</sup>, the United States 3<sup>rd</sup>, and the UK 9<sup>th</sup>.

UAE leaders have set themselves the target to enter the top ten in the world. The WEF assessment of the UAE points to the need for further progress on healthcare, primary education, R&D and innovation, but the UAE's current strong economic growth owes much to the government's (particularly Dubai's) focus on competitiveness.

The UAE was judged first in the world for the quality of its roads, low inflation and the absence of organised crime. Furthermore, it received favourable scores e.g. for the stable macroeconomic environment, its overall infrastructure, the effectiveness of government institutions, and the ease of access to finance and its tax. Also, the UAE has seen continuous economic growth amidst global economic turbulence.





Various sectors benefitted from the overall favourable economic conditions, for example, construction is expected to continue its upward trajectory with more stalled projects being approved throughout the coming years.

For more information and up-to-date statistics, please see the UAE National Bureau of Statistics (Department of Economic Statistics – National Accounts Division): [www.uaestatistics.gov.ae/EnglishHome/tabid/96/Default.aspx](http://www.uaestatistics.gov.ae/EnglishHome/tabid/96/Default.aspx)

The UAE aims for top ten rankings in various indices. The benefits of this approach are demonstrated by the UAE's success in attracting business and investment, and their relative success in diversification.

*Source: UAE National Bureau of Statistics (Department of Economic Statistics – National Accounts Division), June 2015*

Together, Abu Dhabi and Dubai contribute the vast majority of the country's GDP (approx. 60% and 30% respectively), but Dubai is primarily responsible for the strong growth in the majority of non-oil sectors.

*Source: FCO Research and analysis: "UAE Competitiveness", Sept 2014*

## Trade

The volume of the country's foreign trade reflects the rank of the UAE on the global economic and trade map, as it continues to operate as a vital trade hub in the region and the world. In fact, the State has played an important role in achieving economic growth through improving the efficiency of the customs sector in accordance with the modern concept of implementing a free economic mechanism. It has also encouraged a growing role and increased authority for the various customs departments in the national economy system, which through many innovative initiatives has upgraded the competitiveness and efficiency of the economy among the countries in the region.

The UAE showed a 0.65% growth in total foreign trade between 2013 and 2014, re-exports grew by 4.97% from 2013 to 2014. This revealed the UAE's significant role in the world re-export trade, whether in the direct non-oil or free-zone trade. Companies and factories established in the UAE are playing a critical role in facilitating trade, especially in Asia and the Middle East region, the Arab Gulf, Europe and Africa.

*Source: UAE National Bureau of Statistics, June 2015*



## Inflation

In 2008, inflation stood at 12.3%, as substantial revenues from higher oil prices fuelled economic growth, creating shortages of property and services. At the same time, the weaker dollar and higher global food prices made imports more expensive. Inflation had increased to 2.33% by 2014. With housing costs making up nearly 40% of the consumer price index, lower house prices and food costs have contributed to deflationary pressures in the economy since 2008. The projected inflation rate for 2017 is 1.48%.

The overall Consumer Price Index (CPI) reached 126.03 in July 2015, an increase of 0.29% compared to its value at the end of June 2015, and an increase of 4.43% compared to its value at the end of July 2014). It is projected to be 124.58 in 2017 (base year 2007=100).

*Source: UAE National Bureau of Statistics, June 2015*

## Industry and diversification

Ever since the foundation of the UAE in 1971, the UAE's economic strategy has been consistent in terms of maximising benefits from its oil and gas resources and looking ahead to the day when non-renewable resources will no longer be available. Much of the oil revenues are reinvested by the government to finance infrastructure for the non-oil economy.

In the medium term, the UAE economy continues to rely on its huge oil and gas reserves to underpin economic development. Meanwhile, the government emphasises moving away from dependence on oil by way of diversifying its economy as a regional financial, services and tourism centre. Extensive efforts are being made by Abu Dhabi and Dubai in particular to diversify their economies and deliver long-term development and employment opportunities.

Abu Dhabi has made significant Investments Into the establishment of aerospace, defence, information technology (micro-processing), photochemical and clean tech industries – the latter for example represented by the multi-million dollar initiative to establish 'Masdar Future City', a carbon-free city outside Abu Dhabi.

Dubai Emirate has also diversified into tourism, ICIL re-export and financial sectors. Taking advantage of its position near the head of the gulf, it has consolidated its historical reputation as a regional entry-point. Dubai has developed prestigious hotels, massive port facilities and a range of free trade zones to attract both manufacturing and services industries.

Ras al-Khaimah Investment Authority (RAKIA) launched an innovative theme industry zone creating clusters of manufacturing facilities covering sectors including plastic and rubber, minerals, metals, electrical equipment, transportation and logistics, chemicals and food, and around 7,000 companies have since set up premises in the business zones.

The business hub, made up of two sites – the 7 million m<sup>2</sup> Al Hamra site and the 23 million m<sup>2</sup> Al Ghail Industrial Park – has undergone more than 1 billion AED of infrastructure development, offering purpose-built premises, financial incentives and strong transport links to Saqr Port, RAK airport and Etihad railway.

Fujairah has created a virtual free zone in the emirate, the first in the UAE, and designed to assist small companies and individuals in knowledge-based industries such as media, marketing, advertising and consulting to open a new business from a home or office in the UAE within ten days.

While Abu Dhabi's oil and gas reserves are projected to last for another 100 years, the UAE is therefore relatively well insulated from periods of low oil prices due to the success of its movement towards a diversified economy.

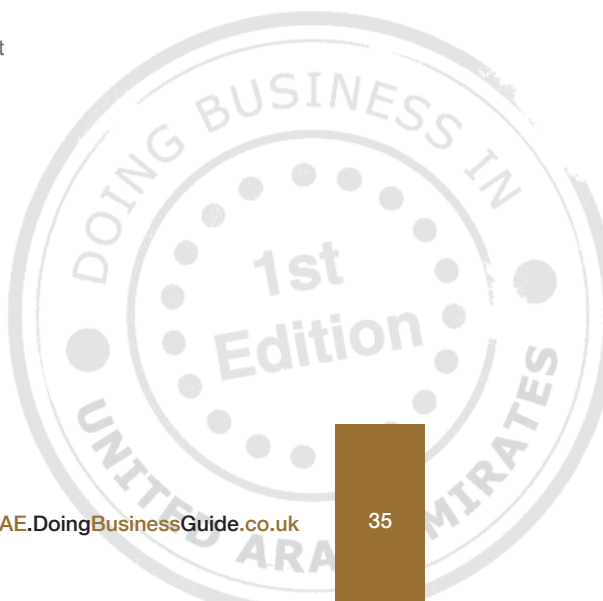
### **Direct investment policy**

During the past few years, the UAE government and the Ministry of the Economy have strengthened the legal framework supporting the UAE's economic activities, to make it more competitive in the global marketplace. The government has also been undertaking efforts to establish a clear-cut investment policy which would contribute to the growth and increased competitiveness of various sectors within the country.

Plans for Law of Foreign Direct Investment that allows 100% foreign ownership of companies outside the free zones are at an advanced stage. The law is intended to help the country to attract fresh foreign investment, innovation and technology transfer in sectors selected and identified by government as strategically important. The law incorporates certain criteria and conditions to encourage new technology and environmentally friendly projects.

The UAE has performed well at a domestic, regional and international level, and is recognised by the World Trade Organisation (WTO) as one of the top 20 trading nations in the world, maintaining its position as the Middle East's most vibrant economy. Furthermore, the UAE has steadily improved its Trade Index ranking. The Enabling Trade Index, last published in 2014 by the WTO, confirmed the UAE's position as a global trade hub and one of the world's preferred re-export destinations, leading the entire Arab and MENA region at 16<sup>th</sup> position worldwide, and ranking well in almost all commercial and infrastructure-related variables.

At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four critical areas: market access, border administration, transport and communications infrastructure, and regulatory and business environment. As a widely-used reference, the report helps economies integrate global value chains and companies into their investment decisions. See: [www.weforum.org/reports/global-enabling-trade-report-2014](http://www.weforum.org/reports/global-enabling-trade-report-2014)



# Conventional Financing



## maze

1. a. An intricate, usually confusing network of interconnecting pathways, designed as a puzzle through which one has to find a way.  
b. A physical situation in which it is easy to get lost: a maze of bureaucratic divisions.



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## Doing Business in the United Arab Emirates

### Leading sectors attracting FDI

Leading sectors attracting FDI include oil and gas field machinery and services, power and water, computers, medical equipment, telecommunications and franchising.

The renewable energy sector is another huge incentive for investments, especially with sustainable and renewable energy gaining prominence globally. The UAE plays a strategic role in this regard with Abu Dhabi hosting the headquarters of IRENA. The UAE is keen to enhance its cooperation in renewable energy initiatives and the government plans to source 7% of the country's power use from renewable energy sources.

The SME sector in the UAE is an emerging sector with lots of open opportunities. The first SME forum was held as a strategic launch, marking the commitment of the government to make this vital sector a major contributor to the national economy.

### Islamic banking

Islamic finance and banking was estimated to be worth around US\$1 trillion dollars in 2014. Islamic banking, which is inherently resistant to risk, has withstood the global financial crisis with limited repercussions. One of the lessons of the crisis is the need to adopt strong corporate governance measures and the highest standards of transparency. These are the basic ethos of Islamic banking.

The UAE was the first country in the world to establish a fully-fledged Islamic bank, in 1972, and by 2014 the UAE had eight Islamic banks, which contribute significantly to the financial sector. UAE Islamic banks account for around one-fifth of all banking assets in the country and approximately 30% of the global Islamic banking industry.

Andrea Leadsom MP, The UK's Economic Secretary to the Treasury, visited Dubai in October 2014 to attend the 10th World Islamic Economic Forum, where she spoke about the popular inaugural UK Sovereign Sukuk issued earlier in 2014, the first by a western country. She highlighted a suite of developments including the creation of an Islamic Index on the London Stock Exchange, the creation of the first Islamic Underwriting Agency, the UK Export Finance's ambition to enter the Sukuk Market – potentially with an Airbus customer, and the commencement of feasibility work in 2015 on a Shari'ah-compliant deposit facility at the Bank of England, to improve the access to liquidity for Islamic banks.

### Taxation regime

The taxation regime in the UAE is favourable to the investor, particularly in light of the relative scarcity of personal and corporate taxes. The UAE is the only country where no taxation is applicable, except to branches of foreign banks, hotels and major oil and gas companies. Furthermore, the UAE has entered into numerous double taxation treaties. These agreements avoid instances of tax being levied against a person in connection with the same matter in the two different countries.

Foreign companies with a presence in the UAE can gain considerable competitive advantage and benefits compared with competitors abroad by reason of this tax regime in the UAE and other investment incentives offered in the UAE to foreign investors.

## Innovation

For some time, new and wide-ranging innovative initiatives have been gaining attention at the government level in the UAE. Renewed socioeconomic and political changes have triggered increased interest in government systems and practices, as well as in ways to make them work better. Increased demands of citizens and challenging requirements for integrating and succeeding in the new global economic and political environment have put mounting pressure on governments worldwide to rethink policies and streamline operations.

As an indication of the importance they place on this issue, the leadership of the UAE launched the UAE National Innovation Strategy at the end of 2014, aiming to make the UAE the most innovative nation in the world by 2021. The federal cabinet declared 2015 the year of innovation in the UAE, and has now followed this by an announcement (early 2015) of the creation of a new post – a Chief Executive Officer of Innovation – for every government department.

The National Innovation Strategy focuses on bringing innovation into seven sectors, namely renewable energy, transport, health, education, technology, water and space, and carried out in phases, with the first stage consisting of 30 national initiatives to be completed by 2017. The initiatives cover new legislation, innovation incubators, investment in specialised skills, international research partnerships, private-sector incentives and an innovation drive within government.

The UAE is also launching seven new educational initiatives in schools and universities with the aim of promoting innovation, and has signed an agreement with Cambridge to train 60 Innovation CEOs. The initiatives include the launch of robot labs, developing a curriculum that promotes innovation, making innovation part of every school's evaluation, starting an annual National Innovation exhibition, creating innovation incubators in schools, discovering future innovators from the age of five to seven, and establishing extensive summer training camps for innovative young people. These are all intended to make research, analysis and innovation at the core of an effective learning process.

*"The UAE is already the most innovative Arab nation. Our target is to be among the most innovative nations in the world. The competitiveness race demands a constant flow of new ideas, as well as innovative leadership using different methods and tools to direct the change,"* said Sheikh Mohammed bin Rashid, Vice President and Ruler of Dubai.

## Trade between the UK and UAE

The UAE is one of the UK Government's designated High-Growth Markets, and in 2014 was the UK's 12<sup>th</sup> largest export market for goods globally (up from 15<sup>th</sup>) in 2011). It is also the UK's largest export market in the Middle East and North Africa. Around 40% of those exports are re-exported around the region, a testament to the UAE's importance as a regional import and export hub. The background to these impressive figures is the UK's strong historical links with the UAE.

## Doing Business in the United Arab Emirates

In terms of investment value, in 2014 the value of imports from the UK amounted to AED 24.6 billion (3.53% of the UAE total), compared with AED 81.3 billion from China (11.68%) and AED 17.7 billion from France (2.54%). The UK was the UAE's 6<sup>th</sup> largest importer, behind China, USA, India, Germany and Japan.

*Source: UAE National Bureau of Statistics, June 2015*

### Strengths of the UAE market

- Dubai is regarded as a regional hub
- No taxation on personal income and capital gains
- English is widely spoken and accepted as the business language
- Main entry route to other Gulf Cooperation Council (GCC) and Middle Eastern and North African (MENA) countries
- The UAE is the UK's largest export market in the region
- Majority of the UAE population are expatriates

More than 250,000 British nationals are estimated to be living, working and studying in the UAE, and they are helping to drive prosperity and development, establishing a particularly strong presence for British businesses.

### Bilateral Trade

British goods cover a wide spectrum of sectors such as telecommunications, power generating machinery and equipment, electrical goods, transport, office machinery, interior and retail goods and non-metallic mineral manufacture. A significant proportion of imports are re-exported to Saudi Arabia and Iran.

Figures released by the UK's Office for National Statistics at the end of 2014 showed that bilateral trade between the UAE and UK had reached £12.36 billion (AED 72 billion) in 2013. This means that the £12 billion (AED 70 billion) target for 2015, which the two governments set in 2009, had been met and surpassed two years ahead of the deadline. When the target was set in late 2009, bilateral trade stood at £7.5 billion a year, so great strides have been made in a very short time.

The increase has been achieved across a wide range of sectors including energy, financial and professional services, education, healthcare and infrastructure, as well as defence and aerospace.

The UAE-UK Business Council, which was created in 2011, took the lead in working towards this target. The Business Council's mission is to increase bilateral trade and investment, and to help and encourage UK companies do business in the UAE and vice versa, as well as identifying opportunities for UK/UAE cooperation in third markets.

*Source: UK Office for National Statistics "pink book" October 2014*



Commenting after the release of the figures, His Excellency Ambassador Abdulrahman Ghanem Almutaiwee CVO, the UAE's Ambassador to the UK said: *"The UAE UK bilateral relationship has gone from strength to strength in the past years, this is only a building block to our longstanding relationship dated from the 1950s. Thanks to our ministers and the co-chairmen of the UAE-UK business council, their hard work and efforts have assisted all parties in reaching our target of £12 billion before 2015. This success should motivate businesses in the UAE and the UK to take advantage in exploring potential business opportunities and partnerships in the future."*

Mr Philip Parham, Her Majesty's Ambassador to the UAE commented: *"I am delighted that we have already achieved our ambitious target of increasing bilateral UK-UAE trade to £12 billion a year – two years ahead of schedule. This demonstrates the depth and breadth of the UK's relationship with the UAE, which became the tenth biggest export market for British goods in 2013. Emirati exports to the UK have also grown significantly."*

*But we should strive to boost trade and investment between the UK and UAE even further. The British Government will work hard with the UAE Government and the members of the UK-UAE Business Council to achieve that.*

*The UK provides one of the most business-friendly environments in the world, which has been attracting major UAE investments. Hundreds of British companies have established operations in the UAE, and we look forward to helping many more do business and set up in market through the recently launched British Centre for Business in Dubai with Abu Dhabi to follow next year. These investment ties create wealth for both countries, and in turn stimulate increasing levels of trade. We will continue to do all we can to encourage them."*

Mr Samir Brikho, co-chair of the UAE-UK Business Council said:

*"I am delighted that we have hit our 2015 trade and investment target in 2013. We must now recalibrate and set ourselves further challenging goals for 2015 and beyond. The UAE-UK Business Council is proving to be a really dynamic engine for growth between our two countries."*

Source: FCO, 13 November 2014

The seventh UAE-UK Business Council took place in Dubai on 20<sup>th</sup> October 2014 bringing together business leaders from the UK and UAE to further drive commercial ties between the two countries.

## Opportunities in the UAE

The UAE offers significant innovative business opportunities for UK companies, with the following priority sectors identified as particularly lucrative by the UAE Federal Government:

- Energy
- Travel and tourism
- Financial services
- Professional services
- Transport and logistic services
- Construction
- Education and healthcare

Looking at this in connection with economic data and fiscal stimulus initiatives, it would seem that the main opportunities are likely to be in oil & gas, energy, construction, mass transport, security, health and education, although given the immense number of innovative projects now coming to the fore, there is great potential for UK businesses in most areas of the economy.



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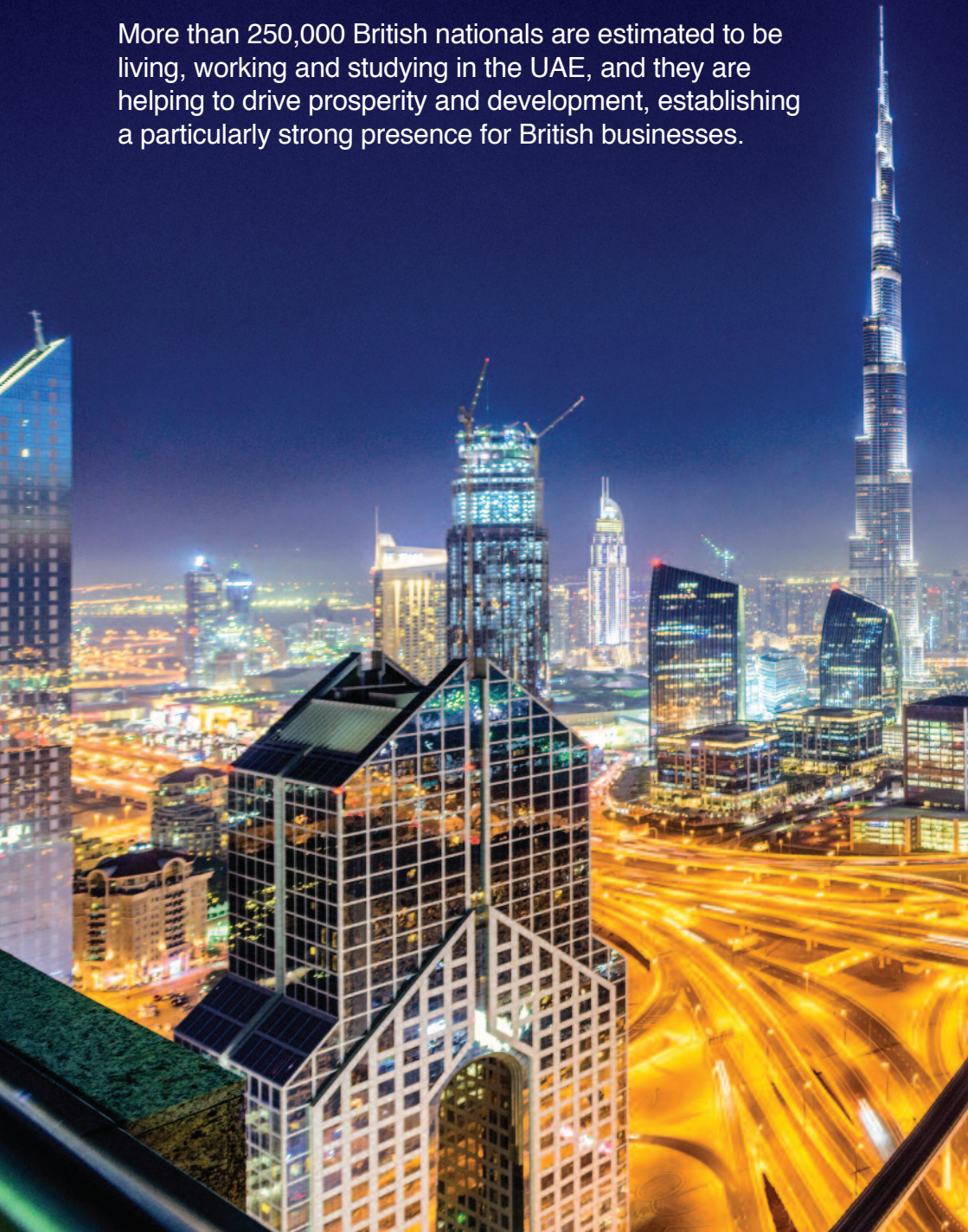
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## UNITED ARAB EMIRATES

More than 250,000 British nationals are estimated to be living, working and studying in the UAE, and they are helping to drive prosperity and development, establishing a particularly strong presence for British businesses.





## UAE Sectors

### Creative industries sector

The creative industries sector comprises several sub-sectors offering a variety of opportunities in the UAE for British businesses as follows:

#### Retail and fashion

The UAE continues to be the first stop for any brand looking for a foothold in the Middle East market. Studies reveal that the UAE is now on a par with London as the top retail destination in the world, with 56% of the top brands maintaining a presence. UK retail and designer brands are well established here.

#### Interiors and design

The UAE remains one of the largest markets for interiors in the region. The sector is set to grow in the coming years, not only due to new projects in the region but also because of refurbishment and renovation. Increased spending will likely include key products such as walling, doors, cladding, canopy and skylights, signage, lighting and furniture.

#### Advertising and digital media

The UAE is 2<sup>nd</sup> only to Egypt with a share of the MENA regional advertising spend. Dubai Media City is home to broadcast and publishing players, while the Dubai International Media Production Zone (IMPZ) is a free-zone media production cluster that targets graphic arts, packaging and publishing companies. See: [www.impz-dubai.com](http://www.impz-dubai.com)

Digital marketing in the MENA region is showing encouraging signs. According to the Telecommunications Regulatory

Authority (TRA), the federal communication regulator in the UAE, the number of mobiles in circulation in the UAE in 2013 was around 16 million, with over a million broadband internet subscribers.

By early 2015, UAE mobile phone penetration was 72.7% of the population (up from 71.4% in 2014), with 4.2 million registered users (4.0 million in 2014). The UAE is first in the MENA region for smart-phone user penetration too, at 64.6%, ahead of 2<sup>nd</sup> place Saudi Arabia (54.2%).

Recent studies also show that companies in the Middle East are increasing their marketing budget on digital platforms. However, traditional mediums of advertising remain popular.

#### Television and film

A few broadcasters and platforms dominate the broadcast scene with numerous free-to-air and Pay TV channels. There is an increasing desire to localise content and for content that is accessible through multiple platforms. Abu Dhabi and Dubai each host an annual film festival, both of which showcase a range of Arab and international productions. Free zones such as Twofour54 in Abu Dhabi and Dubai Studio City are home to many production and film companies.

#### Publishing and printing

The UAE hosts two annual book fairs. The Sharjah Book Fair has been running for 33 years and the Abu Dhabi Book Fair, although a more recent show, is quickly gaining popularity. Distribution channels are varied and range from independent retail stores to those that operate on a franchise model, as well as specialist distributors.



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### Computer games

Video game development and game localisation aimed at the Middle Eastern market remains a tremendous opportunity. English is widely spoken but language localisation, relevant content and cultural sensitivity are important considerations in this region.

### Visual arts

Dubai is home to numerous art galleries, some of which cater to seasoned art collectors and others target one-off customers. Art Dubai held annually is a major international art fair in the region.

### Opportunities

For the very latest business opportunities for UK companies in the creative industries sector, contact:

- UK Trade & Investment:  
[www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency:  
[www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai (email):  
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- UAE Ministry of Economy:  
[www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Education and skills sector

### Background

Education is high on the agenda for the UAE Government. The UAE hosts the largest number of cultural and higher education institutions in the entire Arab world and is the most popular destination for students. Around a quarter of the UAE federal budget is earmarked for education each year by the UAE Cabinet.

Although the UAE has achieved much in the field of education, there is a real awareness that constant updating of policy and continual investment in infrastructure is required to ensure that graduates are properly equipped to enter the workforce and assist in the country's development. The Ministry of Education has produced a policy document outlining a strategy for further educational development in the UAE up to the year 2020, based on several five-year plans, to promote and recognise further education in the UAE. For further information, please visit: [www.education.gov.ae](http://www.education.gov.ae)

The Dubai Healthcare City Authority (DHCA) has been created to develop innovative, top-tier medical colleges and universities, nursing schools and a wide range of research, diagnostic, rehabilitation, nutrition and physiotherapy centres.

The increased demand within the education and skills sector offers vast opportunities for UK companies as follows:

- Reputable British curriculum schools to set up branch campuses as the number of children seeking places in these schools outstrips supply, especially at the secondary level
- Improving staff competencies, integration of technology in education, leadership skills for pupils, training programmes for nationals, building schools for the future, developing and implementing an IT support plan and latest innovations in education such as virtual environments
- Design technology and ICT resources in schools
- Music and PE/sports education is becoming an integral part of most schools curricula
- HSE professionals and related courses with specialisations in different areas
- Teacher training opportunities exist as teachers are required to undergo structured training programmes in order to be eligible for promotion
- Brand name universities, school management firms and assessment bodies
- Vocational and occupational education in key industries such as aviation, hospitality, fashion, nursing, teaching, creative arts, logistics and public service
- Good quality tailored executive education programmes and training courses that are linked to specific industries and can demonstrate value in the present economic scenario

### Education system

The UAE offers free education to all male and female citizens from kindergarten to university. There is also an extensive private education sector, while several thousand students of both sexes pursue courses of higher education abroad at government expense. Education at primary and secondary level is universal and compulsory up to ninth grade. This takes place in a four-tier process over 14 years, from the ages of 4 to 18. Many private international schools in the UAE are accredited by international bodies and in 2014 there were 31 International Baccalaureate schools operating in the country, and all have obtained approval from the International Baccalaureate Organisation in Geneva to run their programmes.

### Higher education

The UAE has established an excellent and diversified system of higher education. Citizens can attend government institutions free of charge and a wide range of private institutions, many with international accreditation, supplement the public sector. The country now has one of the highest application participation rates in the world.

Furthermore, the Higher Colleges of Technology (HCT) system offers technically- oriented education. Aside from the HCT, several other institutions provide vocational and technical education in the UAE. Among them are the Etihad training centre, the Emirates Aviation College for Aerospace and Academic Studies, the Emirates Institute for Banking and Finance, and Etisalat's colleges and university. In addition, a number of foreign universities, from the Paris Sorbonne to Michigan State University, have opened campuses in the UAE, offering a wider variety of choice to local students.

## Doing Business in the United Arab Emirates

Foreign universities must obtain accreditation to operate in the UAE from the Ministry of Higher Education and Scientific Research unless they are located in free zones. Until 2009, universities could open in Dubai's free zones without such accreditation, but the KHDA, which regulates education in Dubai, now requires that universities in free zones be accredited by its own University Quality Assurance International Board or the Ministry of Higher Education and Scientific Research.

There have been a number of highly-innovative milestones during the last few years, marking significant milestones for tertiary education in the UAE, including the opening of the Abu Dhabi campus of New York University (NYU). NYU was the first major American research university to open a comprehensive liberal arts college in the UAE, now with a permanent home on Saadiyat Island, completed in 2014. INSEAD, one of the world's largest graduate business schools, has been operating a Middle East campus in Abu Dhabi since 2007, and now runs a number of executive-education programmes.

A branch of the New York Film Academy launched its first Bachelor's Degree programme in Abu Dhabi in 2010, with offerings in film-making and acting, and also offered its first MA programmes, in film-making and documentary film-making. The Mohammed Bin Rashid School of Government (MBRSG) (formerly known as the Dubai School of Government, or DSG), is a research and teaching Institution focusing on good governance and public policy in the Middle East. MBRSG offers graduate programmes including the Master of Public Administration (MPA) programme designed in cooperation

with Harvard Kennedy School, and the Executive Diploma in Public Administration (EDPA) awarded by the Lee Kuan Yew School of Public Policy at the National University of Singapore.

The Petroleum Institute (PI) was founded in 2001 with the aim of establishing itself as a world-class institution in engineering education and research in areas of significance to the oil and gas and the broader energy industries.

The Masdar Institute of Science and Technology, which is connected to the Abu Dhabi Government's ambitious carbon-neutral Masdar City project and opened in 2009, is a private not-for-profit research centre devoted to the study of renewable energy. Developed with the support of the Massachusetts Institute of Technology, it offers Masters degrees and PhD programmes in science and engineering, and provides fellowships to especially talented students and researchers. The Emirates Foundation has also been supporting research into areas such as science and engineering, information technology and environmental sciences.

In addition to its higher level institutions, the UAE has several vocational and technical educational centres for those seeking practical training in their chosen careers. These include the Emirates Institute for Banking and Finance, the Abu Dhabi National Oil Company Career Development Centre, the Abu Dhabi Petroleum Institute, the Dubai School of Government, and The Emirates Aviation College for Aerospace and Academic Studies.

Etisalat University College (EUC) provides higher education to UAE nationals, offering Bachelor of Engineering degrees in communication, electronic and computer engineering and a Master's in research.

### Opportunities

For the very latest business opportunities for UK companies in the education and skills sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai (email): [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Financial and professional services sector

### Background

Dubai has the largest and most sophisticated financial services industry in the region. It has strong and growing banking, insurance, financial and legal sectors. The Dubai International Financial Centre (DIFC) aims to be universally recognised as a hub for institutional finance and a gateway for capital and investment to the region. Abu Dhabi is home to several sovereign wealth funds, including the government-owned Abu Dhabi Investment Authority (ADIA), which

has estimated reserves of between US\$500 and 900 billion.

The emergence of Al Maryah Island as a central business district is a key development in the sector, and a major part of the capital's Vision 2030.

- **Banking** – The UAE has a large banking sector with 51 banks (Oct 2014). 28 of these are foreign banks, representing just under 60% of the total market (HSBC and Standard Chartered account for approximately half of total foreign bank assets). UK banks are well represented, with a largely retail and commercial business base.

*Source: Central Bank of the UAE, 13 August 2015*

### • Professional Services –

- **Legal services:** the major sources of secular law in the UAE are French, Egyptian, and Italian. The Constitution gives primacy to Shari'ah law, commonly used to settle cases of family law, and some criminal appeals. Commercial law is dealt with by the secular courts. Dubai and Ras Al-Khaimah are not fully integrated into the federal judicial system.
- **Accounting services:** international accounting standards are applied and regulated at federal level.
- **Insurance** – Insurance is not yet a main driver of financial services output in the UAE. It is underdeveloped by international standards, fragmented and highly competitive. The market entry for new insurers has been somewhat restricted in the past, as the Emirates Insurance Authority has not issued new insurance licences for foreign companies. See: [www.ia.gov.ae/en/Pages/default.aspx](http://www.ia.gov.ae/en/Pages/default.aspx) for the latest details.

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- **Capital Markets** – The Dubai Financial Market (DFM) and NASDAQ Dubai (formerly known as DIFX) are the two equity and bond exchanges in the Emirate which belong to Borse Dubai. Abu Dhabi is home to the Abu Dhabi Exchange (ADX). Regulated by the UAE's Securities and Commodities Authority (SCA), the DFM and ADX are in merger talks.
- **Regulation** – Banking, financial and insurance services are all regulated at federal level whereas DIFC and the securities are regulated and monitored by the Dubai Financial Services Authority (DFSA) and the Emirates Security and Commodities Authority (ESCA).
- **Islamic Finance** – The UAE is shaping up to be one of the pre-eminent global centres for Islamic finance. The launch of Noor and Hilal Islamic banks demonstrates the country's continuing desire to become the world's capital of Islamic banking.
- **Education, Training and Qualifications (ETQ)** – There are many universities and professional bodies operating in this sector in the UAE. There is a big market for ETQ, especially for professional qualifications. Bodies such as the ICAEW, ACCA and CISI operate in the area along with well-known UK universities.

### Opportunities

For the very latest business opportunities for UK companies in the financial and professional services sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)

- British Embassy in Dubai (email): [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Energy sector

### Background

Throughout its history, the UAE has been recognised for its rich natural resources. Since the times of the Majan Civilization which flourished in the area between Abu Dhabi and Qatar, the people of the UAE mined copper and exported it to the surrounding nations of Mesopotamia and north of Persia.

Since then, various minerals have been explored and utilised such as phosphate, sulphur, and salt. In the 1930s, the initial signs of the existence of crude oil under the soil and water of the emirates began to attract international attention. Rights for exploration for oil were granted by the rulers of the emirates to reputable international companies.

In 1958, oil was discovered in commercial quantities in Umm Al Shaif field off the coast of Abu Dhabi. Four years later, the first oil shipment left Das Island, marking a historical milestone and a new era for the entire country. The discoveries and export of oil from Dubai, Sharjah, and Ras Al-Khaimah also followed in the 1960s and 1970s.

Today, the UAE's stunning energy and mining sector comprises a strong oil and natural gas industry, a growing petrochemicals sector, a demand-driven utilities production sector, and attractive mining opportunities. Since the formation of the country in 1971, building a reliable electricity and water infrastructure that satisfies the growing demands dictated by rapid development has always been a priority for the federal government.

Whilst the federal government sets the strategy for this sector and supplies the northern emirates with the needed utilities, Abu Dhabi, Dubai and Sharjah have their own state-controlled electricity and water supplies. Abu Dhabi and Dubai produce together around 94% of the electricity in the UAE, the other emirates producing the remaining 6%. Innovative projects of expansion and improvement of the utilities supply are well underway to meet the future demand.

*Source: UAE Ministry of Energy and UAE National Bureau of Statistics 2013*

The UAE also aims to position itself as a global leader in the innovative adaptation of renewable and environmentally friendly resources and technologies. It is already leading the region in adapting newer and cleaner energy sources to meet growing demand. It was the first country in the GCC and the Arab region to establish a nuclear programme that aims to generate a significant part of the country's energy needs. The country is also engaging in other major innovative renewable energy projects to utilise its rich natural resources and solar exposure. The Masdar initiative provides a clear example of how the UAE is determined to pursue its renewable energy goals.

## **Energy: Oil and natural gas exploration and production**

### **Oil & gas industry**

The UAE has the world's seventh largest proven reserves of conventional crude oil (97.8 billion barrels) and seventeenth largest proven reserves of natural gas (2,250 billion m<sup>3</sup>). Oil and gas production has been the mainstay of the economy in the UAE and will remain a major revenue earner long into the future, due to the vast hydrocarbon reserves at the country's disposal. At the current rate of utilisation, and excluding any new discoveries, the oil reserves will last for over 150 years.

*Source: OPEC 2011; World Factbook*

The UAE Government is pressing ahead with plans to expand oil and gas production capacity, but has extended the time frame for oil development while giving higher priority to gas projects. Further, government and industry have joined forces to develop new oil markets. Several emirates have launched programmes to bolster energy efficiency and encourage energy conservation, reflecting the growing public awareness of the need to reduce carbon emissions. Some of these directly involve the oil & gas sector.

### **Abu Dhabi**

Abu Dhabi is the biggest oil producer in the UAE, controlling more than 94% of the UAE's total oil output capacity and 90% of its gas reserves. Almost 92% of the country's gas reserves are located in Abu Dhabi and the Khuff reservoir beneath the oil fields of Umm Shaif and Abu al-Bukhoosh ranks among the largest potential gas reservoirs in the world.



The Abu Dhabi National Oil Company (ADNOC) supervises policy in Abu Dhabi, under the guidance of the Supreme Petroleum Council. Production is handled through joint ventures with consortia of international companies. ADNOC is proceeding with a range of major oil and gas developments to expand gas production and others aimed at oil development. The first of these is the integration of gas production from two of Abu Dhabi's main offshore and onshore oil fields, anticipating the unlocking of an additional 1 billion scfd (standard ft<sup>3</sup> per day) of gas supply.

ADNOC have launched a joint venture with Occidental Petroleum to develop the Shah gas field, located around 180 km southwest of Abu Dhabi, to produce sour gas, and expected to come online during 2015. The project will not only provide an expected 5 million ft<sup>3</sup> of gas per day, but will also advance the emirate's capability to exploit challenging gas deposits.

As a spin-off from the Shah project, Abu Dhabi will become the leading regional exporter of sulphur, which is used to make fertilisers, rubber and sulphuric acid. The project involves construction of a 275 km liquid sulphur pipeline from the Shah gas field to Ruwais, Abu Dhabi. This second phase was tendered on 20 November 2014 and the project is expected to be completed by 2017. Further projects are planned to exploit sour gas fields, both onshore and offshore, including searching for gas deposits deep below the sea floor.

In oil development, the Abu Dhabi Company for Onshore Oil Operations (ADCO) awarded US\$35 billion (AED 12.9 billion) of contracts for an integrated project to increase crude output from Abu Dhabi's Sahil, Asab and Shah oil fields by a combined 60,000 barrels per day (bpd) to 455,000 bpd by 2016. It also awarded an US\$805 million (AED 3 billion) contract to raise production from the Bab oil field, which was the first onshore oil deposit

developed in the emirate. In total, ADCO plans to increase oil production capacity to 1.8 million bpd by 2017.

Offshore, the Abu Dhabi Marine Operations Company (ADMA-OPCO) is moving ahead with a ten-year plan to increase output from two major Gulf oil fields, Umm Shaif and Lower Zakum, to 1 million bpd by 2019 from about 600,000 bpd in 2009. The unit also plans to develop three smaller fields that are expected to yield another 76,000 bpd of crude oil.

The Zakum Development Company (ZADCO), another ADNOC offshore oil subsidiary, is proceeding with a project to increase output from the Upper Zakum field by about 50% to 750,000 bpd following the completion of a reservoir study. It awarded a contract for dredging work required to build four artificial islands to support drilling rigs for the project. ADNOC's partner in the development is the US company ExxonMobil.

## Dubai

Recognising the emirate's challenges as it seeks to meet rising energy demand with diminished resources, the government created two bodies to oversee long-term energy policy: an Energy Higher Council to address demand issues, and a Department of Petroleum Affairs to look at supply.

Dubai's main fields are offshore: Fateh, Southwest Fateh and two smaller fields, Falah and Rashid. The only onshore deposit is the Margham field. Dubai Petroleum Company (DPC) is the main operator. The state-owned Dubai Natural Gas Company (DUGAS) is responsible for processing natural gas produced in Dubai's offshore oil fields as well as the gas piped from Sharjah.

## Doing Business in the United Arab Emirates

Dubai remains deeply involved in the petroleum sector, primarily as a hub for oil trading and energy services. The port of Jebel Ali handles a large part of the UAE's trade in refined petroleum products and can accommodate tankers of up to 80,000 tonnes capacity. A number of international oil companies maintain regional offices in Dubai, as do major companies providing services to the energy sector.

### Northern Emirates

The other five emirates also have minor amounts of oil and gas production. Crescent Petroleum, a private-sector Sharjah company, produces oil from the Mubarak field in the Gulf, near Abu Musa Island, but the field has been in decline for some time. Crescent and Dana Gas, a Sharjah affiliate, are also developing an offshore gas field located in territorial waters shared by Sharjah and Ajman. Dana and Emarat, a Dubai marketer of petroleum products, have jointly developed a common-user gas pipeline to serve Sharjah customers.

### Umm al-Qaiwain

Gas production from the Atlantis field offshore Umm al-Qaiwain began in 2008. A unit of China's Sinochem is developing the deposit and sending as much as 92 million scfd of liquids-rich gas through an undersea pipeline to a Ras Al-Khaima processing plant operated by the Government-owned Ra's al-Khaimah Gas Commission, or RAK Gas.

### Ras Al-Khaimah

RAK Petroleum, a private-sector Ras Al-Khaimah company, holds interests in oil and gas concessions in Sharjah, the Sultanate of Oman and its home emirate.

In 2009 the company and its partners produced about 10 million scfd (standard ft<sup>3</sup> per day) of gas and associated liquids from the Bukha field, located in Omani territorial waters off the Musandam peninsula. The development of the nearby West Bukha field, which produces about 8000 bpd of oil and 20 million scfd of associated gas, was also completed that year by a group including RAK Petroleum.

### Fujairah

Fujairah does not produce oil or gas, although an onshore exploration programme is currently under way. However, the world's second largest bunkering port is located on its coast. The port of Fujairah, on the Arabian Sea, handles about one million tonnes per month of marine transportation fuel and other oil products. The arrival of gas imports through the Dolphin Energy pipeline from Qatar has facilitated power and water development in the emirate and stimulated local industry.

The International Petroleum Investment Company (IPIC), owned by the Abu Dhabi Government, has built a strategic crude oil pipeline delivering up to 150,000 bpd of oil from Abu Dhabi's Habshan onshore fields to an export terminal in Fujairah. The project supplies an export route for Abu Dhabi crude that bypasses the Gulf's maritime choke point at the Strait of Hormuz. IPIC is also developing an oil refinery and storage facilities at the Fujairah port.

The UAE provides opportunities for international oil and gas companies to operate on both downstream and upstream operations. Some of the major international companies working in the

country include British Petroleum, Shell, Total, ExxonMobil, REX oil, Schlumberger and Partex.

The country's crude oil is mainly shipped by a fleet of oil tankers and exported primarily to Japan, Thailand, and South Korea. Abu Dhabi National Tanker Co. (ADNATCO) is the sole company responsible for transporting the UAE's oil to the world. National Gas Shipping Company Ltd. (NGSC) was also established to transport liquefied natural gas (LNG) on behalf of Abu Dhabi Gas Liquefaction Company (ADGAS).

Even though economic, environmental, and safety considerations have necessitated the increasing need for diversifying energy sources, oil remains the most cost-effective demanded source for energy for most countries. The UAE is a member of the Organisation of Petroleum Exporting Countries (OPEC), and as a result is bound by the regulations, policies, and limits of the organisation.

Natural gas, on the other hand, is the main source for electricity in the UAE, and natural gas production is expected to increase to 6.5 billion ft<sup>3</sup> daily. Domestic consumption outstripped production for the first time in 2007. Demand has been rising gradually ever since due to increased population and economic expansion, driving the government to produce more volumes or find alternative options. The country's current capacity, which is supported by natural gas and a few coal-fired power plants, can only meet around half of the estimated 40,000MW domestic demand for power by 2020.

## Opportunities

For the very latest business opportunities for UK companies in the oil and natural gas exploration and production sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai (email): [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Energy: Petrochemicals

The petrochemicals products area has been witnessing an unprecedented growth in the Middle-East and North Africa (MENA) region.

The giant oil and natural gas producer aims to boost its downstream activities by enlarging its current capacities in the petrochemicals industries and entering new specialties. Therefore, huge investments are being pumped into strategic initiatives to increase the sector's portion of the total GDP and to decrease dependency on the export of raw materials. The country's current two classes of petrochemicals (olefins and aromatics) products include ammonia, polyethylene, polypropylene, and urea.

## Doing Business in the United Arab Emirates

Data from the UAE Ministry of Economy Foreign Trade indicates the petrochemical sector's success, with an average growth rate of 6% in annual international demand. The UAE Government has made massive plans to boost the performance of this sector, and by the end of this year (2015), the total UAE investment is expected to have reached US\$10.3 billion.

In 1998, in a joint venture with Borealis, ADNOC established one of Europe's largest polyolefin (plastics) producers, Borouge, to be a leading provider of polyethylene and polypropylene, and their total manufacturing capacity by 2014 was 4.5 million tons per year. ADNOC also established Ruwais Fertiliser Industries (FERTIL) with a capacity of 1,000 tons of ammonia and 1,500 tons of urea per day. It signed a US\$1.2 billion contract with Samsung Engineering to construct a new fertiliser complex, and after commissioning of the FERTIL-2 project in July 2013, the combined complex production of Ammonia reached 3,310 MTPD and Granulated Urea 5,800 MTPD.

Both companies are located in Al Ruwais Industrial Zone and are expanding their production capacity by installing more plants, increasing utilisation, and depending on new advanced technologies. Borouge and FERTIL's expansion plans have been attracting local and international investors who are actively participating in the construction of chemical plants, storage, processing and treating units, and other related projects such as cooling systems. Abu Dhabi's petrochemicals' strategy has been shifting from basic products to end-user products. It has been establishing itself as one of the major petrochemicals producers in the world.

Strategic International and local investors have been invited to join the development in petrochemicals. According to one of BMI's recent petrochemicals reports, the profusion of feedstock in the UAE gives it a great potential for growth in this subsector. "Development of a domestic petrochemicals industry is now gathering pace, which could significantly enhance the growth of the small and medium enterprises (SMEs) sector."

Many international petrochemicals companies have been headquartered in the UAE. The strategic location in the heart of the Middle East and the UAE's innovative business-friendly policies and regulations, have made the country the ideal place to start a petrochemical business.

### Opportunities

For the very latest business opportunities for UK companies in the petrochemicals sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai (email): [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Energy: Utilities infrastructure development

Due to its ever-increasing population and in order to meet its economic ambitions, the UAE is demanding more electricity and water.

According to all estimates, consumption will continue to rise for the near future. In the GCC region, the UAE records the highest projected increase in demand, which is expected to continue growing at a minimum rate of 10% per annum. Abu Dhabi Water and Electricity Authority (ADWEA), Dubai Electricity and Water Authority (DEWA), Sharjah Electricity and Water Authority (SEWA), and Federal Electricity and Water Authority (FEWA) are the major players in the electricity and water production sector. ADEWA accounts for half of the total capacity. While ADEWA, DEWA, and SEWA function in their designated emirate, FEWA is headquartered in Ras Al Khaimah and supplies the Northern Emirates (Ajman, Umm Al-Quwain, Ras Al-Khaimah and Fujairah) with power and water.

Abu Dhabi became a regional benchmark in 1997 when it launched its privatisation programme that allowed private companies to take over the construction, operation, and maintenance of power and water plants. All Independent Water & Power Plants (IWPP) are now engaged in this programme on the basis of the BOO “build, operate and own” formula, designed according to partnership agreements made between ADWEA and a number of international companies.

The Gulf States Power Grid GCC Interconnection Authority (GCCIA) was founded to build, run, and maintain the connecting grids. Investment opportunities in this mega project are unlimited and can be in the form of tendering contracts, public-, private-partnerships, technical and consultancies. The GCC grid is also planned to be connected to the European, Pan-Arabian, and Mediterranean grids.

The UAE is not only focusing on increasing the import of natural gas and preserving the consumption of electricity energy by connecting to regional grids, it is also constructing its strategy of diversifying its energy resources. In 2009, Korea Electric Power (KEPCO) was given the green light to begin the construction of four nuclear reactors in Abu Dhabi.

The plant will have a production capacity of 5,600 megawatts; the first reactor is expected to start generating in 2017. As a result, the country will be able to export its natural gas or use it as a feedstock to maximise its water gas-fired desalination plants’ production. The country will also be able to supply the region with enough electricity power through its already-developed network.

Building new power plants is a critical need for the future growth of the UAE. Federal Government and local emirates governments are determined to put in place all the necessary resources to increase their power capacity. Shuweihat project in Abu Dhabi, with a capacity of 1,500 megawatts for its second phase, and Hassyan project, with a combined capacity of 9,000 megawatts are some of the key projects in this sector. Expanding power capacity in the northern emirates is also planned. The Federal Electricity and Water Authority has already built new power plants in that region such as the Fujairah F2 power plant, with a capacity of 2,000 megawatts.

Major opportunities are being given to international energy companies so the country participates in all energy frontiers.

*Source: UAE National Bureau of Statistics, 2015*

## Doing Business in the United Arab Emirates

### Opportunities

For the very latest business opportunities for UK companies in the utilities infrastructure development subsector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Energy: Renewable energy

As the UAE Government continues the drive to diversify its economy away from dependence on exports of oil and gas, increasing attention has been paid to developing the renewable energy sector. The government is moving ahead with innovative low carbon and clean energy developments, with close cooperation from oil and gas producers, in addition to fostering international energy partnerships and participating in more overseas energy projects.

The UAE is pursuing ground-breaking renewable energy and energy efficiency programmes. In 2005 the UAE ratified the Kyoto Protocol to the UN Convention

on Climate Change, becoming one of the first major oil-producing countries to do so. Abu Dhabi has also established one of the world's most comprehensive clean energy initiatives.

Current energy capacity can only meet half of the demand by 2030. For this reason, tapping into new sources of energy has become an economic necessity in order to cope with the increasing population and economic expansion. The UAE today is focusing on renewable energy for several reasons: the long duration of sun exposure and the frequent winds and storms, the high percentage of greenhouse gases produced from oil and gas extractions, and the high quantity of oil and natural gas required to produce electricity. The UAE's innovative energy strategy aims to diversify the sources of energy generation and secure the UAE's prestigious position in the future.

### Nuclear programme

The UAE Government believes that the most environmentally friendly and most sustainable solution to its energy requirements will be electricity generated by nuclear plants. Therefore, nuclear reactors are destined to become the UAE's second most important source of energy in the UAE after natural gas, producing about 25% of the UAE's electricity by 2020 and ensuring the continued economic development of the country. In 2009, the UAE joined the International Atomic Energy Agency (IAEA).

Another significant milestone of the UAE in renewable energy was marked in 2009 when the Preparatory Commission of the International Renewable Agency (IRENA) designated Abu Dhabi as the agency's

headquarters. Since then, strategic projects to achieve its goal have been initiated. Emirates Nuclear Energy Corporation (ENEC) was launched to deliver safe, clean, efficient nuclear energy to the UAE, with a target of delivering electricity to the UAE grid by 2017. By 2020, it is projected that nuclear energy will produce nearly a quarter of the nation's electricity needs.

ENEC partnered with international-reputable energy companies to construct its nuclear plants with the highest international standards. In 2009, the UAE Government awarded a US\$20 billion contract to Korea Electric Power (KEPCO) to build four nuclear reactors. A partnership with Areva, Total and Suez to build a 1600 MW EPR unit in the UAE was also signed. The output is to be partly used for the desalination of water.

### **Masdar**

Masdar was established in April 2006, led by the Abu Dhabi Future Energy Company (ADFE). It is a multi-faceted company advancing the development, commercialisation and deployment of renewable energy solutions and clean technologies. Masdar aims to develop renewable energy and low-carbon technologies at a global level. It seeks also to be a leading renewable energy and clean technology player by providing a test-bed for the world to develop commercially viable, sustainable energy solutions.

To achieve this it is working with global partners and institutions to integrate new research with proven technologies to produce efficient systems and processes that can be replicated globally. Masdar operates through five integrated units: Masdar Power, Masdar Capital, Masdar Carbon, Masdar City, and Masdar Institute.

Masdar Power is a developer and operator of renewable power generation projects. In building a portfolio of strategic utility scale projects, Masdar Power makes direct investments in individual

projects in all areas of renewable energy, with a focus on Concentrating Solar Power (CSP), photovoltaic solar energy and on and off-shore wind energy. In a joint venture with France's Total and Spain's Abengoa, Solar Masdar Power is running the Shams-1 solar power plant, launched in 2013 in the western region of Abu Dhabi – the largest concentrated solar power plant (CSP) in operation in the world. The US\$600 million project took three years to build. It is also developing a 30MW wind farm and a PV array on Sir Bani Yas Island. Through these and future innovative projects, the unit will contribute to Abu Dhabi's goal of generating 7% of its energy needs from renewable sources.

### **IRENA**

While the UAE developed 'Masdar City' at the domestic level, recognition of the UAE's renewable energy efforts received a significant boost in June 2009 when Abu Dhabi was selected to host the UN agency headquarters for the new International Renewable Energy Agency (IRENA) at an international level. The UAE thus became the first developing country to host a major international organisation.

The UAE offered IRENA extensive financial support, including free rent at Masdar City, and soft-loans totalling US\$50 million a year to permit support of renewable energy projects in the least developed countries to commence immediately. In addition, the UAE pledged US\$22 million annually in direct funding for IRENA for its first seven years, and US\$15 million annually after this period.

## Doing Business in the United Arab Emirates

**Opportunities**

For the very latest business opportunities for UK companies in the renewable energy subsector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

**Energy: Mining and quarrying**

The UAE's mining and quarrying sector began when the country decided to diversify its economy. To attract global investors, the government declared its avoidance of using traditional methods of research and exploration that have been used for many years, and decided instead to use the latest scientific technology methods. Detailed geographic academic studies, aerial photographs, and geological maps have since proved the richness and diversity of the UAE's mineral resources.

Today, the UAE produces a wide range of minerals that include copper, gypsum, natural and cultured pearls, silver, gold, and precious stones.

The land of the UAE is very rich in terms of the diversity of minerals. However, the commercially-viable minerals range is comprised of gypsum, salt, copper, and marble. The capacity of gypsum found in the UAE is enough for self-sufficiency for the GCC countries.

The quarrying subsector's GDP contribution has been steadily increasing. For detailed statistics and more information, please see the source: *UAE National Bureau of Statistics, Department of Economic Statistics – National Accounts Division, June 2015* - [www.uaestatistics.gov.ae/EnglishHome/tabid/196/Default.aspx](http://www.uaestatistics.gov.ae/EnglishHome/tabid/196/Default.aspx)

Fujairah has 74% of the quarries, followed by Sharjah, and Ras Al-Khaimah; other emirates do not have quarries. Quarrying is expected to experience a growing trend within the coming years driven by the UAE's policies, one of the main factors behind the sector's growth from attracting FDI.

Developments in mining are gathering pace in the UAE. In 2009, the UAE formed a joint venture with GSL limited, an Indian steel manufacturer, to explore for chrome ore. ASCOM, an Egyptian mining company specialising in the management of quarry operations for the cement industry as well as the exploration of precious minerals, has been operating in the UAE since 2004. Ras Al-Khaimah Minerals and Metal Investment (RMMI), a global mining company in precious metals such as copper, cobalt, silver, and gold has multi-activities in the UAE.

Dubai's gold and jewellery exports are valued at over Dh 100 billion, accounting for over 60% of total non-oil exports from the UAE.



Re-exports of gold and other jewellery made of precious metals account for around Dh 70 billion, over 20% of total non-oil re-exports from Dubai.

Local and internationally-recognised operators in the quarrying subsector include Turkish Gulf Quarry, Global Crusher, Gulf Rocks Co. Shawkah Crusher, Lootah Crushers, and Fujairah Building Industries.

#### **Saltpeter and barite opportunities in Sir Bani Yas Island**

Huge amounts of salt with a purity reaching 91.6% of sodium chloride lie in the form of amorphous pink rocks tinged with a small quantity of sulphur and iron impurities. The commercially-viable quantities of salt and cost-effective extraction methods provide attractive investment opportunities for both local and international investors.

The mineral can be used to manufacture different types of chemical compounds such as Sodium hydroxide (caustic soda) and chlorine. It can be used also in the manufacture of soap, laboratory and chemical plant solutions, and petrochemicals industries. Salt can also be used to conserve fish and other foods.

Throughout history, Sir Bani Yas has been a source of salt. An old mine was found in the northern part of the island where salt deposits were found on the land surface. These are just a small fraction of the large deposits that lay underneath. Other sources of salt in the emirate of Abu Dhabi are marshes, buried blocks, and sea salts that contain various other salts such as calcium sulphate, magnesium sulphate, sodium sulphate, potassium chloride and calcium carbonate.

Around 4% of the island is also covered with the mineral barite. Its deposits are located in the Fars Al Adna and Strait of Hormuz areas. The sparse barites are found in the form of crystals that result from the rocks' interaction with natural forces. The mineral is mainly used in the

drilling processes of oil wells as well as in the manufacture of dyes. Barite is also found on the mountain of Dhanna, Dilma Island, Arzanha, Zakorah and the eastern side of Hafeet Mountain, but only in small quantities.

#### **Opportunities**

For the very latest business opportunities for UK companies in the mining and quarrying subsector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## **Environment and water sector**

The environmental sector in the UAE has been characterised by rapid growth in the construction sector driven first by Dubai's growing real estate market and lately by increased construction and building activity taking place in Abu Dhabi. An estimated £91 billion is being spent on real estate development in Abu Dhabi as part of its Vision 2030 master plan.

## Doing Business in the United Arab Emirates

**Municipal solid waste** – The UAE generates massive amounts of waste. Dubai's construction waste continues to increase, with only a fraction being recycled. In 2009, Abu Dhabi's Centre for Waste Management gave an AED 1.1 billion (£186 million) contract for a recycling facility to help address the problem.

**Green buildings** – Both Abu Dhabi and Dubai have implemented new green building regulations in the construction of all new buildings, in order to reduce the consumption of water and energy in new buildings across the two Emirates.

**Wastewater treatment** – An estimated AED 22 billion (£3.8 billion) is being spent on improving water resources, where the general need for water and in particular desalinated water had tripled to 713 million gallons per day by the beginning of this year (2015).

**Medical waste** – Approximately 35 tons of infectious and non-infectious medical waste is generated in the UAE per day (2015) due to the population growth and the subsequent increase in the number of medical and healthcare facilities.

**Air pollution** – The main source of air pollution in the UAE is the oil and gas industry, followed by the power and transportation sectors. The UAE also has a relatively high, naturally occurring level of particulate matter in the air.

Opportunities exist for innovative companies involved in EIA, marine pollution, water and wastewater management, air pollution, solid waste management, green building technology, hazardous waste management, site

remediation and rehabilitation and potentially solar energy and green building that incorporate smart building technologies. New and innovative solutions are always in demand in the UAE and R&D renewable companies are of particular interest in Abu Dhabi in the current climate of an increased construction boom.

### Opportunities

For the very latest business opportunities for UK companies in the environment and water sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Defence and security sector

The UAE is one of the world's most lucrative markets for foreign defence, and is expected to spend over US\$140 billion on defence between 2011 and 2016. The UAE's long-term goal is to grow their defence industrial capability, resulting in export. However, it is not yet at the stage where the advanced technology capability is close to meeting the demand. Coupled with the potential for instability in the wider region and the buoyancy that oil prices offer, defence spending is relatively assured in the coming years.

### Emirates Defence Industries Company (EDIC)

At the end of 2014 Mubadala Development Company and Tawazun Holding launched the Emirates Defence Industries Company (EDIC), the region's premier integrated national defence services and manufacturing platform, providing world-class facilities, technology and support services. EDIC is intended to create a fully-integrated defence platform benefiting from improved alignment, performance and increased capacity, which will be better positioned to serve the UAE Armed Forces and compete for business in the region, creating significant opportunities for the UAE's long-term industry growth.

In the first phase, companies identified for integration have included Al Taif Technical Services, Bayanat for Mapping and Surveying Services, and Horizon International Flight Academy from Mubadala; NIMR Automotive, Tawazun Dynamics and Tawazun Precision Industries from Tawazun; and C4 Advanced Solutions, Global Aerospace Logistics, Naval Advanced Solutions, Secure Communications and Thales Advanced Solutions from Emirates Advanced Investment Group (EAIG). Further industrial services subsidiaries of Mubadala and Tawazun are being considered for integration during 2015.

UK companies are reporting increased success in this sector, with relationships built over time eventually yielding fruit. An element of technology sharing and human resource capacity-building is key to pushing contracts over the line. Familiarisation with Abu Dhabi's Vision 2030 is a good place to start when designing the training and technology transfer aspects of any bid.

The UAE Defence Forces are federally funded and controlled. Dubai is a strong market for commercial security. The RAF Typhoon aircraft has made regular appearances in the Emirates – a sign of the vital importance of the defence relationship between the UK and the UAE. There are sub-sectors of opportunity in both defence and security sales and services across the UAE including nuclear, airports, ports and critical national infrastructure.

### Opportunities

For the very latest business opportunities for UK companies in the defence and security sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Manufacturing sector

With the establishment of the modern state, the UAE's manufacturing sector has grown to become one of the strongest economic growth drivers among non-oil sectors.

Motivated by the nation's desire to diversify the economy and the sharp increase of the population, manufacturing at various levels of industry has been at the core of heavy government investment spanning the seven emirates. Most emirates have gone a step further by launching innovative policy initiatives that support the growth of free zones and dedicated industrial cities to cope both with the demand and the vision of being the world's most dynamic manufacturing hub (see the 'Free zones' chapter on page 143). This new wave of manufacturers is catering for the 'new economy', providing machinery and tools for industries related to construction, shipbuilding, infrastructure, power generation and even retail and consumer-related industries.

Abu Dhabi has been successful with its Industrial City of Abu Dhabi operations. The first Industrial City of Abu Dhabi (ICAD 1) includes economic zones for base metals, building and construction products, electronics, plastics manufacturing and automotive industries and has attracted over US\$2.99 billion in investment. ICAD 2 has already attracted US\$1.63 billion with new projects including air conditioning water chillers, architectural hardware and aluminium windows and doors manufacturing. The ICAD zones have been built in a public-private partnership model that includes the cost of roads and sewerage and irrigation systems.

Separately, water and electricity is handled by the Abu Dhabi Water and Electricity Authority. Three more phases are either under construction or at the planning stage.

A US\$2.17 billion industrial zone in the Abu Dhabi desert for construction and building materials firms is one of a host of projects to industrialise the emirate. The 34 km<sup>2</sup> Al Fayah Industrial Zone, being constructed by the Higher Corporation for Specialised Economic Zones (ZonesCorp), reflects the government's latest efforts to create industrial clusters to boost economic growth and diversify away from oil revenues. The location, 75km east of the capital, is also a sign of efforts to relocate industries away from residential areas and relieve congestion.

*Source: ZonesCorp*

In Dubai, pulling its weight alongside the burgeoning number of free zones that support manufacturing is the Dubai Industrial City (DIC). DIC had achieved US\$1.63 billion in investment by June 2012 and invested US\$177 million. By the end of this year (2015), it will have built more than 500 factories for light and medium industries. However, this doesn't replace the six hyper-active industrial zones that operate inside the city under regular licensing procedures.

Most significant has been the rapid progress of the manufacturing sector in the emirate of Sharjah. Sharjah's Economic Development Department in a 2012 study reported that Sharjah is the third-largest emirate by contribution to the UAE's GDP after Abu Dhabi and Dubai. In addition, the whole country is moving forward to ease up on regulatory affairs,

and primarily raising the foreign ownership stake in industrial projects registered outside the free zones.

Employment is one of the key advantages of the UAE over other locations. In fact, the UAE is still better positioned in terms of cost of employment compared to Western countries.

This actually enables domestic manufacturing to grow further, unlike the West where manufacturing is now stagnating in the face of competition from China and other low-cost labour countries. Labour demand by UAE manufacturing is much lower than in the services sector, and equally productivity is much higher – reasons for which labour import policy is likely to remain liberal for the manufacturing sector, allowing the sector to grow further. Rental and operational costs are also still competitive compared to Europe and the US, which adds another advantage when combined with location and entry markets.

Of particular interest here is the empowerment of new ideas and innovative industries. Both local and federal governments have launched a series of parallel initiatives that recognise industry distinction and business excellence. The Dubai Quality Group, for example, is a voluntary corporate body that helps companies embed quality in their overall production process and then consolidate it in terms of revenues and ROI.

Intellectual property is a serious issue here and the government has a zero-tolerance policy regarding any violation of patent piracy and fake branding. The same regulations are applied regardless of whether the concerned company is a free zone company or not.

#### **Manufacturing: Petrochemical industries**

Although Jebel Ali Industrial Zone produces an annual capacity of 40,000 metric tons of granular compound and water soluble fertiliser, along with 200,000 metric tons of suspension and liquid

fertilisers and has a capacity of 200,000 metric tons, the market is still in demand for further production, especially for exporting. Many investors have opted to use Jebel Ali Industrial Zone as their base for chemical fertiliser manufacturing for this purpose. Jebel Ali is well-known for its logistics and shipping centre, which makes it much easier to distribute to a wide array of countries with ease.

The UAE is slowly graduating into the next phase of petrochemical product development – branching into specialised products instead of just commodities, and with this transformation there is a growing emphasis on generating local consumption of specialised plastics too.

The driving logic behind the momentum is to pump out crude form beneath the surface, and add value by converting it into plastics and then export it a few days later.

Despite emerging as a major plastic raw material producer, for a host of reasons the contribution of the downstream plastic industry to the nation's GDP is yet to prevail. However, the government wants this to move faster, which is why there are some major initiatives to attract investment in the downstream plastic industry. Abu Dhabi embarked upon the Polymer Park concept, while other emirates, especially Dubai, are also opening up for downstream petrochemicals for both production and marketing operations.

While the Abu Dhabi Polymers Park is focusing on providing value-added services specifically to the plastics converters, the overall offering country wide is opening the door for five major industries to leverage the country's downstream resources, including automotive, consumer appliances, plastic packaging, construction and metals processing.

## Doing Business in the United Arab Emirates

From an investor's point of view, feedstock and logistics are the top two cost components of petrochemicals products; the UAE enjoys an advantage over Asia and Europe on both accounts. First, feedstock cost is lower in this part of the world, owing to its rich oil and gas reserves. As ethane is expensive and scarce, Asian and European firms use naphtha as a major feedstock. Secondly, the GCC's closeness to demand clusters – specifically India and China – offers a significant logistic cost advantage (the second-largest cost component after feedstock).

The UAE is in fact the only GCC country that doesn't face the bottleneck problem known to hinder petrochemical exports in the region. The country realised early-on that the supply chain in the petrochemicals industry is a very important factor for success, as maintaining a feedstock advantage requires a reliable and cheap way to transport the product to end users too. Abu Dhabi National Oil Company (ADNOC), the main and largest oil operations company in the country, has its own fleet of carriers and container ships that cater for the needs of its investment partners. Although they are the busiest in the region, the Ports of Abu Dhabi and Dubai are far from any bottlenecks. Additional setup is also being built in Fujairah, by the Indian Ocean, to provide an alternative route to the global markets.

Of particular interest here is the government-sponsored development of the world's largest grassroots integrated Chemical Complex in the newly planned Chemicals Industrial City at Khalifa Industrial Zone in the Taweelah district of Abu Dhabi. The project is one of a

number of complexes globally to combine aromatics, olefins and fertiliser production. This industrial city will have 12 plants – the aromatics plant alone is estimated to have a budget of US\$2.5 billion – and is a joint venture of Abu Dhabi National Chemicals Company (Chemaweya), which owns 51%, and International Petroleum Investment Company (IPIC), which holds the remainder. The completion date is scheduled for the second quarter of 2017.

The Chemicals Industrial City is investor-orientated with a clear goal to help international business opt-in to develop the emirate's industrial and downstream industries, create a sustainable petrochemical and chemical hub and deliver joint benefits for both the industrial zone and port.

While the direct objective is to speed up Abu Dhabi's plans to develop a plastics-based industry for domestic and export purposes, the indirect objective is to utilise crude-derived naphtha as feedstock rather than ethane. This will free up ethane supplies which are in high demand from the power sector and utilise Abu Dhabi's more abundant supply of naphtha, thus guaranteeing future feedstock supply. The underlying success factor behind all of these initiatives is Borouge, which since its inception back in 1998 as the Abu Dhabi sole operator in petrochemicals, has been actively expanding its portfolio in order to attract further investments to fully unleash the petrochemical potential as outlined in its current three project phases.

Even with some global slowdown, Borouge has solid reasons for investment optimism. The combined capacity of

Borouge I and Borouge II, located in Ruwais, is two million metric tons a year. There are two crackers, one olefins conversion unit and five polyolefin plants, which include two polypropylene and three polyethylene units. Borouge II, which started operation in 2010, was built at a cost of about US\$5 billion. With the introduction of 2.5 million metric tons in mid-2014 as Borouge III, the annual capacity of the plant has since increased to 4.5 million metric tons a year.

For investors, Borouge can play a dual role: firstly by providing raw petrochemical polymers that can be used in further processing and manufacturing, and secondly by providing the plastics solutions themselves that can be utilised in the development of other plastics-based solutions and products. According to the company, its unique Borstar process and catalyst technology enables a differentiated range of polyethylene and polypropylene innovative plastics solutions for infrastructure applications (including pipe systems, and power and communication cables), automotive components and advanced packaging.

In the north, Dubai is potentially another hub for petrochemical downstream production. Although it's not as big as Abu Dhabi's, the petrochemical industry in Dubai has been so lucrative that a manufacturing giant such as BASF of Germany has built its construction chemicals plant in Jebel Ali Industrial Area (JAIA) to cater for its market across the Middle East. Petrochemical companies have been opting for JAIA since the mid-1980s as a regional manufacturing base for polymer-based chemicals and hydrocarbon derivatives.

Thanks to its position, just off Jebel Ali Port and next to Al Maktoum Cargo Airport, this industrial area is well-positioned for manufacturers looking to reduce import/export overheads. The port itself is equipped with the Middle-East's largest liquid chemicals storage facilities, which serve the needs of the many chemical

plants operating in the Jebel Ali Free Zone and Industrial Area such as Jotun Polymer's 10,000 bpd unsaturated polyester resin plant, or the Middle East Packaging plant that produces 600 metric tons per month of polystyrene sheets and 300 metric tons per month of polypropylene sheets. Meanwhile the Dubai Multi Commodities Centre (DMCC) provides a unique marketing platform for petrochemical and plastics producers to operate freely and run their business development activities.

In mid-2011 DMCC (which is actually a free zone) successfully attracted three international petrochemical makers to start their Middle East operations from the centre – a feature that can be easily utilised by UAE-based companies in conjunction with a manufacturing presence in the nearby Jebel Ali zone.

### Opportunities

For the very latest business opportunities for UK companies in the petrochemical industries subsector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### **Manufacturing: High-tech and heavy industries**

The UAE's drive to focus on high-tech industries was primarily motivated by the country plan to switch to high-income industrial activities in the long-term. Abu Dhabi was in fact the first emirate to adopt this policy when Mubadala was formulated a few years back. The company currently owns and operates several high-tech industrial initiatives including the manufacturing of aeroplanes and advanced processing chips among other disciplines.

A good example of such a thriving investment approach is Mubadala Aerospace2, which announced it would capitalise on its partnership with Ferrari and Tata to produce the first UAE-made medium-size business jet by 2018. This is one of four streamlines in the aerospace industry Abu Dhabi has defined as potential revenue generators. The other three include commercial and military aeroplane maintenance, manufacturing of aeroplane parts and high level training.

Abu Dhabi has good potential to excel in the aerospace segment for three reasons. Firstly, such a segment requires huge financial assets which are not a problem for the oil-rich emirate. Secondly, this type of industry requires a lot of energy, which can be provided by Abu Dhabi at competitive rates. The third factor is related to the human capital, as high-tech industries usually rely heavily on expert systems and robotics rather than a huge workforce. With the active educational system in the emirate, Abu Dhabi is able to provide this industry with the required skills based on its highly-trained national workforce.

Another high-income segment is the manufacturing of advanced processing chips. Abu Dhabi has acquired the flagship processor company Advanced Micro Devices, best known as AMD.

The company is partnering with The Advanced Technology Investment Company (Atic), the technology unit of the Abu Dhabi Government's investment fund Mubadala, and global foundries to build a US\$6 billion semiconductor factory in Abu Dhabi.

Dubai Silicon Oasis (DSO) is a 100% government-owned free zone that promotes modern technology-based industries with an urban master-planned community, state-of-the-art infrastructure and in-house business services.

European and American companies make up 47% of the total number of companies operating at DSO, and Asian and MENA companies make up 19% and 34% respectively. To empower its partners with well-prepared employees, DSO has opened Rochester Institute of Technology (RIT), which is now located inside the free zone enabling it to accommodate the fast pace of growth in the number of students, with new applications expected to register an increase of over 50%. See: [www.dsoa.ae/en](http://www.dsoa.ae/en) for more information.

While high-tech industries are an emerging segment in the UAE, heavy industries are not, and still provide compelling opportunities for many. The growing demand for marine carriers has encouraged international partnerships to build dry docks for the build of large vessels that can be used for various cargo and transportation purposes.



The boat and yacht industry is another promising segment comprising both full manufacturing and partial assembly. There are currently few companies involved in this segment but the market is growing, especially as the dollar millionaire count in the UAE has now jumped to over 50,000. The segment is also a promising export business. At least one of the UAE yacht makers has an active export base in the USA.

In addition, Jebel Ali Free Zone has been home to several investments in the assembly and configuration of transportation buses and ambulances as well as firefighter vehicles. The ambulance and firefighter vehicle market is actually dominated by one company but the market is far from closed, for either local sales or regional exports.

A newly-emerging segment is the assembly of heavy vehicles and machines for various uses. A study by Dubai Industrial City estimates the market for heavy machinery in the GCC countries to exceed one million new machines every year. In particular, some investors have shown interest in assembly of vehicles used for mining, mountainous road works and construction mega projects.

### Opportunities

For the very latest business opportunities for UK companies in the high-tech and heavy industries sub-sector, contact:

- UK Trade & Investment:  
[www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency:  
[www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai:  
[ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)

- UAE Ministry of Economy:  
[www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Manufacturing: Light and mechanical industries

The rise of light and mechanical industries in the UAE was mainly affected by the diverse economic scene along with the large business infrastructure in the country. Companies that manufacture business supplies, building materials, hardware accessories etc., have found refuge in the nation's wealth of opportunities derived from the unprecedented infrastructure boom over the past couple of decades.

In addition, the country's open and dynamic export-friendly economy have given these companies the added value of reaching out to neighbouring nations and even to the rest of the world. For example, Dubai is now home to the world's largest producer of BoPP and CPP films for packaging purposes. The same can be said about many factories based in the UAE serving both local and global demands.

The glass industry is one of the segments that has hugely benefited from the infrastructure and construction boom. Glass is an essential factor in the GCC construction scene due to its role in heat reflection. Solar reflective glass is in high demand as an external covering of towers and buildings for the protection it provides from conducted heat-gain (air-to-air) when ambient temperatures are high during the summer. The local demand for glass sheets is growing at a fast pace.

## Doing Business in the United Arab Emirates

There are four key factories in the UAE manufacturing glass sheet products for buildings. The products include high performance solar control and thermal insulation glass, tempered glass, heat strengthened glass, single and double glass, and laminated and architectural glass. Roughly 30% of the output is exported to countries such as GCC and other Arab and African countries. Virtually all countries in the region depend on imports to meet their demand, and it is easier for them to import from the UAE than from far-away sources like the USA, Europe, Russia or China (the key global exporters).

In 2006, a group of Korean investors teamed up to establish a Dubai based auto-technology manufacturing plant for the production of light items that do not require heavy employment. One of the factors behind their decision was the facilities provided by Dubai Airport Free Zone and the cost-effective equation they found in terms of energy, transportation and premises.

Dubai Airport Free Zone is actually an example of one of the local initiatives that caters for this level of investment, in order to help them maintain a steady return on investments and reduce operational overheads. By combining flexible regulatory affairs with a central location and lucrative markets, these initiatives are ideal for many manufacturers who want to penetrate the regional market and beyond. However, UAE businesses outside the free zones are in good shape too. Both federal and local authorities continue to ease up on many issues to facilitate growth.

### Opportunities

For the very latest business opportunities for UK companies in the light and mechanical industries sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.asp](http://www.economy.gov.ae/English/Pages/default.asp)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Manufacturing: Consumer industries

The consumer industry sector spans a wide range of products that cater for day-to-day needs for both domestic and business. While a large portion of the country's annual consumption is imported, the consumer industries sector has grown at a fast pace for two main reasons: the sharp increase in population over the past two decades and the consolidation of the UAE as a regional hub for export-orientated manufacturing complemented with re-export-orientated partial manufacturing.

In fact, one of the main drivers in the success of the UAE as a hub for consumer manufacturing is the central position it plays as a regional logistics and exports hub, which enables manufacturers to reach their target markets at ease. In addition, the country has become a world destination for shopping tourism, with an estimate of ten million passengers arriving in the emirate of Dubai alone every year. The country's shopping malls and duty free shops are some of the busiest destinations year-round. With such a lucrative market, it's no wonder that many international manufacturers have established production and fabrication units in the country to help dominate the regional market.

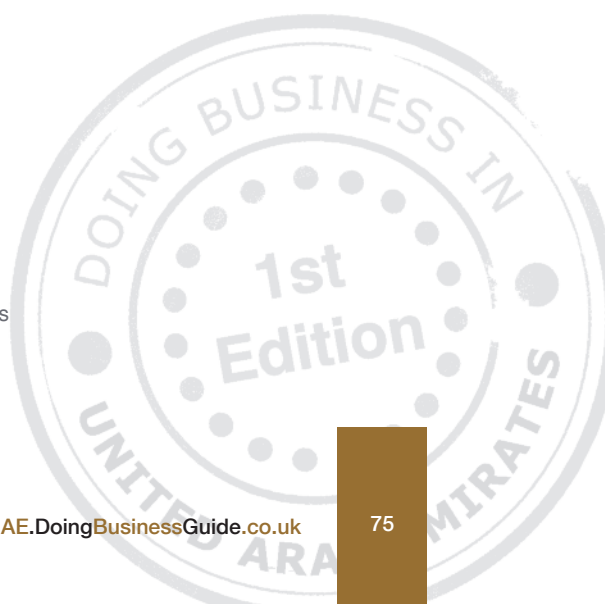
Over 444 companies are operating from JAFZA in this segment. Market leaders such as Unilever, Procter&Gamble and L'Oreal as well as some local brands actually have their regional production plants in JAFZA. Moreover, the wide spread of industrial zones across the country allows for further presence of various types of consumer industries including contract manufacturing facilities that serve local and international labels alike.

As a case study, the cosmetics industry provides some interesting indicators of how appealing this country can be for consumer manufacturers. In terms of the domestic market, the wide demographic spread within the UAE means that the demand for cosmetics is widespread and across the price spectrum. Along with the strong demand for high-end luxury products, there is also a robust market for the everyday, reasonably-priced product lines, making the UAE an attractive market for cosmetic manufacturers and suppliers of all kinds. A recent study by Euromonitor International shows that the consumption of facial and eye make-up, lip care and nail care products has continued to grow at a healthy pace over the last few years in the UAE, reaching US\$141 million by 2014.

Although neighbouring countries have developed some local cosmetics labels for export, the main selling factor is actually international labels which they all depend on the UAE market to cater for, thus providing additional momentum for the industry here.

Jewellery and gold design, perfume manufacturing and ethnic hair products are just examples of the new niche markets the consumer industry is embracing in the UAE. However, the higher end of the industry is also showing positive signs of attraction. For example, the local footwear industry is worth over US\$350 million. Since there is a large demand for footwear products unique to the region, namely Gulf Arab sandals for men and women, a significant footwear manufacturing industry has developed, based on a niche demand specific to regional styles.

According to the UAE Industrial Bank, the demand for local-style sandals is too large to be entirely manufactured in distant factories, and this has opened opportunities for domestic manufacture with the advantage of reduced lead times, lower inventory and customised orders – even though the raw material and labour is imported.



### Opportunities

For the very latest business opportunities for UK companies in the consumer industries sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Manufacturing: Food processing industries

Food processing and manufacturing constitute 46% of the UAE's non-oil industrial sector, which highlights the hidden potential as a major growth opportunity for processed-food manufacturers. The sector has posted annual growth of over 11% since 2005, when food service providers spent about US\$1.43 billion on foods and ingredients bought at wholesale outlets.

By definition, the food industries segment includes meat processing, dairy products, vegetable oils, sugar refineries, bakeries, desserts, bottled water, etc. Although the surge in the investment in

this segment was mainly caused by new investments in bottled water, the hidden indicator here is the huge increase in the population; which tripled the size of the main market for all food products in the country.

At the socio-economic level, there are various factors that make the UAE's food market a unique investment opportunity. With its immigrant guest worker-based economy, a large percentage of the UAE's population is made up of single men, a fact that has shaped the food industry in the region and led to increased demand for fast, easy-to-consume, low-priced meals.

The sharp increase in the population has an added opportunity too. The population has increased from 4.3 million in 2007 to around 8.3 million by 2010, which is reflected in an increased demand for food supplies. These sociological changes are not only expanding the area's food market, they are also changing consumer habits, and consequently opening the door for fresh ideas on a daily basis.

Whilst the country imports 90% of its US\$4 billion food market (for both local consumption and re-exports), there are two potential areas for foreign investment that are bound for growth: to increase the local production catering for the growing demand in the UAE, and to utilise the country's central position for regional production. A study by the Arab Forum for food industries reveals that the UAE produces only 36% of its food consumption, a gap that highlights the hidden potential in this segment. Agricultural production, meat & poultry and processed food are just examples of what this gap is waiting for.

The meat market is growing exponentially due to various social traditions combined with high individual-purchasing power. While the prime business in this segment is livestock imports, it actually leaves the door open for a huge process and packaging business that caters for the needs of working families and individual expats. The Jebel Ali Free Zone plays an essential regional role for this segment due to logistical reasons. Major companies that were based in Saudi Arabia and Kuwait have moved to Jebel Ali over the past decade to utilise its strategic position and easier access to manpower. The well-known meat packaging company Americana, is now based in Jebel Ali.

Furthermore, the establishment of private-sector slaughterhouses inside the country's free zones allow for many companies to import their own livestock and consequently start fresh meat processing lines for regional distribution. The overall meat processing market across the Gulf Cooperation Council (GCC) is estimated at US\$18 billion with a booming growth rate year-on-year.

An emerging factor is the franchising and branding of food products. With roughly three-quarters of the population foreign-born, international food products are in high demand and represent a major growth opportunity.

International brand owners are now using Dubai as a manufacturing base to establish their regional presence in an attempt to get a larger slice of the Gulf's US\$12 billion food sector and to cater for the local demand of their franchised products as well. The demand for internationally-branded food items is also boosted by the UAE's booming tourism sector. A few years ago, on the eve of the international economic challenges, Nestlé opened a 100,000 m<sup>2</sup> factory in Dubai's Jebel Ali Free Zone to provide a regional centre for its products.

The rise of private labels with their fast growing market is proving a tough challenge for branded food manufacturers, says Americana. More and more local businesses are gaining wider market share both locally and regionally. Al Ghurair Foods, one of the leading investors, has opened a large oats mill that caters for the oats markets in the Middle East, sub-continent (India, Sri Lanka, Pakistan, Bangladesh etc.) and African countries. In addition, the rise in the number of hotels and convention centres across the country has created a bigger demand for catering services, which is now becoming one of the fastest-moving food services segments. The UAE currently has more than 400 hotels operating across the seven emirates and at least one major convention centre in each emirate. Dubai hosts at least two regional exhibitions/conferences each week, all-year. Abu Dhabi and Sharjah have a relatively similar count.

The UAE is the regional centre for the innovative manufacturing of date-based products such as coffee, chocolate, drinks etc. However, the market is still new and has growing potential with many people across the region embracing date products as a healthier alternative to sugar-based products. In addition, with the large number of palm trees in the country, the potential is always strong for palm oil investments. Palm oil production is currently the fastest-growing vegetable oil business in the world.



## Opportunities

For the very latest business opportunities for UK companies in the food processing industries sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Manufacturing: Industrial

The UAE Government strategy focuses on developing the country's industrial and manufacturing sector, which contributes immensely to the overall economic growth, and strengthening its competitiveness globally. The UAE Government is also committed to further strengthen local industries, and believes that the industrial and manufacturing sector contributes to the country's prosperity and welfare. The policy of economic diversification and the efforts to encourage innovative industries and manufacturing have paid strong dividends.

The Ministry of Economy is working to make the country a preferred destination for investments in hi-tech and heavy industries for global investors. The UAE continues to record strong growth in the industrial and manufacturing sector.

*Source: UAE National Bureau of Statistics, Department of Economic Statistics – National Accounts Division, 2015*

Partnerships with foreign enterprises and joint-ventures have allowed industrial and manufacturing companies to benefit from the most up-to-date technologies. Some have emerged as world leaders in their markets. The industrial and manufacturing sector has recently diversified towards more capital intensive, high-technology products, such as electronics and machinery, exported in large part from the free zones, which have state-of-the-art production facilities and trade infrastructure.

The governments of each emirate have invested huge financial resources to diversify their economies. Initially, the UAE's industrial and manufacturing sector developed in oil and gas-intensive industries, such as petrochemicals, fertilisers, cement, and aluminium. Subsequently, the sector has rapidly evolved to more diversified products such as electronics and light machinery, exported in large part from the free zones.

Major growth areas include capital-intensive high-technology industries supplying, among others, security and safety equipment, IT equipment, medical equipment, construction products, air conditioning and refrigerating equipment, and sporting goods and equipment.

## Abu Dhabi

Abu Dhabi developed its new clusters the Industrial City of Abu Dhabi I, II, III and Al Ain Industrial City I, II, which were managed by the Higher Corporation for Specialised Economic Zones (ZonesCorp) and known as industrial zones of special economic nature, as well as the Al Ruwais industrial Complex, which hosts a number of petrochemical industries.

The Mussafah Industrial Area covers 14 km<sup>2</sup> and is made up of six zones based on industry sector, including automobiles, machineries & spare parts, food, textile & soft drink manufacturing, engineering works, wood and herbal industries, chemical, plastic & petrochemical industries, building & construction related materials and advanced technology Industries.

Furthermore, the Abu Dhabi government has been building the Khalifa Port and Industrial Zone (KPIZ), a multi-purpose facility located in the Taweelah district of Abu Dhabi and strategically placed between Abu Dhabi and Dubai. The project includes the construction of a world-class container and industrial port and the development of industrial, logistics, commercial, educational and residential special economic and free trade zones, and is due for completion this year (2015).

## Dubai

Dubai is developing Dubai Industrial City, a new manufacturing zone that will help the region's largest trading hub to diversify its economy still further. Dubai Industrial City was launched as a landmark project and a business district to catalyse and support the development of the manufacturing sector within the emirate. The city has been conceptualised and planned in great detail as a state-of-the-art industrial infrastructure. It is spread across 560 million ft<sup>2</sup> of land with specific emphasis on medium manufacturing sectors

(machinery and mechanical equipment), transport equipment and parts, base metal, chemicals, food and beverage and mineral products.

## Other emirates

The other emirates are also rapidly developing their own industrial cities to attract investment in this booming sector. To this end, it is worth noting that the long-term policy objective shared by all emirates is to increase the industrial and manufacturing sector's contribution to GDP.

## Aluminium and manufacturing sectors

Aluminium is one of the UAE's most important industries. Dubai Aluminium Company (DUBAL) was established in 1979, and owns and operates one of the world's largest aluminium smelters. It represents one of the main global aluminium producers, and contributes substantially to the UAE economy.

Built on a 480-hectare site in Jebel Ali, the complex's major facilities comprise a 980,000 metric tons per annum primary aluminium smelter, a 2,335 megawatt power station (at 35°C), a large carbon plant, casting operations with a capability of more than 1,270,000 metric tons per annum, a 30 million gallon per day seawater desalination plant, laboratories, port and storage facilities.

DUBAL represents one of the largest non-oil contributors to the economy of Dubai and is widely regarded as the industrial flagship of the UAE. DUBAL also holds a 50% share in Emirates Aluminium ("EMAL"), a green-field smelter development at Al Taweelah, Abu Dhabi, where capacity has risen to 1.3 Mt/y (metric tons per annum) since completion of its phase II project in 2014.

## Doing Business in the United Arab Emirates

The potline at the Al Taweelah site is now the longest in the world at 1.7 km, and comprise 444 reduction cells powered by increasing the onsite power plant capacity to 3000MW, yielding an additional production capacity of 520 kt/y (kilo tons per annum).

### Cable industry

Cable manufacturing is a very important aspect for the UAE development and Dubai Cable Company has been a success in this regard. The company is a technologically advanced cable manufacturing company that was established in 1979 as a joint venture with BICC Cables. It is the main producer of electric cables in the Middle East, producing the best quality electrical cables along with the best customer service. It supplies a range of high-quality power cables and accessories across the world. Presently, with three cable manufacturing factories, a copper rod plant, and PVC compounding facility across the emirates of Abu Dhabi and Dubai, the company has a manufacturing capability of over 110,000 metric tons of high, medium and low voltage cables and wires per annum. The company also continues to build upon BICC's cable manufacturing technology and has supplied cables to some of the recent landmark projects such as Burj Khalifa, Dubai Metro and Dubai Palm Jumeirah.

### Steel and alloys industry

UAE steel plants contribute greatly to the economy and are counted among the major heavy industries of the UAE. One of the largest UAE steel plants is Emirates Steel Industries (ESI), which utilises the latest rolling mill technology to produce reinforcing bars for the construction industry. The plant manufactures high yield deformed steel bars for concrete reinforcement.

Established in 2001 to satisfy the growing demand for quality steel products for the UAE's fast developing construction sector, ESI is the only significant domestic supplier of deformed reinforcing steel bars (rebars). In 2012 the Company began producing at a capacity of 3.5 million MTPA (million tons per annum), following two expansions and the investment of AED 11 billion. ESI is a prime supplier of rebar to the local and neighbouring markets, and the company have been involved in prestigious projects such as the Emirates Palace Hotel in Abu Dhabi, the Corniche Development project and the Dubai Airport Expansion project, amongst others. ESI has been undertaking a major expansion project to substantially increase company rolling capacity and establish the factory as a fully-integrated plant and the first steel making facility in the UAE.

### Cement industry

The cement industry is one of the oldest manufacturing industries in the UAE. The first factory was the Al Itihad Cement Company of Ras Al-Khaimah, which started commercial production in 1975. This was followed by the construction of several other factories in Al Ain, Sharjah, Dubai, Fujairah, Ajman and Umm al-Qaiwain. Historically, non-oil industries were not very developed and contributed significantly less to GDP. The emirate of Ras Al Khamah is the largest cement producer in the UAE, and Union cement, RAK cement and Hazar cement are the most important cement producers of the UAE, utilising the high-quality limestone available in the Hazar Mountains, and expanding production capacity. These factories employ a huge number of workers, representing a true investment within the country.



## Opportunities

For the very latest business opportunities for UK companies in the industrial sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Real estate and construction sector

### Background

The years 1970-2000 witnessed a historical renaissance in the construction sector in the UAE. Large cities came out of the desert and a state-of-the-art infrastructure was built across the country. Buildings including skyscrapers, lavish villas, large shopping malls and luxurious hotels began to decorate the landscape of the emirates.

The UAE real estate is now an active and dynamic sector. Land is owned by the government of each emirate and land ownership, leasing, and freehold rights are left to the discretion of each emirate. However, in most emirates, acquisition of land for commercial or private purposes is permitted in certain areas and governed by each emirate's own legislations.

In Abu Dhabi, a law on property ownership was adopted in 2005, which permits freehold rights to UAE nationals in the emirate. The law allows GCC citizens to own real estate located in investment areas. Foreigners have also been given the right, under the law, to lease real estate in investment areas located in Abu Dhabi for a limited duration. Further, in 2007, the law was amended to grant individuals and companies the right to own properties regardless of nationality outside the investment zones by the authority of Abu Dhabi's Executive Council.

In Dubai, the acquisition of land for commercial or private purposes was historically restricted to UAE citizens and, to a certain extent, GCC citizens. However, in 2002 the emirate of Dubai issued a decree which granted foreigners the right to purchase private properties and own freehold in certain areas, up to 99 years. Further regulation was issued in 2006 designating further areas where expatriates can enjoy freehold ownership. In 2007, the emirate enacted a law concerning the establishment of escrow accounts for real estate development project and a Strata Law which governs the creation, registration and management of jointly-owned property.

Other emirates have their own regulations and decisions governing land/ property ownership, including the emirates of Sharjah, Ajman, Umm Al-Quwain, Fujairah and Ras Al-Khaimah.

Today, well-established real estate development and investment, a solid construction sector, a growing property and facilities management sector, a demand-driven infrastructure development sector and real estate consultancy and urban planning, make the UAE's superb real estate and construction cluster.

## Doing Business in the United Arab Emirates

The UAE's aim in the realm of real estate is to position itself as an attractive global place for investment. According to the Ministry of Economy, the real estate, business services and construction sector contributed almost AED 151.6 billion to the country's GDP in 2014. The bulk of foreign direct investment has been mainly directed into real estate projects, as demonstrated by the Ministry of Foreign Trade in the annual trade policy report.

A massive expansion of developments was witnessed in Abu Dhabi and Dubai as the decade of the new millennium was approaching, and more than US\$163.4 billion is now being pumped into real estate development by Abu Dhabi to effectively reach its urbanisation ambitions plan by 2030. Other Emirates, Ras Al-Khaimah, Ajman, Sharjah, Umm Al Quwain, and Fujairah are also investing heavily in the sector to supply reliable real estate outputs for its residents.

The UAE today is the largest construction market in the GCC with a value of approximately US\$15 billion of projects constructed during 2014. It has also announced the development of a great number of residential housing communities, commercial units, and industrial districts across all emirates. All emirates have been effectively working to construct a strong infrastructure of roads, ports, airports, and sewage systems – a high-quality highway network comprising about 4,000 km of asphalt-paved roads, 15 large commercial ports, six international airports and a state-of-the-art sewerage public system, mark the notable milestones achieved. The emirates continue expanding their infrastructure by upgrading and remodeling their roads networks, airports and seaports as well as establishing

new facilities, meeting the demands of the growing population and economy.

Facilities management started to emerge as a new market in this industry due to the increasing number of buildings and housing units that require continuous care and maintenance. The demand for mechanical, electrical and plumbing engineers, cleaners, security guards and landscapers is growing as the construction projects in the UAE are growing.

International FM companies are viewing the country as one of the most favourable locations in this industry in the world.

### **Real estate and construction: Real estate development and investment**

The demographic fundamentals of the UAE, the mass available lands planned for urbanisation and the encouraging property ownership regulations are forming the new picture of the real estate sector. Dubai, Ajman, Umm Al-Quwain, and Fujairah have designated specific lands to be developed where expatriates can have freehold ownership over their properties, while Abu Dhabi and Sharjah have given the green light for 99-year leases. Further attractive regulations are expected to be passed during the coming years.

Emaar Properties PJSC is one of the largest property developers and one of the leading premier lifestyle providers. The company has accomplished recognised properties and master-planned communities in both markets domestically and globally. It is the prime mover of Dubai's real estate and construction sector. Burj Khalifah, the tallest free-standing structure in the

world, is the most noteworthy project accomplished by Emaar.

Nakheel properties, a Dubai-based land reclamation and residential projects creator, is also a main player in the real estate development. By establishing imaginary projects like the World, the Universe Islands, and Palm Islands, it has driven the real estate market. Sorouh Real Estate, Al Qudrah Real Estate and Al Dar Properties are the largest real estate developers in Abu Dhabi. Other important players are Deyaar Development PJSC, Rakeen Development PJSC, RAK Properties, Aqaar and Burooj Properties.

International companies have been attracted by the great potential within all emirates. International Trident Holdings has developed a number of projects such as its signature “Waterfront”, Marinascape, and Bayside Residence. Best Homes, a Canadian-based international real estate developer, has also developed a number of excellent projects such as the Global Residencia, Rescom Tower, and others. International leading real estate developers are working together with local companies to develop properties in all emirates to meet the growing demands by the increasing population and economic expansion.

**Building local housing communities**  
Due to the increased rate of marriage in the UAE, the government is building residential communities and selling community houses. Government-backed properties are preferred by many developers since they provide excellent liquidity, especially during real estate crises. Through public-private partnerships, international companies can engage in the development of these planned housing communities.

## Abu Dhabi

The emirate of Abu Dhabi is witnessing a historical growing period in its real estate sector. According to a recent study by Timetric’s Construction Intelligence Centre (CIC), Abu Dhabi is the leading city in the world in terms of having the highest value construction project pipeline. Abu Dhabi tops the list of these Construction Mega Cities, with total project values close to US\$480 billion, just ahead of London in second place (US\$477 billion) and Dubai in third (US\$394 billion). For more information please see: [www.constructionweekonline.com/article-31884-abu-dhabi-named-top-construction-mega-city/](http://www.constructionweekonline.com/article-31884-abu-dhabi-named-top-construction-mega-city/)

Abu Dhabi’s current high hotels-occupancy rate of over 72% is giving a positive and secure feeling to local and international investors to continue investing in this vital industry.

Khalifa City, one of the largest planned projects, comprises all federal ministries and local government offices and embassies. The city is expected to be completed by 2030. Another gigantic construction project is the Yas Island Development, a tourist development that will house hotels, marinas, resorts, among other features.

## Dubai

In 2006, Dubai legalised foreign ownership of property in designated areas. Foreign capital has been flooding in since then. The massive commercial and residential developments such as Jumeirah Palm, Burj Khalifah, Burj Al Arab, and Dubai Marina are only some of the accomplished projects by the region’s real estate developers, placing Dubai as one of the most attractive and growing real estate hubs in the world.

## Doing Business in the United Arab Emirates

### Sharjah

To become the ideal industrial hub in the UAE, Sharjah is developing one of its largest industrial projects in the Saja'a district. The mega industrial initiative, Emirates Industrial City, is designed to accommodate the dramatic influx of industrial enterprises into Sharjah, providing world-class infrastructure and support in an easily accessible location. The master plan of the industrial area is built over a total of 8.3 million ft<sup>2</sup> divided into eight sectors to support different projects in the areas of industrial plots, warehouse projects, commercial/industrial, and residential/ commercial.

Sharjah is also developing its residential and industrial areas. Building approximately 5,000 homes for nationals in Rahmania and Seouh, two suburbs of the emirate, and a new town in al Juwaiza that houses around 2,000 plots for villas and low-rise residential and commercial buildings are a few of the notable residential projects that are intended to meet the increasing number of residents of the emirate.

### Ajman

After liberalising its real estate sector by granting expatriates the right of leasehold, Ajman is developing mixed-use, residential, commercial and industrial construction projects as well as infrastructure in order to transform the emirate to a modern urbanised city. Some examples of these mega projects include Al Hilal Tower, Al Ameera Village and Ajman One.

### Umm Al-Quaiwain

The Government of Umm Al-Qaiwain is committed to the development of real estate projects and has linked up with

Emaar to create a new development surrounding a purpose-built marina. Umm Al-Qaiwain Marina is a vast, master-planned waterfront community located on the shore of Khor al-Beidah, including resort and hotel rooms as well as parks and recreational areas, retail facilities, schools and community centres.

### Ras Al-Khaimah

The emirate's investment arm is developing a mega industrial area "Al Ghail Industrial Park". With a zone of 23 km<sup>2</sup>, several manufacturing units are being housed in the park. Incentives such as low registration fees and long licensing periods are granted for local and international companies that operate this park.

Ras Al-Khaimah is also undergoing an ambitious phase of development including investments in infrastructure improvement, tourism, property, shopping, and efforts to attract industrial and commercial enterprises. US\$27 billion worth of residential and commercial projects are currently in various stages of development across the emirate, including hotels, parks, recreational areas, retail facilities, schools, and community centres.

### Fujairah

The eastern emirate, Fujairah, has also launched several strategic real estate developments that are concentrated on the shore of the Gulf of Oman coastline, including the Fujairah Dana, a combination of villas and hotels, and Fujairah Paradise. Furthermore, the emirate is planning to build a large number of residential units as well as commercial buildings.

## Opportunities

For the very latest business opportunities for UK companies in the real estate development and investment sub-sector, contact:

- UK Trade & Investment:  
[www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency:  
[www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai:  
[ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy:  
[www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)
- Musanada e-procurement portal:  
[www.eprocurement.musanada.com/web/login.html](http://www.eprocurement.musanada.com/web/login.html)

## Real estate and construction: construction

The global economic downturn had slowed the growth of the construction sector in the UAE in late 2008. However, signs of the economic recovery are now, seven years later, very visible to visitors and residents. The sharply-decreased prices of lands and construction materials began to shape new opportunities to property developers. The UAE Government announced its strong willingness to invest in the infrastructure development sector by initiating strategic projects such as the building of the union rail system, the road networks connecting Fujairah to Dubai, and Jebel Al Jais of Ras Al-Khaimah to Emirates Road, and many other large projects.

Real estate developers and construction companies have now shifted their focus from private to public sector schemes due to the increase in the number of government projects.

This trend is expected to continue due to the massive infrastructure projects started by all emirates. Abu Dhabi has announced its ambitious plan to boost its infrastructure, residential, and commercial properties – the largest construction and infrastructure projects by value in the GCC show that five of the region's ten biggest schemes planned or under way are in Abu Dhabi. The UAE was ranked as the most buoyant property market in the world.

Aldar Properties, Abu Dhabi's largest listed developer, announced in early 2015 that it would fill Abu Dhabi's housing supply shortage by building 7,300 homes there by 2020, and has now launched sales at three major new residential developments in prime areas of Abu Dhabi, on Yas Island and in the Shams area of Reem Island.

The West Yas waterfront scheme of 1,017 four and five-bedroom villas located along the mangroves on Yas Island went on sale in September 2015 and are reserved for UAE nationals, whereas property can be purchased by non-UAE nationals in the other development areas, including Mayan, a second project on Yas Island comprising more than 700 homes, and Meera in Shams Abu Dhabi comprising another 400 family homes on Reem Island close to the developer's planned Reem Island Central Park.

Community facilities will also be built, including a mosque for 2,000 worshippers, two schools – one of which will be operated by Aldar Academies – a retail centre, sports facilities, a petrol station and extensive landscaping and greenery in open public spaces.

## Doing Business in the United Arab Emirates

Prices for the capital's stock of newer prime developments have been outperforming the rest of the market, and it's expected these three new developments will enrich Yas Island and Shams Abu Dhabi with high-quality homes to meet demand across all segments of the market.

The mega projects that are underway or under the planning phase will significantly increase its share in the next coming years. Across all sectors and over all emirates, opportunities in the construction sector are countless.

### Residential housing

In order to achieve social stability for both the national and expatriate population, the UAE has announced a number of residential housing communities. The expansion of Arabian Ranches, Porto Dubai Al Furjan, Al Warsan and Emirates Hills give a clear indication of how the residential construction subsector is booming not only in Abu Dhabi and Dubai but also in all emirates that are committed to develop state-of-the-art residential communities.

The emirates are also developing their commercial and tourist units to cope with the rapid growth incurred in this sector. High rise developments are being either planned or are under construction, as well as establishing power plants, water desalination plants and road and rail network systems. The massive expansion plan of the UAE's rail system is one the largest infrastructure projects in the country.

Many local construction companies existed before the real estate boom in 2004. However, some of them have managed to take full advantage of the boom to become leaders in this sector.

Arabtec Construction LLC, a regional and global leader in the construction sector, accomplished a range of notable diversified projects such as Burj Khalifa, Burj Al Arab, Jet Fuel Farm in Dubai International Airport, Mubarraz oil and gas island, and other luxurious residential and commercial developments. In order to complete its projects, Arabtec engages with other international specialised companies through partnerships and subcontracts. BelHasa Engineering and Contracting, Khansaheb Civil Engineering, Lootah Group of Companies, Overseas AST, Al Naboodah Group and Bukhatir Group are some of the leading conglomerates now in the construction sector in the UAE.

Foreign construction companies have also been involved in different fields of the sector. Monolith Constructions, an international engineering and contract services provider based in the Philippines, successfully constructed a number of residential housings in Fujairah. ACTO General Contracting Company, a multinational company, successfully completed various set of projects in all emirates from power stations to basic villas. ACTO is considered one of the leading companies in this sector.

## Opportunities

For the very latest business opportunities for UK companies in the construction sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)
- Musanada e-procurement portal: [www.eprocurement.musanada.com/web/login.html](http://www.eprocurement.musanada.com/web/login.html)

## Real estate and construction: Infrastructure development

### Background

During the harsh times of the economic downturn, the government's spending on infrastructure gave confidence to investors in the UAE market. The UAE is now one of the fastest-growing infrastructure markets in the world. The planned infrastructure projects aim to meet essential needs in all aspects and regions of the country. The UAE is not only planning to develop new infrastructure but also to maintain, advance, and reconstruct the old utilities that are unable to support the growing economy and the population.

The highly-modern and sophisticated infrastructure of the UAE includes ports, airports, a network of roads and rail systems, and multiple business parks. The government's spending on the development of its infrastructure reached AED 132 billion in 2014, approximately 25% of total government spending. The existing modern and sophisticated network of ports and airports has not only advanced the economy but they have also become central to the entire region, driving the government of the UAE to invest more in this sub-sector.

Mina Zayed, the main gateway for container and general cargo vessels, Musaffah Port, located in the heart of the industrial city, and Freeport are the operating ports in Abu Dhabi. Dubai's ports include Jebel Ali Port, a large and rapidly-expanding deep seawater port infrastructure, and Port Rashid that is 13 metres deep and has a capacity of 1,500,000 twenty-foot equivalent units. Sharjah also has two ports, Sharjah Port and Khorfakan Port, while other emirates have one port each.

All emirates are planning to increase the capacity of their ports. Fujairah Port has been increasing its terminals' capacity due to the increased demand by petroleum companies such as Gulf Petroleum, Oil Marketing & Trading group, and the Singaporean oil company Chemoil.

The UAE has six international airports. In 2014 Dubai International Airport became the world's busiest airport by international passenger traffic, handling 70.48 million passengers, and in addition to being an important passenger traffic hub, handled 2.37 million metric tons of cargo and 357,339 aircraft movements. Terminal 3 is the second largest building in the world by floor space and the largest airport terminal in the world.

## Doing Business in the United Arab Emirates

In January 2015, there were over 8,000 weekly flights operated by 140 airlines to over 270 destinations across every continent except Antarctica.

*Source: Dubai Airports, 2015*

Dubai's second airport, Al Maktoum Airport in Jebel Ali, opened in 2010. With an area covering 140 km<sup>2</sup>, it is the largest air-sea transportation centre in the Middle East. While the Dubai Civil Aviation Authority controls and operates Dubai airports, Abu Dhabi International Airport, Al Bateen, and Al Ain airports are operated by Abu Dhabi Airports Company (ADAC). Also, Sharjah and Ras Al-Khaimah have emergent airports due to the increasing activities by RAK Air and Air Arabia.

In addition to advancing the seaports and airports network, strategic initiatives have been taken to enhance and develop the road networks. In 2006, the UAE established the National Transport Authority (NTA) with the task of developing a licensing system pertaining to land transport and granting licences to relevant transport bodies covering all modes of Land Transport for federal inter-emirates transport and international.

Since then, the land transport sector has been witnessing a growth period, and by 2014 the UAE had a high-quality highway network comprising about 12,500 km of asphalt-paved roads connecting all emirates as well as the country to the Sultanate of Oman and Saudi Arabia.

In order to reduce the dependency on emissions-producing vehicles, Dubai started building its Metro in 2005. There are now (2015) 49 stations operating over

75 km, with a further 26 stations over 96 km proposed. Abu Dhabi also has set up its plans to develop its metro, covering 131 km and connecting major areas of the emirate. Contracts are due to be awarded this year (2015), and Phase One of the network (60 km) should be completed by 2017, with a further 70 km in later phases.

Another railway system, Etihad Rail, is under planning to link all the northern emirates with Dubai and Abu Dhabi Railway. When complete, the 1,200 km network will extend across the United Arab Emirates from the border of Saudi Arabia to the border of Oman. The network will run from Ghweifat to Abu Dhabi, Dubai and the northern emirates with major connecting points in between, including Al Ain and Madinat Zayed. Etihad Rail will have an extensive national network with freight terminals, distribution centres and depots located close to major transport hubs, warehouses, and storage facilities across the UAE, major construction companies are seeking these great opportunities.

Wastewater treatment and solid waste disposal sectors in the UAE are growing too, with the increased production of desalinated water and the solid waste generated by the increased numbers of UAE residents. The UAE is one of the three highest per-capita producers of solid waste in the world. Most urban and industrial areas and all new development projects are connected to the public sewerage system. Solid waste disposal is run by the municipalities and is well-developed in the UAE. Sewerage systems in the emirates of Ajman, Fujairah, and Ras Al-Khaimah are being developed, and international companies can



participate to seize the benefits of these great opportunities through tenders and partnering with the public sector or local companies.

The Federal Government is improving the infrastructure of the northern emirates at the top of its priority list, initiating massive projects in order to improve the quality of life of its residents. US\$1.6 billion worth of projects is being pumped to upgrade the water and electricity networks by building mega power stations and water desalination plants in Ajman, Ras Al-Khaimah, Umm Al Quwain, and Fujairah, with new major road and rail networks connecting the whole area.

The UAE was one of the first nations to establish specialised free zones with unique infrastructure designed to suit a specific sector. The UAE had 52 free zones by March 2014, with some dedicated for specific services subsectors such as Dubai Media city and Dubai Healthcare. A number of free zones have been established to encourage trade and investment in all emirates, such as Himriyah Free Zone, Fujairah Free Zone, and Ajman Free Zone. In May 2004, the emirate of Abu Dhabi established the Higher Corporation for Specialised Economic Zones in order to provide an integrated infrastructure, a suitable business environment, and professional services through the establishment and management of special zones in Abu Dhabi. The 4 million m<sup>2</sup> free trade zone in Abu Dhabi Airport and 12 other free zones are now being developed. See the 'Free zones' chapter on page 143 for more information.

## Opportunities

For the very latest business opportunities for UK companies in the infrastructure development sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)
- Musanada e-procurement portal: [www.eprocurement.musanada.com/web/login.html](http://www.eprocurement.musanada.com/web/login.html)

## Real estate and construction: Property and facility management

### Property management

The historic growth in the number of existing properties in the UAE has caused real estate developers and buildings owners to hand over the leasing and sales operations to specialised agencies, called property managers. The volume of these existing residential, commercial, and industrial properties and the ongoing projects necessitated the property management sector to be sufficient in terms of quantity and quality. The demand for property and facilities management continues to increase as the economy of the UAE is growing, and as companies and residents are demanding better-serviced and managed buildings.

## Doing Business in the United Arab Emirates

Between 2000 and 2005, the UAE experienced an unprecedented properties growth. The total number of buildings reached 335,487. In late 2005, US\$35.42 billion worth of projects were under construction, dominating the construction sector in the GCC, and the high demand quickly drove-up prices. However, prices declined due to the economic downturn in 2008 and late 2009. Early signs of recovery began to appear in early 2010 and property prices began once more to move upwards. The liberalising real estate regulations encouraged the emergence of property managers. Since then, the market has been experiencing a historical transformation from the driving-effect of a pure investors market towards a greater emphasis on an owner-occupier and end-user demand market.

National and international property management companies are greatly benefiting from the unique opportunities in the UAE. Union Properties, a subsidiary of Emirates Bank, manages a great number of existing and landmark residential and commercial developments currently under construction in Dubai or recently completed, such as Al Wasl Villas, Creekside Residence, and the Control Tower TM, Burooj Properties, Deyar Properties, RAK Properties, and Northern Emirates Properties.

Opportunities in the property management subsector have gained the attention of global companies, and seeing the great potential in the UAE market, Asteco Property Management LLC and Better Homes, international property management companies, have now established offices here.

### Facilities management (FM)

Property managers, household owners, landowners, and real estate developers in the UAE began to realise the importance of investing in maintenance of buildings facilities to maximise life-expectancy and to attract tenants and buyers in a competitive market. The demand for facilities management (FM) is gradually growing due to this importance, to the growth in construction, and most importantly due to the harsh environmental conditions of the UAE that can reduce capacity of the facilities. New laws have been contributing to the increasing demand for FM services, requiring buildings under construction as well as existing buildings to follow guidelines set by the government which coincide with globally-recognised green buildings regulations.

In addition, these new regulations are playing a large role in increasing awareness with both developers and owners of existing properties to the benefits that can be gained from a sustainable facility, such as energy consumption, water use, and waste management. The increasing demand in the UAE in particular and in the GCC region overall has brought this attractive market to the attention of international FM organisations. Today, FM companies not only operate after a project is completed, but also cooperate with the developers from the initial drawing phase. By implementing FM guidelines, the developers ensure that their buildings will not just match the intended purpose but can also reduce maintenance costs and maximise the building's efficiency.

One of the leading international companies in the UAE's facilities management field is Drake & Scull International PJSC. The British company has successfully completed a great number of projects in Abu Dhabi and Dubai across all sectors, such as providing mechanical, electrical and plumbing (MEP) services for Abu Dhabi National Exhibition Centre, Rashid Hospital, and International Airport Terminal. The company has a number of ongoing projects in the UAE itself, one of the most recent contracts being for the Reef Residence Tower in Dubai awarded in January 2015.

### Opportunities

For the very latest business opportunities for UK companies in the property and facility management sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)
- Musanada e-procurement portal: [www.eprocurement.musanada.com/web/login.html](http://www.eprocurement.musanada.com/web/login.html)

## Transportation and logistics sector

### Background

The global recession, and the subsequent reduction of foreign investment in the UAE's real estate sector, have meant that the region's projects market is in-part being driven by state-backed infrastructure projects. Firms are branching into new markets, switching focus from private to public sector schemes and forming new alliances in a bid to win work in an increasingly competitive environment.

This trend is expected to continue in the short term with the UAE Government's drive to stimulate the economy by spending heavily on infrastructure projects, particularly in Abu Dhabi, where multibillion dollar infrastructure investment programmes have been announced as part of its ongoing implementation of Abu Dhabi Vision 2030. In addition, strong investments have been announced in social infrastructure such as hospitals, schools and museums. Transport has rapidly become a strategic priority. The objective is to make the UAE a major transport hub between Europe and South-East Asia. Accordingly, public funds were invested in developing port and airport infrastructure, airlines, and shipping companies and agencies. The UAE welcomes the further benefits that may come through greater liberalisation in the air transport sector over the coming months and years. Since the mid-1980s, a strategic priority of the UAE has been to become a major aviation and maritime transport hub between Europe and South-East Asia. The country has largely succeeded in this. The governments of each emirate have invested vast resources in developing port and airport infrastructure, which have also been among the leading sub sectors attracting foreign investment, albeit always on the basis of minority share-holdings.

## Doing Business in the United Arab Emirates

Transport not only plays an important role in the economy of the UAE, but the transport network has effectively become central to the entire region. Passenger and cargo transportation have risen in importance over the last few years. According to the World Travel and Tourism Council, international visitor arrivals to the Middle East are forecast to reach 90 million by 2016.

### Innovative projects

Mattar Al Tayer, Chairman of the Board and Executive Director of the Roads and Transport Authority (RTA) said: *"This year [2015] the RTA will embark on a study of the use of autonomous/driverless cars with the aim of deploying them in Expo 2020, and next May it will finalise the Transformation to the Smart Government Project by introducing smart, innovative and user-friendly apps that meet customer needs. The number of smart services provided by the RTA has so far soared to as much as 88 services provided via nine smart apps. The RTA will shortly start the test run of the electric bus, which is powered solely by electricity supplied by a rechargeable battery which can be recharged up to 80% in less than 30 minutes. When fully charged, the battery will provide the power needed for the bus to travel up to 200 km, and the bus can travel at a speed of up to 100 km per hour.*

*The RTA has constructed over the past years a host of innovative projects spanning roads and mass transit systems highlighted by the Dubai Metro project, the world's longest driverless metro system stretching 75 km. The metro operation is built on Artificial Intelligence technology that works out the intervals (headway) between journeys, measures the distance between rolling stocks, and*

*automatically realigns the headway between services in case of breakdowns or delay in scheduled journeys. Innovative projects undertaken also included the Dubai Tram, the first tramway outside Europe powered by ground electric cables with no centenary lines used throughout the track. It is also billed as the first tram in the world that uses platform screen doors the mechanism of which is synchronised with the opening and shutting mechanism of the tram's doors.*

*The portfolio of innovative projects includes the Floating Bridge, which had been constructed by the RTA in a short time and contributed to easing tailbacks at the Dubai Creek crossings, toll gate system (Salik), and the automated fare collection system (NOL), among other innovative projects."*

### Construction

Abu Dhabi-based developer Aldar Properties is developing Yas Island, involving the construction of the Yas Mall, car parks, infrastructure and associated roads occupying a total land area of 2,500 hectares, of which 1,700 hectares will be claimed for development. The island holds the Yas Island Circuit, which has been hosting the Formula One Abu Dhabi Grand Prix since 2009. It will also feature attractions such as Warner Bros Movie World, a movie theme park by Warner Bros, the Ferrari theme park Ferrari World Abu Dhabi, hotels including Yas Marina Hotel, a water park, and Yas Mall, the Abu Dhabi destination retail development of 300,000 m<sup>2</sup> retail area, links and parkland golf courses, lagoon hotels, marinas, polo clubs, apartments, villas and food and beverage outlets that will create a tourist destination.

The 27 km<sup>2</sup> Saadiyat Island development in Abu Dhabi is being constructed in phases until its completion in 2020. When complete, it is expected to become a premier destination providing leisure and tourism facilities, as well as civic and cultural institutions to around 145,000 residents. The island has been divided into a number of zones, including Saadiyat Beach, Saadiyat Lagoons and Saadiyat Cultural District and will include outposts of the Louvre and Guggenheim museums, as well as a performing arts centre and the Zayed National Museum.

### Aviation

The UAE's aviation sector has played a significant role in the country's current economic success and is now experiencing a period of phenomenal growth. UAE airlines (Emirates Airlines, Etihad Airlines, Air Arabia and Fly Dubai) are updating their fleets and capitalising on the increased passenger demand by pursuing several strategies, including transportation options that focus on superior passenger experiences as well as options that emphasise affordability.

### Airports

#### Dubai International Airport

In 2014, Dubai International Airport became the world's busiest airport by international passenger traffic, handling 70.48 million passengers, and in addition to being an important passenger traffic hub, handled 2.37 million tonnes of cargo and 357,339 aircraft movements. Terminal 3 is the second largest building in the world by floor space and the largest airport terminal in the world. In January 2015, there were over 8,000 weekly flights operated by 140 airlines to over 270 destinations across every continent except Antarctica.

*Source: Dubai Airports, 2015*

#### Al Maktoum International Airport

Dubai's second airport, Al Maktoum Airport in Jebel Ali, opened in 2010. With an area covering 140 km<sup>2</sup>, it is the largest

air-sea transportation centre in the Middle East. The US\$120 billion project is expected to be the world's largest airport complex with a single A380-compatible runway, 64 remote stands, a cargo terminal building capable of handling 250,000 metric tons per annum expandable to 600,000 metric tons per annum and dedicated road link to the port in Jebel Ali when completed. It will make the emirate a centre of air travel and aviation services. This project is ranked by the UK Government as a High Value Opportunity for UK businesses. For more information please contact: [enquiries@ukti.gsi.gov.uk](mailto:enquiries@ukti.gsi.gov.uk)

#### Dubai World Central

Dubai World Central (DWC), a 140 km<sup>2</sup> urban aviation community centred around the world's largest airport – DWC-Al Maktoum International Airport – is one of the most strategically important commercial infrastructure developments in the Middle East. The city-within-a-city, 40 km from the existing Dubai International Airport (DXB), is almost twice the size of Hong Kong Island. DWC is designed to support Dubai's aviation, tourism, commercial and logistics requirements until 2050 and beyond, transforming the UAE, and indeed the region, into one of the most powerful global centres for commerce, logistics and tourism.

#### Sharjah Airport

Sharjah International Airport was the UAE's first airport, built by Imperial Airways – the forerunner of British Airways – as a stopover en-route to India. Passenger traffic through Sharjah International Airport jumped by close to 12% in 2014 compared with 2013, with 9.5 million passengers handled as opposed to 8.5 million in 2013. Freight handled in the same period of 2014 was nearly 240 thousand metric tons, and aircraft movements were up 6.5% in 2014, reaching 70,559 compared to 66,247 in 2013.

## Doing Business in the United Arab Emirates

Sharjah Airport is a popular trans-shipment point, especially for inter-modal cargo arriving by sea and air-freighted onwards.

### Ras Al-Khaimah (RAK) Airport

RAK has been expanding its international airport to cater for the influx of Europeans that are beginning to discover the emirate as a new tourist destination. In April 2014 Air Arabia, the newly designated carrier of RAK, announced its new hub at RAK International Airport, its fourth international base and second in the UAE after Sharjah.

### Fujairah Airport

Fujairah Airport is also being expanded and has outlined an ambitious plan to increase its cargo capacity five-fold during the next few years.

## Airlines

Air traffic in the UAE is increasing year-by-year as airports are expanded, new ones built, and more airlines choose to include the UAE in their flight schedules. Each emirate is fully responsible for developing its civil aviation. The UAE's aviation industry has advanced sizeably over the past few years, fuelled by considerable airport expansion in each emirate, as well as by the launch of a number of new airlines. Moreover, huge aircraft purchases have been made by all the UAE's carriers.

One of the strategies that has led to the development of air transport services in the UAE is the use of the UAE territory as a land-bridge on intercontinental routes. Typically, bilateral air service agreements have been concluded with countries in Europe and Asia, and UAE airlines have

subsequently exploited sixth freedom rights, i.e. serving routes between European and Asian cities with a stopover in a UAE city. As a result, certain UAE companies are now amongst the dominant airlines on the New Zealand-Australia route.

### Etihad Airline

In July 2003, the Abu Dhabi Government launched Etihad Airways, the UAE's national carrier, and fully funded and owned by the Abu Dhabi Government. The airline has grown at a phenomenal pace to become the fastest growing airline in the history of commercial aviation, serving 69 destinations in 44 countries across Africa, Asia, Europe, the Americas and Oceania by the end of 2014.

Almost 14.8 million passengers flew with Etihad Airways last year (2014), a significant increase of 23% over 2013 levels, marking its strongest operational performance to date. Etihad has a fleet of 110 passenger aircraft and 10 freighters, and won the world's 'Airline of the Year' award at the 2015 Aviation 100 Awards.

The Government of Abu Dhabi is a shareholder in several other aviation companies. Abu Dhabi Aviation, established in March 1976, is the largest commercial helicopter operator in the region, with a fleet of over 40 craft. It is 30% owned by the Abu Dhabi Government. The bulk of the company's business is in supporting Abu Dhabi offshore oil, engineering, and construction companies, but also includes offshore rescue services and the aerial application of agricultural sprays. The company has expanded its operations in recent years to other countries, including Oman, Yemen, Saudi Arabia, Spain, and

Iran. Royal Jet, a luxury air charter service, was launched in May 2003. By 2012 it operated a fleet of ten aircraft. A division of Royal Jet, the Royal Med service, attracts passengers travelling for medical assistance; the Royal Med air ambulance, equipped with state-of-the-art medical equipment, was launched in 2003. Royal Med now accounts for almost half of Royal Jet business. Royal Jet is a joint-venture, shared equally by Amiri Flight of Abu Dhabi and Abu Dhabi Aviation.

### The General Civil Aviation Authority

GCAA is a federal, autonomous body overseeing all activities related to civil aviation and providing navigation services, registration, and licensing services for the UAE aviation industry. Companies wishing to conduct commercial air transport in the UAE must obtain an Air Operator Certificate from the GCAA.

The GCAA proposes air transport policy general guidelines and relevant legislation to the Council of Ministers, and enforces international agreements and conventions. New foreign entrants are allowed into the market on the basis of bilateral air transport agreements. The UAE also signed open-sky agreements with the United States in April 1999 and with five other countries thereafter. However, the authorities have stressed that the UAE prefers an open tariff regime freely determined by the airlines. Cabotage is reserved for UAE carriers unless specifically authorised. “Wet” leasing of aircraft (with crew and, typically, fuel, maintenance, and insurance) by UAE carriers is not restricted to UAE companies or citizens.

There are no nationality requirements for crews engaged in domestic or international air passenger and freight services. However, the GCAA has embarked on a nationalisation programme since 1998, which has led to an increase in the number of UAE nationals serving in the GCAA.

## Seaports and shipping

The UAE has developed as a regional hub for maritime transportation and logistics. UAE ports handle large throughput to and from the region, and ship and boat building are emerging as strategic competencies.

### Maritime transport services

The growth of maritime transport to and from the UAE has resulted largely from the development of Dubai’s Jebel Ali Port, a large and rapidly expanding deep seawater port infrastructure. The port has allowed the development of major shipping and trans-shipment activities as well as shipbuilding, repairs, and maintenance services. The UAE has been a member of the International Maritime Organisation (IMO) since 1974. The UAE’s merchant fleet comprises shipping companies registered in the UAE and at least 51% owned by nationals. Foreign flag vessels must have a contract with one of the federal or local governments to operate in UAE waters, and cannot carry out cabotage on their own account. This is designed to encourage local companies to register vessels under the UAE flag. Crews working on ships servicing territorial waters must have residency visas. Foreign companies must obtain approval in the form of a licence. All ships operating in the territorial waters must be

classified under one of the categories of the International Association of Classification Societies (IACS). In addition, foreign ships must not be older than 25 years, and local ships must have IACS approval issued within five years.

## Doing Business in the United Arab Emirates

The United Arab Shipping Company (UASC) is the largest container carrier to and from the Middle East. UASC was established jointly by the six GCC States in July 1976. The share owned by the UAE Federal Government is 16.5%. A number of other domestic shipping companies are partly or fully owned by the Federal Government or by the Governments of the Emirates. These include ADNATCO, National Petroleum Construction Company, and National Marine Dredging Company (all three owned by the Federal Government); It is a Lat and Delma Co-operative Society, owned by the Abu Dhabi Government and Arab Maritime Petroleum Transport Company.

The UAE shipping agency and freight forwarding market comprises numerous companies. The UAE host one of the world's largest shipping agendas, Gull Agency Company (GAC), based in Jebel Ali Free Zone since 2002. The private company also supplies spare parts and various services to vessels worldwide.

### Ports

The UAE has 15 large commercial ports (including oil terminals) with a total capacity of over 70 million metric tons. Dubai's Jebel Ali Port, which handles primarily bulk cargo and industrial material for Jebel Ali Free Zone, is the world's largest man-made port. The UAE's ports export mainly oil and gas, but also raw materials and finished goods. Imports consist of intermediary and consumer goods, as well as a significant re-export trade to other economies in the Gulf region, East Africa, and the Indian subcontinent.

The UAE ranks among the top five locations in the world for bunkering and other ship chandelling, and its ship-repair facilities and ship-building capacity are developing rapidly. As previously noted, port services are regulated at an emirate level. Most port handling services, including crane liting, loading, discharging, stevedoring and stowage, storage and warehousing, as well as pilotage, are supplied exclusively by the port authorities of each individual emirate.

### Abu Dhabi

The marine terminals of Jebel Dhanna and Ruwais, Umm al-Nar, Das Island, Zirku and Mubarraz islands handle the bulk of the UAE's crude oil and gas exports. They are owned and operated by the Abu Dhabi Petroleum Ports Operating Company.

### Port Zayed

Port Zayed is Abu Dhabi's main general cargo port, established in 1972. There are 21 berths for handling general cargo, including bulk cargo, ro-ro, project cargo, and petroleum products. Zayed port has been closed and redeveloped into prime waterfront property, while a much larger port and industrial zone, Khalifa Port and Industrial Zone, has been built on a reclaimed island 5 km offshore near Taweelah.

### DP World

DP World is one of the top four marine terminal operators in the world with more than 65 marine terminals across 31 countries in six continents, including new developments underway in India, Africa, Europe and the Middle East (mid 2015). Its dedicated, experienced and professional team of around 32,000 people serves customers in some of the



most dynamic economies in the world. In 2005 and 2006 DP World acquired CSX WT and P&O respectively. Together with recent developments and new concessions, DP World has transformed from a regionally based operator to one that has a significant presence.

DP World is one of the innovators in the container terminal industry and has successfully developed and enhanced container terminal capacity and efficiency in the markets in which it operates in direct response to customer needs. It aims to enhance customer supply chains by effectively managing container, bulk and other terminal cargo and investing in equipment and facilities to improve productivity and efficiency. With an average concession life of 43 years, DP World invests for the long term. Historically, the container handling industry is linked to GDP growth, with container terminals historically delivering volume growth 34 times GDP. DP World has always performed better than the industry, due in large part to 75% of its volumes coming from faster-growing emerging markets and its focus on the more stable origin and destination markets.

Its customers comprise more than 150 carriers, including all of the top ten global container shipping lines, as well as general cargo and car carriers. It has long-standing relationships with its top ten customers, many of whom who have been customers since it first began operations. Jebel Ali in Dubai is DP World's flagship facility and the UAE is an important trading hub for the Middle East, African and Indian Ocean rim countries.

DP World's flagship Jebel Ali facility in Dubai has been voted "Best Seaport in the Middle East" for 20 consecutive years, and is the sixth largest container terminal in the world by capacity and throughput. In addition, it can accommodate the draft of any container vessel in existence or on order, and deploys the largest quayside cranes currently in operation in the world.

Jebel Ali holds the strongest market position as a terminal operator in the UAE and Middle East due to the high volumes of cargo originating in or destined for that market (O&D cargo). Container operations at Jebel Ali are strengthened by its position adjacent to the Jebel Ali Free Zone, which is home to nearly 7,000 international companies generating significant volumes of captive container traffic. The free zone and port are physically connected, creating a logistics hub potentially capable of serving over 2 billion consumers from West Asia to East Africa.

DP World's global business is run out of its head office in Dubai. Its executive management team has significant industry experience and its local operations on the ground globally are also managed by senior executives with significant experience in the container terminal industry and extensive local and regional knowledge.

DP World Limited is publicly listed and was admitted to the official list of securities on NASDAQ Dubai at the DIFC in 2007. DP World is majority-owned (80%) by a direct subsidiary of Dubai World, which itself is a holding company owned by the Government of Dubai. For more information about DP World and its businesses please visit its corporate website: [www.dpworld.com](http://www.dpworld.com)

#### **Jebel Ali Port**

Jebel Ali Port, DP World's flagship terminal, the world's largest man-made harbour, the biggest port in the Middle East, and the busiest container terminal between Asia and Europe, is an integrated multi-modal hub, offering sea, air and land connectivity complemented by logistics facilities which include coolport, container freight station and warehousing.

## Doing Business in the United Arab Emirates

Originally constructed in the late 1970s, it is now in 2015 a premier gateway for over 90 weekly services connecting to more than 140 ports worldwide. The poly-functional terminal facilities are spread over 20 km of quayside featuring 23 container berths and 78 quay cranes, geared to handle next-generation vessels.

Expansion plans adding 6 berths and 4 million TEUs (twenty foot containers or equivalent units) capacity will bring the total handling to 19 million TEUs later this year. As it foresees continued growth, DP World has outlined expansive plans to expand its capacity to up to 80 million TEUs by 2030 by extending the port out to a reclaimed island. Once complete it will be the world's biggest container port, surpassing the ports of Shanghai and Singapore in size.

*Source: DP World 2015*

### Sharjah ports

Sharjah is home to three of the finest deepwater harbours in the UAE. Sharjah Seaports Authority has invested in increasing the berths in all its three major ports. The depth at five of the berths in Port Khalid is being increased to 12 m, while the cargo storage facilities in Hamriyah port have been extensively developed to increase the open yard storage in excess of 200,000 m<sup>2</sup>. The expansion work has been completed at Khorfakkan port which saw two new berths of 840 m in length commissioned in March 2010 with an alongside depth of 16 m capable of handling the biggest container vessels.

*Source: Government of Sharjah Department of Seaports and Customs 2015*

### Ajman Port

Ajman Port, which also services Ajman Free Zone situated in the port, has eight berths designed to handle both container and general cargoes. Plans are under way to deepen the port. It has special facilities to handle cargoes of chemicals, wastepaper, and fodder. There are also two dry docks to provide maintenance and repair services.

### Ras Al-Khaimah Port

Cement, marble, and gravel from nearby quarries and factories are the main products shipped from Port Saqr in Ras Al-Khaimah, which is situated close to the major shipping lines and the Straits of Hormuz. In 2004, Ras Al-Khaimah Port Authority awarded the Kuwaiti firm KGL a US\$45 million contract to build, operate, and manage its container terminal at Port Saqr for 21 years. The port is has been expanded to handle 3 million TEUs to boost its trans-shipment potential, as well as to improve the capacity to handle bulk cement and aggregate.

### Fujairah Port

Fujairah port, the largest oil-bunkering facility in the region, is strategically located on the United Arab Emirates Indian Ocean coast, outside the Straits of Hormuz and close to the east west shipping routes. Its location offers shipping lines with high transshipment volumes an excellent platform to serve the entire Gulf Region, the Indian Subcontinent, Pakistan, Iran, the Red Sea and East Africa. Fujairah is one of the world's three largest bunkering centres along with Singapore and Rotterdam, with a container terminal spread over 200,000 m<sup>2</sup>, and a capacity of 18,588 TEUs (2015).

*Source: DP World 2015*

## Roads transportation

The UAE has a good highway transport system, which connects all the main cities of the country. The land transport sector has been witnessing a growth period, and by 2014 the UAE had a high-quality highway network comprising about 12,500 km of asphalt-paved roads connecting all emirates as well as the country to the Sultanate of Oman and Saudi Arabia.

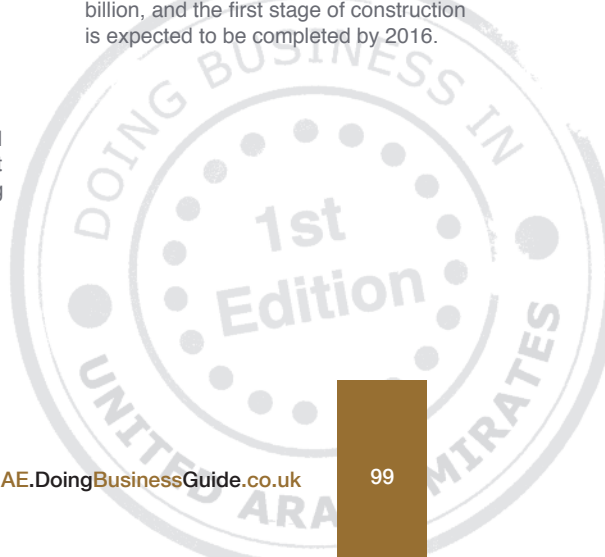
Road transport companies, which must be majority-owned by UAE nationals, generally employ foreign drivers. One of the most important highways is the 55 km Sheikh Zayed Road between Dubai and Abu Dhabi and linking via the arterial routes to the other emirates. UAE President Sheikh Khalifa bin Zayed Al Nahayan has allocated AED 16 billion for infrastructure projects in the northern emirates, which is being used to fund the construction of roads network, new housing communities, drainage networks and other projects, providing integrated solutions where there are infrastructure deficits.

## Rail

The UAE is the region's most advanced market in terms of rail schemes. In order to reduce the dependency on emissions-producing vehicles, Dubai started building its Metro in 2005. In 2015 there are now 49 stations operating over 75 km, with a further 26 stations over 96 km proposed. The metro system is one of the most advanced urban rail systems in the world and is a catalyst for tourism, financial and economic growth. Abu Dhabi also has set up its plans to develop its metro, covering 131 km and connecting major areas of the emirate. Contracts are due to be awarded this year (2015), and Phase One of the network (60 km) should be completed by 2017, with a further 70 km in later phases.

Abu Dhabi's Etihad Railway, fast-tracked procurement of the Gulf's most significant transport project, with the first section of the US\$11 billion federal rail network completed in 2013. Etihad Rail will link all the northern emirates with Dubai and Abu Dhabi Railway. When complete, the 1,200 km network will extend across the United Arab Emirates from the border of Saudi Arabia to the border of Oman. The network will run from Ghweifat to Abu Dhabi, Dubai and the northern emirates with major connecting points in between, including Al Ain and Madinat Zayed. Etihad Rail will have an extensive national network with freight terminals, distribution centres and depots located close to major transport hubs, warehouses, and storage facilities across the UAE, which will add to the UAE's competitive edge, create job opportunities and serve as a magnet for foreign investment.

The 537 km national railway will significantly reduce traffic on the heavily congested roads connecting the emirate. It will ultimately unite with a trans-GCC network that will connect all six member-states. The first phase of the UAE's rail network would see double track railway built from Ruwais in Abu Dhabi to Fujairah. Eventually, there would be about 900 km of track running from the coast to the Saudi border. The regional mega-project is estimated at around US\$14 billion, and the first stage of construction is expected to be completed by 2016.



### Opportunities

For the very latest business opportunities for UK companies in the transport and logistics sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Healthcare and pharmaceuticals sector

### Background

Although healthcare as an industry is an emerging economic activity in the UAE, it has proven over the past decade to be one of the segments with high growth potential and lucrative opportunities for long term investments.

Rapid expansions in both the population and income, together with a more sedentary lifestyle are some of the significant growth drivers of healthcare in the region – this particular industry was highly stimulated with the sharp increase in the population which doubled the

country's residents in less than ten years, combined with the fact that the UAE has also become one of the leading travel destinations globally for holiday makers and shopping enthusiasts. The modern tourism infrastructure and the tourist-friendly environment have even opened doors for appealing opportunities in health and clinical tourism as well.

Until recently, the UAE has been a major consumer rather than provider of healthcare services. Now, this trend is reversing. The rising interest in the healthcare sector is largely due to the UAE Government's initiatives to modernise the UAE's healthcare systems. Progress is being made by focusing on improving and building healthcare infrastructure, including the privatisation of publicly owned healthcare facilities and the introduction of compulsory private health insurance.

Although in terms of GDP contribution, healthcare expenditure is low, the UAE is actually among the top 20 highest in the world in terms of per capita spending. In 2009 the overall health expenditure was US\$5.4 billion, equal to 2.6% of GDP. By 2013 the UAE healthcare market was worth approximately US\$18 billion, and is expected to grow at a compound annual growth-rate (CAGR) of nearly 13.5% by 2020.

From a structural point of view, the healthcare industry includes pharmaceutical manufacturing, hospitals and clinical treatment, wellbeing and plastic treatment, health tourism, medical supplies and medical education & MICE. While operating in the UAE, healthcare and pharmaceutical businesses may need to obtain proper licensing from both the federal Ministry of Health as well as the relevant emirate's Health Authority in

Abu Dhabi and Dubai. The public healthcare services are run by different authorities: The Health Authority of Abu Dhabi (HAAD), the Dubai Health Authority (DHA), the Ministry of Health (MOH) and the Armed Forces, and Police Medical Services. While each entity has its separate autonomous operating authority and runs independently of each other, they all share the same national goal of excellence in healthcare.

The establishment of health-related free zones has increased the interest of global healthcare players. This has encouraged such players to set up regional centres in the UAE, so as to expand their presence in the MENA region. The Dubai Health Care City (DHCC) is one of these free zones and is part of the government's efforts to develop medical facilities that will attract patients to Dubai from other regions. Another initiative is DuBiotech which enables many companies and universities to establish their own research facilities in the country which in effect helps pharmaceutical companies eager to penetrate the region to further understand various environmental and local issues associated with the development of region-specific medication.

The Government of the UAE, at both the federal and local levels, has shown commitment to expanding access to medical services and healthcare facilities including pharmaceuticals. The country boasts strong, innovative and high-quality healthcare provision, with the government planning further investment in such resources. To this end, the UAE is building multiple healthcare facilities, expecting demand for healthcare to more than double by 2025.

In March 2015 Dubai launched the second phase of its Healthcare City Project, built at a cost ranging between Dhs3 billion and Dhs5 billion, and spread across 22 million ft<sup>2</sup> in the Jadaf area. This second phase is in line with the UAE Vision 2021 and will help promote the emirate as a

medical tourism hub. Almost 25% of the new phase consists of medical and healthcare services, with another 25% dedicated to hospitality and retail shopping, along with a focus on education.

In addition, two years ago the DHA announced several projects as part of its Dubai Health Strategy 2013-2025, some of which are now nearing completion. The new Kings College Medical Facility in Abu Dhabi opened on 19 October 2014, the 200-bed, 98,000 m<sup>2</sup> Al Jailia Children's Speciality Hospital to be housed at the Latifa Hospital and the first of its kind, opened in the first half of 2015 and an additional 160 beds have been added at a cost of Dh161 million as part of the expansion of Rashid Hospital's Trauma and Emergency Centre, opened in May this year (2015). In addition Abu Dhabi's 126-bed Danat Al Emarat Women & Children's Hospital and four new Primary health Centres are to be opened later this year, considered essential as frontline care. By 2025, Dubai will have 40 primary health-care centres.

Key drivers for growth in the coming years are growing health insurance penetration, rising per capita income, and increased health awareness, coupled with an increased incidence of lifestyle diseases and a favourable demographic profile. In addition, the country has become an attractive market for foreign investments in the medical technology sector given that it is only at the "grass-roots stage" of its potential capacity, and many companies are willing to become early adopters of new technology. There are plenty of business opportunities for international medical equipment investors. One of the more lucrative investment opportunities in the sector is in specialised healthcare delivery and supporting services.

## Doing Business in the United Arab Emirates

According to investment experts, some of the biggest opportunities are likely to be found in healthcare projects, which have already attracted major global companies such as General Electric and Siemens, both of which have large infrastructure businesses as well as being major suppliers of healthcare IT and diagnostic imaging technologies. Initiatives such as the creation of free zones, including the two free zones mentioned earlier, are increasing FDI in general and investment in healthcare research in particular.

More opportunities will arise in health insurance, which until now has been a relatively underdeveloped sector in the region. In addition to the market for healthcare products, there will be a growing market for regulatory consultancy services as the region's governments struggle to adapt international best practices to local organisational, legislative and legal frameworks.

### **Healthcare and pharmaceuticals: Pharmaceutical manufacturing**

The United Arab Emirates may not be the largest pharmaceutical market in the Middle East and Africa (MEA), but it possesses several advantages that make it an attractive prospect to have the largest pharmaceutical industry in the region. BMI forecasts that sales of prescription drugs and over-the-counter (OTC) medications will grow from US\$1.59 billion in 2010 to US\$3.27 billion in 2020, representing a compound annual growth rate (CAGR) of 7.5%.

Drivers of growth include increasing public and private wealth fuelled by the oil boom, and a strong healthcare infrastructure that ensures high-tech

treatments are always available. A friendly regulatory environment and absence of significant local competitors are other factors influencing a growing number of small research firms locating to the country.

The government is keen to attract foreign investment and diversify the country's economy, which is highly reliant on oil. To this end, the pharmaceutical and healthcare industries have been identified as important industries to develop. Among the reasons behind such a step is the fact that local production is way behind the level that caters to local consumption. Presently, domestic producers only account for around 20% of the market by volume.

Some experts believe that the sector should grow at the same speed as the fast-developing biotech and healthcare sectors. A wealthy population with a preference for novel therapies ensures there is a high demand for patented drugs. In addition, the regional demand is a successful factor where the country's strategic position as a logistics hub can be utilised. Julphar, the UAE's largest domestic player, exports over 93% of its production capacity to the neighbouring countries including the GCC and beyond. Meanwhile, the UAE continues to lead the region in terms of investment in its home-grown pharmaceutical sector. According to a report by Gulf Organisation for Industrial Consulting, UAE companies invested US\$64 million in eight local production facilities. Domestic production is almost exclusively of non-patented drugs, which have been identified as a key growth area if the industry is to survive the entry of foreign generics, even if these are subject to price controls.

However, the growing local demand versus limited domestic production is only one of several marketing and regulatory factors that made the pharmaceutical industry increasingly attracted to the UAE. Major international players such as GlaxoSmithKline, Novartis, Abbott Laboratories, Pfizer and Johnson & Johnson have also expanded their operations in the country, attracted by major developments such as the US\$400 million DuBiotech and the US\$3 billion Dubai Healthcare City.

Both initiatives are part of the authorities' plan to attract foreign investment. DuBiotech is aimed at developing the UAE's biotech industry, while Dubai Healthcare City (DHCC) will enhance the country's healthcare system and the UAE's reputation as a centre for premium healthcare, encouraging growth as a medical tourism destination. Some of the world's biggest names have already started ghost manufacturing some of their popular medications in the UAE to cater for the regional demand and to gain a faster time to market.

Industry experts say that there is potential for further growth in the pharmaceutical products sector in the light of the changing lifestyle dynamics in the region which is based on an increasingly-westernised disease profile with non-communicable diseases such as obesity. Areas of growth for manufacturers include targeting the overweight and obese residents of the UAE. Other diseases associated with a relatively sedentary lifestyle such as increased heart disease and diabetes will likely remain the mainstay of growth for patented drug manufacturers. New areas for pharmaceutical product growth could also include tapping the rising demand for medical tourism connected to these changes in lifestyle.

Other regional drivers for growth are access-related. The UAE is proving to be an efficient re-export regional hub and several regional markets are proving to be lucrative for companies that are

establishing operations in Dubai. This is compounded by the fact that profitability for pharmaceutical products also remains high because they are, in comparison to other sectors, relatively light-weight in distribution and highly profitable at retail despite their regulated prices. At the regulatory level, the UAE has been widely known for its strict and zero-tolerance policy with intellectual property issues. Also, provisional data issued by the World Intellectual Property Organisation (WIPO) has revealed that there are a number of international patents filed by the UAE under WIPO's Patent Cooperation Treaty, despite the challenging economic conditions.

Another regulatory factor is believed to be a major decisive factor in foreign penetration of the UAE's pharmaceutical production. The Dubai Chamber of Commerce and Industry expects the segment to become "one of the key sectors in the UAE" once foreign majority ownership is granted under a foreign investment ownership law. Currently overseas investors can only own up to 49% of most businesses in the country, only holding full control of companies in government-run free trade zones, such as DuBiotech, which are predominantly located in Dubai.

### Venture capital

The Pharmaceutical production sector in the UAE is in fact in need of greater access to venture capital (VCs) in order to help it develop and expand and to encourage start-ups in fields such as biotechnology and R&D. Large-scale projects, such as DuBiotech and the Dubai Healthcare City are helping raise the profile of the UAE's drug industry and secure greater foreign investment. There are several VCs operating in the country now, but they mostly focus on soft businesses rather than manufacturing, leaving the door open for manufacturing-oriented VCs to penetrate.

### Opportunities

For the very latest business opportunities for UK companies in the pharmaceutical manufacturing sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Healthcare and pharmaceuticals: Hospitals and clinical treatment

Future trends have something to say about the potential in clinical treatment in the UAE. By 2025, diabetes is expected to affect one quarter of the population. One third of Emiratis are overweight. Of those, 36% are obese, and 17% of UAE nationals have high blood pressure. In the UAE, there are 260 known genetic diseases ranging from blood disorders to cancers. In addition, treatment for cardiovascular disease is expected to account for 24% of the total healthcare expenditure in 2025 compared to less than 12% of the total expenditure today. This will be followed by significant spending on infectious diseases,

digestive diseases, maternal and prenatal conditions, genetic disorders, cancer and other diseases. The demand for hospital beds across the GCC is expected to rise, with the UAE registering the highest projected growth in demand for hospital beds at 160% by 2025. Motivated by both the surge in the population and the development of the country as a medical tourism hub, the UAE is rapidly moving toward a higher-than-ever demand for hospital beds and relative clinical services. In 2013 there were 108 hospitals in the UAE (92 in 2009) – 33 public and 75 private (33 and 59), comprising 7,223 (7,061) public and 3,730 (2,665) private beds.

*Source: UAE Ministry of Health, and UAE National Bureau of Statistics, June 2015*

Dubai Healthcare City (DHCC) alone comprises nine hospitals and 1,100 beds and is due to be fully operational in 2017. By 2015, the need for hospital beds has more than doubled to about 165,000 and treatment demand has risen by 240%. This is pushing up healthcare costs fivefold to around US\$60 billion.

Two years ago the DHA announced several projects as part of its Dubai Health Strategy 2013-2025, some of which are now nearing completion. The new Kings College Medical Facility in Abu Dhabi opened on 19 October 2014, the 200-bed, 98,000 m<sup>2</sup> Al Jalila Children's Speciality Hospital to be housed at the Latifa Hospital and the first of its kind, opened in the first half of 2015 and an additional 160 beds are being added at a cost of Dh161 million as part of the expansion of Rashid Hospital's Trauma and Emergency Centre, which opened in May this year (2015).



In addition Abu Dhabi's 126-bed Danat Al Emarat Women & Children's Hospital and four new primary health centres are opening this year, considered essential as frontline care. By 2025, Dubai will have 40 primary health-care centres.

At the federal level, a wide range of public health facilities are run by the Ministry of Health, including hospitals, primary healthcare centres, school health and maternity & child health units. In addition, there are facilities run by other public sector bodies, including the police and the armed forces. A number of specialised hospitals have been built since 2011 across the UAE, costing nearly US\$272 million. The largest of the hospitals is the 200-bed, Saqr Hospital in Ras Al-Khaimah, which cost US\$136 million and was completed in 2013. In addition, a specialised psychiatric hospital for patients in Dubai and the northern emirates has also been built. The 272-bed Al Amal Psychiatric Hospital, located in Al Ruwayyah in Dubai and costing US\$163 million, is currently being built and is likely to be completed during 2015.

A few of these hospitals specialise in one field. Mafraq, for example, is known for being a cardiac centre, Corniche Hospital is a maternity hospital, and Tawam Hospital specialises in radiotherapy and cancer treatment, being the first hospital in the UAE to install radiotherapy systems. However, it seems the private sector is yet to take up some of these opportunities, leaving immense room for new investments. Industry resources estimate that there is currently a shortage of 9,000 hospital beds in the UAE's private sector, which provides a huge investment opportunity. The standard in healthcare is one hospital bed per 250 people, leaving a large gap in supply.

With the Abu Dhabi government declaring private insurance mandatory, the demand has gone up, when previously patients would travel out of the country for cheaper treatment. Private clinics across the country have shown tremendous

growth and are participating well to the primary care needs of the population, and some international players are showing interest. The market has proven lucrative even to a giant such as JP Morgan, which owns a strategic share in Dubai-based Gulf Healthcare International (GHI). Operating at a regional level for a number of years, GHI spent US\$27 million on a programme to expand affordable health-care facilities in the UAE, opening six Amber Clinics in Dubai and Abu Dhabi in 2011.

The first of these clinics, in Al Rigga, Deira in Dubai, is a 22,000 ft<sup>2</sup> facility offering a wide range of medical services to middle to higher-income groups of all nationalities. Staffed with medical experts across fifteen specialities and primary care departments, they are as diverse as the local community, with European, Indian, Arabic and Filipino doctors.

### Opportunities

For the very latest business opportunities for UK companies in the hospitals and clinical treatment sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### **Healthcare and pharmaceuticals: Medical tourism**

Demand for medical tourism has escalated over the years, driven by deteriorating national healthcare services in many western countries, exorbitant medical costs and long waiting lines. This has contributed to strong demand for affordable medical treatment performed by highly trained medical specialists in state-of-the-art facilities.

The UAE has been able to provide medical services at a lower cost – when compared to North America and European counterparts in the private sector – with no waiting times in modern, fully equipped facilities. These factors provide significant incentives to patients who would otherwise face extensive queues for treatment in public healthcare facilities in their home countries. In addition, the UAE is hoping to become an ideal alternative for patients from neighbouring GCC countries who prefer to stay at a reasonable proximity to their families in a culturally similar environment.

Some resources also mention privacy as an important factor for choosing the UAE as a health tourism destination. The UAE authorities apply a zero-tolerance policy regarding privacy breaching incidents especially when it concerns celebrities and dignitaries. Government and private sector initiatives alike are actually targeting these two segments, though the competition is not with low-cost Asian markets, but with the rocketing costs in the western hemisphere.

Among the significant initiatives to cater for GCC nationals is the new Cleveland Clinic Abu Dhabi. As part of Abu Dhabi's push to expand its healthcare facilities, Cleveland Clinic Abu Dhabi, a joint venture between Mubadala Healthcare and the Health Authority-Abu Dhabi (HAAD), opens this year (2015) and comprises five clinic floors, three diagnostic and treatment levels and 13 floors of critical and acute inpatient units, totalling 364 beds, expandable to 490).

Initiatives introduced by Dubai such as the US\$3 billion Dubai Health Care City have succeeded in attracting international healthcare brands including Mayo Clinic and Great Ormond Street Hospital as well as leading pharmaceutical and medical technology suppliers such as Johnson and Johnson, Novartis and Novo Nordisk. The Dubai Health Care City (DHCC) continues to attract a large number of patients from the Middle East and particularly the GCC who would have travelled to the West in the past. DHCC was built to become a state-of-the-art "centre of excellence" for clinical and wellness services, medical education and research. The emirate has also teamed up with Harvard Medical School to operate at DHCC. DHCC, occupying more than 370,000 m<sup>2</sup> includes two hospitals, over 120 outpatient medical centres and diagnostic laboratories and more than 4,000 specialists.

In addition, reforms such as the introduction of an international accreditation and certification organisation, the Joint Commission International (JCI), is increasing confidence in the market internationally. The JCI has now accredited 102 medical centres in the UAE (mid 2015).

The UAE's Ministry of Health is at the forefront of developing the necessary infrastructure to attract medical tourists. According to the Ministry, the country is ready to receive medical tourists coming with their families, whether for plastic surgery, knee replacement or treatment of cardiovascular diseases. For Ministry officials, the UAE has managed to reverse the equation when people would go to London for shopping with their families and receive a check-up or undergo a small operation. Dubai is ready for this and has so much to offer now, with certified hospitals from international agencies. In fact, the UAE is quickly gaining popularity as a medical tourism destination due to its low cost, English-speaking medical staff, and virtually no queues for treatments.

In terms of treatment, the country offers a myriad of first-class medical treatments including cochlear implants, diabetes treatments, orthopaedics, cardiology, oncology, obesity surgery, neurology, plastic & cosmetic surgery, physical therapy, dermatology, rheumatology, ophthalmology, lung treatments, and urology.

In addition to the healthcare level, the UAE is relying on its tourism excellence in attracting patients from different parts of the world. Being the leading shopping destination in the Middle East, Africa, Central and Southern Asia, it is much easier for many people, especially wealthy patients, to bring in family members to enjoy a holiday in Dubai while being treated at one of the country's hospitals.

Private sector hospitals are active in this field as well. Dubai was for years the chosen destination for treatment of American government officials located in the GCC and neighbouring regions. Plastic surgeons and cosmetic clinics in Dubai are known to be a favourite destination for many people in Europe and even Russia.

One appealing opportunity that specialty hospitals in the UK could consider is to establish their own ventures in the UAE to cater for their share of medical tourism. Such a move would benefit the UK hospital with an increased international reputation, as well as higher profitability by operating in a wealthier region. Working with the right insurance company on plans for medical tourists from the UK would also give such hospitals a competitive edge as the tourists' choice while enjoying their holiday in the UAE.

### Opportunities

For the very latest business opportunities for UK companies in the medical tourism sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### **Healthcare and pharmaceuticals: Medical equipment and technology**

Despite the economic downturn, the UAE has retained its status as an attractive market for medical equipment in search of near-term returns with a high potential. In 2009, the UAE's medical devices market size was US\$600 million, the second largest in the GCC after Saudi Arabia. The medical device market is expected to expand at a 2013-2018 compound annual growth rate (CAGR) of around 8.7%, from an estimated US\$0.8 billion in 2013 to around US\$1.3 billion in 2018.

The accelerating growth is actually motivated by several factors that include increasing public and private wealth fuelled by the oil boom, strong and strengthening healthcare infrastructure, approvals of more medicines, internationally-recognised medical education institutions and a friendly regulatory environment.

The UAE imports of medical equipment account for an estimated 96.6% of the market in value terms. Due to a strong demand and the country's limited domestic production capability, growth is expected to remain strong over the next years. UAE's major trading partners in this segment include Italy, France, Germany, US, UK, Sweden, Japan and China. The high percentage of imports highlights the necessity of local production of complete medical devices, components and spare parts and maintenance services, in addition to specialised training.

Public spending has its share in the development of this segment as well.

Approximately 5% of the Ministry of Health (MoH) budget is spent on medical machines, tools, and supplies. For example, the budget share allocated to the MoH in 2010 was US\$762 million, an increase of about US\$38 million over the 2009 budget allocation, and this trend has continued each year since then.

Whilst the medical equipment market is growing at a speedy rate in general, the following sub sectors have shown promising signs of accelerated growth in the UAE: Diagnostic equipment, therapy and rehabilitation equipment, disposables, monitoring equipment, medical aids and surgical tools and devices.

However, one of the emerging segments that deserves consideration is pre-hospital care equipment such as ventilation and resuscitation equipment, which keep people alive on the way to hospital, whether for use in police and ambulance vehicles or at home. These devices are gaining popularity among local citizens and expatriates alike as part of every home's first-aid kit.

For a country with one of the highest number of diabetes patients in the world, glucose monitoring devices, insulin pumps, insulin pens, and insulin syringes are also becoming a significant segment of the market.

Another interesting growth segment is mobile medical devices (also referred to as m-Health), which allow medical professionals to manage patients remotely. These devices can monitor their conditions in real time and pass on vital statistical information between the healthcare provider and the patient.

M-Health represents a new and booming trend in the healthcare industry, and is set to become a trillion-dollar industry allowing the delivery of better healthcare while positively impacting the bottom line across the range of stakeholders in the healthcare industry.

Currently, 94% of physicians are using m-health consulting apparatus while on the job, and 63% of physicians are using personal devices for mobile health solutions that aren't connected to their practice. At least one mobile phone operator in the UAE has started a business unit to support the m-health market and facilitate its integration into the country's healthcare scene.

At the side of this segment lies the healthcare information and technology (IT) sub-segment which is rapidly growing since the UAE is the region's sole IT capital. The market for IT solutions in the UAE healthcare sector has been driven by several factors including the worrying rise of several chronic diseases in the region, most notably diabetes. While the medical industry is gearing up to address this disease, particularly type one and type two diabetes, the aim is to obtain solutions for the facilities – the technical and back-end operations – to improve the overall care for the public.

Both international and local firms operate in the healthcare IT market although local companies are more involved in localisation and integration of systems to match both cultural and regulatory requirements. Of particular interest here is the rise in hospital and clinic-orientated Customer Relationship Management (CRM) applications. There is a growing demand for Arabic-based hospital and clinic management applications, especially for use with public sector entities.

Hospital Technical Services is an emerging business line but it is yet to prevail to its full potential. The transformation taking place is to move from hospital cleaning services, as in the past, to a more technical role that helps with various technologies and devices.

### **Opportunities**

For the very latest business opportunities for UK companies in the medical equipment and technology sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)



### **Healthcare and pharmaceuticals: Healthcare investment**

The government is encouraging investment to enable the private sector to play a more significant role in providing health services. Healthcare in the UAE remains a focus of investment with a number of government and private initiatives. SEHA, the health services company that operates government hospitals and clinics in Abu Dhabi, is funding a DH multibillion project to replace Al Mafraq Hospital. The new hospital, a state-of-the-art facility to secure Mafraq Hospital's position as a leading trauma and surgery hospital, is opening this year (2015). SEHA has also funded the groundbreaking and award-winning new Al Ain Hospital, in Al Ain city, due to open shortly.

The Ajman Health Zone and the MoH embarked on an AED 500 million expansion project involving Sheikh Khalifa bin Zayed Hospital and the creation of a number of primary health centres, a diabetes and obesity centre and a medical fitness centre. Umm al-Qaiwain Hospital has also undergone a revamp costing more than AED 400 million, and the new 400-bed Jebel Ali Trauma and Emergency Centre in Dubai opened in 2010. In addition the 200-bed Al Jalila Children's Specialty Hospital in Dubai has been built and opened in 2011.

Mubadala Healthcare, part of the Abu Dhabi government-owned Mubadala Development Company, launched the first part of its major pathology laboratory project in Dubai in December 2009. Its hub in Abu Dhabi opened in 2010 and has had a dramatic effect on services.

The National Reference Laboratory is the first of its kind in the region and tests a large number and variety of samples that in the past were sent abroad, thereby reducing waiting times for results and costs to local healthcare providers.

The UAE provides a high level of specialised health care at its medical facilities, including open-heart surgery and organ transplantation. Many of the new hospitals, public and private, offer advanced techniques such as 'keyhole', or minimally invasive, surgery, and interventional radiology. Until recently, these procedures were only available abroad.

Despite these major strides and the fact that the Ministry of Health's (MoH) budget has increased each year at an average of 4.5%, there is ever-increasing pressure on the country's healthcare services. This is primarily due to the unprecedented growth in population, but other factors come into play, such as the burgeoning cost of technology. Another is that the role of the private sector has been limited to-date.

Furthermore, expatriates were also entitled to use MoH facilities for minimal fees on production of a health card which used to cost as little as AED 300 (US\$82) per year. This put a heavy burden on public healthcare and prevented the development of private facilities. The introduction of compulsory health insurance was considered to be the best way forward, ultimately leading to more cost-effective and efficient services.

The introduction of mandatory health insurance in Abu Dhabi for expatriates was a major driver in the reform of health-care policy – Abu Dhabi nationals were brought under the scheme from 1 June 2008, and health insurance has been mandatory for all citizens, residents and visitors to Dubai since 2014.

Abu Dhabi's Health Insurance Law states that except in circumstances outlined in Articles 2 and 3, all foreign residents and their family members must participate in the emirate's compulsory health insurance system, which applies to both public and private hospitals. The system is, however, optional for UAE citizens. The law obliges employers to enrol all employees, spouses and three children under the age of 18 in the health insurance scheme and employees are required to secure health insurance for persons sponsored by them who are not covered by the employer.

Emphasising the need to ensure that quality and efficient health services are delivered to UAE nationals and expatriates, the MoH has been restructured and streamlined, both at administrative and technical levels, to keep abreast with international developments and reinforce the private health sector. Hospital boards are being revitalised, regular hospital visits are being initiated and a UAE council for medical specialists has been developed to upgrade the training of UAE medical personnel.

### Opportunities

For the very latest business opportunities for UK companies in healthcare investment, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Travel, tourism and hospitality sector

### Background

Travel and tourism is one of the fastest growing industries across the world and the UAE Government is increasingly embracing the sector as a core part of its growth strategies. Global travel and tourism is projected to be worth US\$7.2 trillion this year (2015). The share contribution of tourism to gross domestic product (GDP) is set to strengthen in the next few years, especially in the Middle East with the UAE largely behind the rapid growth of the sector in the region. The UAE travel and tourism sector contribution to GDP is set to significantly outperform the global and the Middle East percentage.

## Doing Business in the United Arab Emirates

This growth could be attributed to large public investment in airports, airlines, and other transport infrastructure, making it possible to travel to the UAE easily, large investments in hotels, and large and varied sports and leisure projects that respond to wealthy consumer's preferences, such as the shopping festival, prestigious horse races, tennis tournaments, car rallies, and other highly-priced sports events.

The tourism industry is an important sector in the future and prosperity of the UAE economy. According to the World Economic Forum Travel and Tourism Competitiveness Report, for countries in the Middle East and Africa Region, the UAE ranked number one in terms of tourism competitiveness, based on the following criteria: safety and security, health and hygiene, infrastructure, information and communication technology, price competitiveness, human capital, culture and natural resources, preordination of tourism and policy rules and regulations. Globally, the tourism industry has had an increasing contribution to overall gross domestic product figures and this contribution is set to increase, especially in emerging markets, in the future.

Further, the positive effect of the tourism sector on the UAE economy is reflected in the fact that one in every 8.5% of jobs in 2010 was travel and tourism related and is expected to have increased to 9.1% by 2016. The UAE is now beginning to reap the benefits of investing in tourism, a policy which began with the establishment of the Dubai Tourism and Commerce Marketing Department in 1997, followed by the launching of Burj Al-Arab in 1999 and the flood of hotels, resorts and

entertainment facilities which have come online since.

The UAE is determined to attract foreign direct investment into commerce and tourism and is therefore offering an unrivalled business base across the region. The country has an open market system which is supported by a world-class infrastructure and service culture where the UAE Government acts as a facilitator for business and free trade. International companies setting up in the UAE can avail business advantages that are generally unmatched across the world. For instance, the highly successful UAE business free zones allow companies full ownership and control of their businesses, flexible investment options and non-payment of customs excise duty among others.

### Abu Dhabi

Abu Dhabi continues to make key strides towards the implementation of its Plan Abu Dhabi 2030, a roadmap that seeks to cope with an estimated tripling of the population of the capital in the next two decades as new industries, cultural attractions, hotels, schools and hospitals are built. The plan seeks to find a balance between managing growth, fostering tourism and trade while preserving the city's cultural heritage and natural environment.

The tourism sector strategy is overseen by the Abu Dhabi Tourism Authority (ADTA) and under its five-year plan for 2013-18 the emirate is focusing on the luxury market, high quality entertainment and world class sports events. A third more people visited in 2014 compared with a year before, whilst the number of unoccupied rooms fell to just under 20%.



The greatest proportion of visitors were from the UK, taking up to 20% of the accommodation.

Various hotel developments are under way to meet current demand as well as an expected future increase. The Louvre and the Guggenheim (the US\$27 billion cultural district project), have developed Abu Dhabi branches on Saadiyat Island.

In Sir Bani Yas Island, situated 170 km west of the capital, the Tourism Development & Investment Company (TDIC) has also developed an eco-tourism segment. A luxury resort has been developed on the island, complete with an animal sanctuary and a promise to plant a mangrove seedling for every visitor to the island, turning the island into a nature reserve and luxury resort with sustainable development principles.

The government is developing eco-tourism niche projects and is targeting the high-end, low-volume segment in the eastern and western region of Abu Dhabi, Al Ain and Al Gharbia's natural beauty, including a formal tourism infrastructure with luxury hotels, golf courses and an indoor ski slope on the flank of the Jebel Hafeet Mountain.

### Dubai

The tourism sector in Dubai contributes an estimated 18% of the emirate's direct GDP and 30% of its indirect. Dubai's tourism sector is powering ahead in every segment, including retail through events such as the annual Dubai Shopping Festival, and sports through the likes of the Desert Classic Golf Tournament.

The emirate is now shifting its focus to the mid-market. Plans for 2015-16 are an additional 141 hotel establishments, which already brought the total for 2014 to 751 hotel establishments and just under 114,000 rooms. The aim is to create 20,000 more hotel rooms by the end of 2016, with an extra 35,000 by 2020.

### Sharjah

Sharjah is carving out a distinct niche for itself in tourism in the Gulf, focusing on cultural draws and attracting families rather than the more jet-set crowd drawn by the bright lights of neighbouring Dubai.

As well as culture, Sharjah offers an array of natural wonders, pristine beaches, beautiful sand dunes and rustic parks. The authorities are capitalising on these natural attractions with initiatives such as the Emirates Desert Park and the affiliated Breeding Centre for Endangered Arabian Wildlife, located 20 minutes from Sharjah, whilst the Wasit Nature Reserve is a must for birdwatchers. Meetings, incentives, conferences and expositions (MICE) tourism remains important, as business travellers tend to spend more per day than pleasure visitors. The emirate is busily promoting itself abroad, with China and Scandinavia seen as key exporters of tourists to Sharjah in the future.

### Ajman

Ajman, with beautiful beaches, a solid transport infrastructure and a warm and welcoming culture, is seeking to create an image for itself with a luxurious, exclusive feel, making the emirate an ideal vacation spot. A number of five-star hotels have been constructed along the Ajman corniche and elsewhere within the city. In addition, the Al Zora project on the eastern side of Ajman Creek provides an exclusive, integrated holiday and residential destination. Overall, Ajman has become a place for holidaymakers looking for luxury and comfort.

### Umm Al-Quwain

One of the most renowned of the Umm al-Quwain tourist attractions is the Umm al-Quwain Museum. This museum portrays the history of this city, with old relics, paintings and artefacts on display highlighting the art and culture of the city's history.

## Doing Business in the United Arab Emirates

Tourist Attractions in Umm al-Quwain also include adventure activities, including Dreamland Aqua Park. Cultural activities which tourists can enjoy include falconry, fishing, camel racing and dhow building, all common in the Umm Al-Quwain emirate. The Aquarium, another tourist attraction in Umm al-Quwain, is situated on the peninsula near the new port. The island of Umm Al-Quwain is situated to the east of the mainland peninsula on a unique stretch of coastline, with sandy islands encircled by thick mangrove forests and a series of creeks. The ancient ruins of Al-Dur, another popular tourist attraction in Umm al-Quwain, was a coastal city dating back to the third century AD.

### Ras Al-Khaimah

Ras Al-Khaimah (RAK) has a landscape and golden beaches that offer unique scenery in the region, and therefore its potential to grow into a notable tourist destination is boundless.

The emirate has plans for trebling the current supply of hotel rooms over the coming years, with a number of projects currently planned or under way. RAK Tourism is looking to develop its tourism strategy around the emirate's cultural heritage and natural landscape, to include outdoor soft adventure sports, plus other eco and nature based activities. Ecotourism is viewed as a viable way forward, as related activities have a low environmental impact and can help further the economic development of local communities. The level of services and quality of RAK's resorts is comparable to those found in the other emirates, with high occupancy levels between 90 and 95%.

### Fujairah

Fujairah, with its location on the east coast of the UAE, is probably the most beautiful of the emirates. Along with its sandy beaches, the emirate has the Hajar Mountains and historic monuments such as old castles. These have made Fujairah a tourist destination for UAE residents, and recently the emirate has begun to witness an increasing flow of people from Europe – mainly Russia and Germany. Fujairah has made important initiatives in the protection of the environment – advancing the ideals of ecotourism, particularly in the protection of the mountain reserve that spans nearly 220 km<sup>2</sup>.

The Fujairah Government has opened three mega projects in the last few years, including the Mina Al Fajer Resort, an AED 600 million sea-front community managed by Fairmont Hotels and Resorts and consisting of a marina, 48 mountain villas, 13 solarium villas, and 80 marina apartments, in addition to a 200-room five-star hotel.

### Travel, tourism and hospitality: Hotels and hospitality

The growth potential of luxury and budget hotels and student accommodation in the UAE, can be assessed by looking at developments in each emirate, particularly in Abu Dhabi, Dubai and Sharjah. These three emirates are the largest and account for more than three quarters of the country's GDP. Ras Al-Khaimah has also made significant strides in this regard.

## Abu Dhabi

In 2009, Abu Dhabi was ranked the second most expensive city for hotel rooms in the world after Moscow. Abu Dhabi has since added more hotel rooms and the rates have dropped by 15% (from an average of US\$301 to US\$256). The latest data shows that Abu Dhabi is adding more hotels in the high-end market and this should add further pressure on the rates.

Abu Dhabi's main source of guests has traditionally been the UK and Germany. However, visitors from Russia and Saudi Arabia are on the increase. The Emirate holds some of the Global premium sports events like F1 Etihad Airways Abu Dhabi Grand Prix which attract high-end visitors and therefore its continued focus on high-end hotels.

Another segment that could be given attention is budget rooms, as India is also becoming an important source for visitors, the majority of whom are likely to be low to mid-segment. Abu Dhabi therefore needs to ensure that it has the right balance of low to high-end hotels.

## Dubai

Dubai has made remarkable achievements in the hospitality industry. Dubai's success can be attributed to the emirate's ability to promptly adjust to the needs of the market and provide a balanced portfolio of accommodation that caters for all categories of customers – from low-end to high-end. The introduction of low cost airlines has seen a jump in demand for budget rooms, which the emirate continues to address.

## Sharjah

Sharjah, the third largest emirate of the UAE, has made huge milestones in developing culture-related ecotourism. The emirate's hotel network is biased towards the low-to-mid-end segment and, with the introduction of budget carriers like Flydubai, demand continues to grow in the budget traveller segment.

There are a number of initiatives to address the growing low to mid-segment market. Rotana Hotels, a popular hotel group, has partnered with Air Arabia, a budget air carrier, to launch a low-cost hotel brand called Centro, mainly targeted towards budget travellers.

### Opportunities

For the very latest business opportunities for UK companies in the hotels and hospitality sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Travel, tourism and hospitality: Spas and recreation facilities

The Middle East has registered a substantial growth in spa facilities in the past few years. In a report by the Gulf News, the UAE is well ahead of its Middle East and North Africa counterparts in terms of the number of spa facilities in the country and in revenue.

## Doing Business in the United Arab Emirates

The Dubai Chamber of Commerce attributes the growth of the wellness and spa industry in the UAE to two annual festivals: the Dubai Shopping Festival and the Dubai Summer Surprises, which are said to be directly raising the annual sales trends.

For the majority of people in the UAE personal wellness is at the centre of visiting a spa. The days have become busier and more crowded and hence more stressful for most, and a spa treatment brings some welcome relief. Spa facilities have become an integral part of the service offered by malls. Obesity is observed to be a growing occurrence in the region, and many spa facilities now offer specialty treatments to help people get into shape.

Because the UAE is the de-facto tourism hub, establishing specialised wellness spas that provide these treatments can be a lucrative business opportunity. The country's diverse natural scenery, developed healthcare sector and ability to attract international brands in this field are strong competitive advantages that will allow this niche to flourish.

People across the UAE now have larger than ever disposable income. For many tourists, investment in their health is a natural way to enjoy their leisure time. The UAE also has the longest pipeline of hotels under construction across the GCC. Hotels have to have a spa for them to be seen as offering a full service.

However, a number of people working in spas do not have formal training and qualifications. Spas have become an integral part of community health and should be manned by qualified personnel.

Therefore, the need for academies to provide formal training and qualifications will further increase as more of these facilities open each year.

### Opportunities

For the very latest business opportunities for UK companies in the spas and recreation facilities sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Travel, tourism and hospitality: Tourism and travel services

With the variety of tourist offerings that the UAE presents and the ambitious tourism sector development plans embraced by the country, the establishment of capable tour operators and travel service providers is vital to complete and complement the tourism industry value chain.

New innovative ways are being developed to utilise the country's offerings and new concepts pioneered to further attract tourists from around the world to enjoy the UAE experience.

Currently, tour companies offer tailor-made services to help visitors discover the UAE. Organised tours range from a half-day city tour to one or two-night desert and mountain safaris plus daily programmes for desert driving, shopping tours, camel riding, canoe trips, sand boarding, sand skiing, dune buggy driving, theme park tours and water park adventures. Special interest packages can also be arranged to suit the visitor's specialised hobby or sport such as diving, deep-sea fishing, cultural tours or bird watching.

Tour operators are licensed via the different tourism development authorities across the seven emirates. In general, tour operators wishing to organise in-bound tours are required to have qualified and licensed tour guides. Abu Dhabi Tourism Authority (ADTA), Dubai Department of Tourism and Commerce Marketing and Sharjah Commerce and Tourism Development Authority offer comprehensive training programmes in this field. Tour guides should have at least a recognised college degree and should have decent knowledge about the UAE history, geography and culture.

As the global economy is regaining momentum, the inflow of tourists is increasing. The United Nations World Tourism Organisation forecasts tourism-related revenues will hit a high of US\$2 trillion by year 2020. Global tourism is expected to grow from 1.06 billion travellers in 2010 to 1.56 billion in 2020. Meanwhile the number of tourists travelling to the Middle East is expected to reach 136 million by 2020.

Tour operators come in three categories: overseas operators, inbound operators, and outbound tour operators.

A number of operators provide both inbound and outbound services. Inbound tour operators offer a number of possibilities such as shopping tours in Dubai – hailed as the shopping centre of the world with around twenty shopping malls – water sports such as water surfing, skiing and kayaking, helicopter and hot air balloon tours giving the tourist a birds-eye view of the cities and the desert, and Mosque tours for non-Muslims helping to promote cross-cultural understanding.

The UAE market of outbound tourists is very diverse and therefore offers huge niche marketing opportunities for tour operators. A number of services offered in the UAE can also be offered in other GCC countries as they have many geographic features and cultures similar to those of the UAE.

Abu Dhabi Tourism Authority (ADTA) and MSC Cruises signed a landmark co-operation agreement that has seen the world's fastest-growing cruise operators deploy one of its top vessels to the UAE capital on a homeport basis. This form of outbound operator service provides several opportunities given the UAE's long coastline and large number of ports.



## Doing Business in the United Arab Emirates

### Opportunities

For the very latest business opportunities for UK companies in the tourism and travel services sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Travel, tourism and hospitality: Museums and historical tourism

Each emirate manages its own set of museums and heritage sites. Dubai, Abu Dhabi and Sharjah have a more established network of heritage sites and museums when compared to their counterparts.

Abu Dhabi has developed a number of sites to serve as historical tourism destinations. For instance Delma Island showcases the nation's pearling history while Al Ain is popular for its forts and castles. There are major museum and art pavilions at Saadiyat Island, one of the major global cultural centres.

The innovative Saadiyat Island Development is at the core of the Abu Dhabi 2030 Economic and Cultural Vision. The Island is the host for seven mega projects including the three major museums: the Louvre Abu Dhabi, Sayed Museum and the Guggenheim Museum. The Government of Abu Dhabi succeeded in securing key international partnerships with these top-notch museums, which now provide top-tier collections and the transfer of technical knowledge and expertise.

The Tourism Development and Investment Company (TDIC), as part of this major cultural initiative, developed Louvre Abu Dhabi in partnership with the world-renowned Louvre Museum in Paris, completed in 2014. The Zayed National Museum in partnership with the British Museum has recently opened, and Guggenheim Abu Dhabi in cooperation with the Guggenheim Museum in New York, is due for completion in 2017.

Qualified local and international suppliers and expert houses are invited to contribute to different aspects of the projects and infrastructure developments including facilities construction, technical consultancy, curation, international marketing, and interior design. TDIC has been given the mandate to oversee these major development projects and is the point of contact for interested suppliers. See: [www.tdic.ae](http://www.tdic.ae)

Sharjah has 17 museums and cultural centres dedicated to showcasing the different aspects of the country's past, such as literature, archaeology, natural history and the pearl trade.

Dubai's main archaeological sites are located in Jumeirah and Al Sufooh. The Dubai Museum is located in Al Fahidi Fort, built around 1787. There are also other specialised museums and historical areas that have been established and refurbished, including traditional houses such as Sheik Saeed's house, the main house of Sheik Saeed Al Moktoun who ruled Dubai from 1912 to 1958, the Traditional Architectural Museum, Bastakiya Historical Area and the Hatta Heritage Village.

The emirate of Ras Al-Khaimah has an interesting heritage. The emirate also has its own national museum and a number of ancient buildings and archaeological sites including the Queen of Sheba Palace and the "Tal Al Sanam" ancient sun-worshippers temple. Although these sites are not yet ready for tourists, the Government of Ras Al-Khaimah is seeking serious partnerships to restore these sites and turn them into tourist destinations.

#### **The UAE National Tourism Council**

The National Council for Tourism and Antiquities was set up in 2009 and given the responsibility to actively represent the country at global tourism events, and create a federal level structure to regulate tourism departments in individual emirates to ensure uniformity and the successful implementation of a cohesive strategy to boost tourism throughout the UAE.

2009 saw the UAE cabinet take the formal decision to designate the NCTA as the official national representative for tourism and Antiquities affairs in the UAE. One of NCTA's first steps was to negotiate the UAE's entry to the United Nations World Tourism Organization (UNWTO) as a full member. As the leading international organization in the field of tourism, UNWTO promotes tourism as a driver of economic growth, inclusive development and environmental sustainability, and offers leadership and support to the sector in advancing knowledge and tourism policies worldwide.

Since inception, the NCTA has worked tirelessly to promote tourism and Antiquities to the UAE as a whole by raising awareness of the unique cultural attractions, traditions, historical artifacts and various entertainment and leisure option each emirate within the country offers.

The NCTA is aware of the role aviation and tourism have played in the UAE's economic transformation, with international traffic to the Middle East region expected to increase to 220 million by 2030. The NCTA is committed to working with partners to ensure that the UAE continues to benefit from sustainable tourism streams in the future.

At the same time, the NCTA also has the remit of working with global partners including governments, international bodies and civil society to safeguard the UAE's heritage and protect key sites to ensure that residents and tourists alike can continue to enjoy the UAE's culture and antiquities in the years to come. Please visit the UAE National Tourism Council website for more information: [www.uaetourism.ae](http://www.uaetourism.ae)

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Source: [www.uaetourism.ae/web/guest/about-council](http://www.uaetourism.ae/web/guest/about-council)

## Doing Business in the United Arab Emirates

### Opportunities

For the very latest business opportunities for UK companies in the museums and historical tourism sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Travel, tourism and hospitality: Events and incentives tourism

The events and incentives tourism sector is a significant driver not only of the UAE economy but also of the global recognition of the UAE brand. The country has become known as a host to some of the leading international events and conferences, exhibitions, and trade fairs spanning different industries and attracting both retail and corporate visitors and delegates thanks to the state-of-the-art conference and exhibition facilities across the seven emirates, and to the country's position as a global airline hub that connects the world's continents. Recent estimates indicate around two-thirds of the current exhibition space available in

the GCC is situated in the UAE, indicating that the country has been able to capitalise on its strategic crossroads location between Europe, Africa and Asia.

The UAE is today one of the leaders in the international exhibition industry hosting some of the largest and most significant exhibitions across different sectors globally. Some of the notable annual exhibitions held in the country include International Defence Exhibition and Conference (IDEX), one of the biggest shows for defence equipment and services, Gulf Information Technology Exhibition (GITEX), one of the world's largest information technology related exhibitions, and Gulfood, the world's largest annual foodstuff-related exhibition.

Moreover, the country has also become a destination of choice for conventions, conferences and international organisations' meetings. With the newly formed Abu Dhabi Convention Bureau (ADCB), launched in March 2013, the UAE is now ranked by the International Congress & Convention Association (ICCA) as one of the top destinations globally in this category. Annually, the major cities of the UAE host hundreds of regional and international conventions, conferences, forums and summits that draw professionals from different industries and with a wide variety of expertise.

In 2003, Dubai orchestrated the Annual Meetings of the World Bank Group and the International Monetary Fund. Held at the custom-built Dubai International Convention Centre, the event was remarkably successful, strongly reinforcing the brand of the city and the country in the international business tourism arena.



The annually-held Abu Dhabi Future Energy Summit, pioneered in 2010 by MASDAR and attended by presidents and royalties, is another signal of the foresight of the UAE in bringing together thought-leadership from around the world to strategise one of the most critical issues for humanity. The Arab Strategy Forum, Arab Health Congress, Leaders in Dubai and Middle East Communications Exhibition and Conference (MECOM) in Abu Dhabi are just some of the many other leading events that take place regularly in the country.

Each emirate manages its own exhibitions and conference facilities. Abu Dhabi launched Advantage Abu Dhabi to promote conference and exhibition initiatives. The emirate has a number of projects underway, one of which is phase four of the Capital Centre development, a fully-integrated community project which is part of the Emirate's vision for 2030. This huge development will include provisions for large exhibition halls and a number of state-of-the-art conference facilities. Currently, Abu Dhabi National Exhibition Centre, with a total area of 73,000 m<sup>2</sup>, serves as the main venue for major international exhibitions and conventions held in the capital.

Over the past three decades, Dubai has continued to upgrade its exhibition and conference facilities to position itself at the top of global standards. The Dubai International Conference and Exhibition Centre has evolved to be one of the largest and most advanced conference and exhibition facilities in the MENA region, providing a total area of 93,900 m<sup>2</sup>. Some other notable conference and exhibition facilities in Dubai include Dubai Airport Expo, Madinat Jumeirah Conference Centre, DIFC Conference Centre and Knowledge Village Conference Centre, as well as a wide choice of venues in Dubai's well-known luxurious hotels and other spacious buildings.

The other emirates of the UAE have also joined the trend, developing their own state-of-the-art exhibition and conference facilities to aid the realisation of their economic vision. The Expo Centre Sharjah and the Ras Al-Khaimah Exhibition Centre are two examples of these well-established facilities. Projects are underway in the other emirates to upgrade and develop new venues that will enable them to increase their share in the incentives tourism arena.

The Emirate of Fujairah is on the path of becoming a significant hub in international logistics among other emerging industries. The government is determined to increase the significance of the emirate in the business tourism arena through hosting international trade fairs and notable industry events. Currently, Fujairah has one exhibition facility with three halls. However, the emirate is keen for new concepts and ideas of exhibition and conference facilities which can host larger events and position the emirate high in this growing branch of tourism.

## **Exhibition centres**

### **Abu Dhabi National Exhibitions Company (ADNEC)**

ADNEC owns and operates the Abu Dhabi National Exhibition Centre, the world's most modern exhibition centre which the President of the UAE, His Highness Sheikh Khalifa Bin Zayed Al Nahyan, opened on 18th February, 2007. Since then, the centre has welcomed millions of visitors and hosted hundreds of events from large scale public shows such as the Abu Dhabi Book Fair, to international trade exhibitions such as IDEX (International Defence Exhibition & Conference) and ADIPEC (Abu Dhabi International Petroleum Exhibition & Conference).

## Doing Business in the United Arab Emirates

ADNEC hosts high profile, large-scale events as well as promoting smaller specialist shows, by providing help and support to event organisers. With live event space totalling 78,000 m<sup>2</sup>, ADNEC is the largest exhibition venue in the Middle East & North Africa region and one of the few in the world capable of hosting indoor, outdoor and marine events simultaneously.

The Capital Centre Development surrounds the Abu Dhabi National Exhibition Centre (ADNEC). It is considered to be a fully integrated project that houses a business and residential micro city of 23 towers, including 7 hotels, a shopping mall and restaurants. The project is government-backed, while the project development and management is undertaken by ADNEC. Consultants, concept developments, interior design experts and specialised firms in the planning and development of exhibition and conference facilities can find interesting opportunities to participate in strategic projects such as this.

### Capital Gate

Capital Gate is Abu Dhabi's signature tower. Standing 160 m tall, the tower is built to lean 18 degrees westward, making it the world's furthest-leaning man-made tower. Capital Gate houses the five-star 'Hyatt Capital Gate' hotel, as well as 20,000 m<sup>2</sup> of the most exclusive office space in the UAE capital. The tower forms the focal point of ADNEC's Capital Centre development.

### Abu Dhabi Hall

Abu Dhabi Hall is widely regarded as one of the world's most flexible event spaces, capable of staging a variety of events such as concerts, sporting and entertainment events, exhibitions, conferences and weddings.

Abu Dhabi Hall has already staged a large number of very high-profile events including performances of the Household Cavalry, the conference component of World Future Energy Summit 2010, the Sheikh Zayed Book Awards, several royal weddings and a number of Abu Dhabi University events. Abu Dhabi Hall is the UAE's largest hall to house a permanent retractable seating solution. It can be configured to a number of set-ups and is capable of accommodating up to 6,000 spectators seated and 8,000 standing.

### Dubai World Trade Centre (DWTC)

Since its inception in 1979, the Dubai World Trade Centre (DWTC) has been instrumental in establishing Dubai's position as a global financial and event centre.

The historic landmark on Dubai's dynamic skyscraper corridor of Sheikh Zayed Road is the iconic 37-storey Sheikh Rashid office tower, commissioned as the first property of the Dubai World Trade Centre. DWTC facilities have expanded since, to comprise the Dubai International Convention and Exhibition Centre (DICEC), the Convention Tower office building, on-site accommodation at the Novotel and Ibis hotels and serviced accommodation at the Dubai International Hotel Apartments. The newest addition to the DICEC complex is the Sheikh Saeed Halls, a state-of-the-art extension that opened for the 2009 Exhibition Season.

Comprising four new halls, this extension brings the DICEC's total amount of covered exhibition space to over a million square feet. The halls have been designed and built with the aim of fuelling the growing momentum of the Meetings Industry (MICE) sector in Dubai and handling the increased demand for exhibition space throughout the region. In addition to this venue, DWTC also manages the Airport Expo Dubai. With an infrastructure ideally suited for industrial trade shows, this 33,000 m<sup>2</sup> venue is adjacent to the Dubai Airport and is home to the prestigious Air Show Dubai.

Pursuing a vision to make Dubai the world's leading destination for all major exhibitions, conferences and events, DWTC has evolved from being the forerunner of the fast-growing exhibitions industry into a multi-dimensional business catalyst that has propelled Dubai's meteoric rise to a leading global economic powerhouse alongside Singapore, Hong Kong, London and New York. With 30 years of expertise in venue and estate management, DWTC's offerings include exhibitions organisation, facilities management, property leasing, providing event services, hospitality and food & beverage (F&B), both within our venues, and for weddings and outside catering requirements. As an estate manager, DWTC services government offices, foreign embassies, trade commissions, regional headquarters for leading international companies and Fortune 100 corporations.

Hosting more than 100 world-class shows annually, DWTC currently welcomes over one million visitors and thousands of exhibitors from every corner of the globe to some of the most acclaimed sector-specific trade fairs, blockbuster consumer events and prestigious international conferences in Dubai.

Being the region's largest hosting platform, the events held at DWTC cover a wide range of industries including technology,

food and health, luxury goods, fashion and retail, construction, interior design, consumer electronics, travel & tourism and transport and education. DWTC's calendar of events is a diverse mix of some of the most authoritative profiles in the region, such as GITEX, Arabian Travel Market, Cityscape, Big 5, Dubai International Boat Show, Gulfood, the Motor Show and the Air Show, amongst others.

State-of-the-art facilities, unparalleled customer service and a suite of value-added services enable DWTC to change the way the world trades, and deliver world-class experiences to regional and international business travellers on every occasion. For further information, see: [www.dcb.ae/en](http://www.dcb.ae/en)

#### **Expo Centre Sharjah (ECS)**

The first established Trade Exhibition Centre in the UAE and considered a pioneer in its field, Expo Centre Sharjah became the booming centre for international trade in 1977. Over the years, the Centre became the most popular trade exhibition venue and home of the Gulf's best-attended trade shows. Expo Centre Sharjah has placed the emirate of Sharjah on the map of the international exhibitions industry and has been a focal point of international trade.

The Centre, the exhibition wing of the Sharjah Chamber of Commerce and industry, is now a prime destination for business meetings. Offering the perfect combination of sophisticated technical facilities and professional services across a broad spectrum of events, Expo Centre Sharjah's in-house services, combined with the centre's official suppliers, make one-stop-shopping smooth and hassle-free. It assigns a designated event co-ordinator for each and every event at ECS who will attend to all the details of your event, large or small.

Expo Centre Sharjah in-house services include:

- Audio-visual supplies and services;
- Food and beverage
- Floor management
- Cleaning (complimentary for common areas and restrooms)
- Telecommunication
- ATM and exchange services
- Customer service in the boulevard
- Fax and photocopy services
- Internet access
- Wireless internet access
- Telephone sets, fax machines
- On-site technical support

Expo Design is a fully-fledged exhibition booth design and construction department with highly-skilled and experienced technicians and designers who strive to provide high quality services to their valuable clients at all times.

From producing a straightforward news release to the complexities of organising a major campaign, the in-house advertising and PR department is highly skilled in delivering a focused and fully-integrated media and PR campaign.

Expo Catering specialises in indoor catering and offers a variety of services, depending on the requirements of exhibitors and their guests. Expo Centre Sharjah caters to small, medium and large gatherings including press conferences, seminars / conferences, product launches, annual meetings and banquets. Banquets and dinners for up to 500 guests are staged to the same culinary standards as the entire exhibition catering service. For further information, see: [www.expo-centre.ae](http://www.expo-centre.ae)

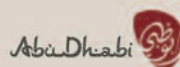
### Opportunities

For the very latest business opportunities for UK companies in the events and incentives tourism sub-sector, contact:

- UK Trade & Investment:  
[www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency:  
[www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai:  
[ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy:  
[www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)



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## Advantage Abu Dhabi – The Emirate’s emergence as a global hub

### Advantage Abu Dhabi – The Emirate’s emergence as a global hub

In Abu Dhabi you’ll find a destination of distinct diversity – of terrain, peoples, traditions and ambitions. The emirate’s rich heritage is governed by a deep-rooted respect which characterises its past, informs the present and will influence its future.

Nature has been bountiful to Abu Dhabi, bequeathing it 700 kilometres of beautiful coastline and a plethora of natural islands surrounded by warm, clean waters inhabited by a magnificent array of fish and marine life. This is the territory of the stately dugong, of graceful dolphins and fascinating Hawksbill turtles.

This is also a land of awe inspiring desert, of cooling oases and dramatic rocky mountain heights. The landscape’s legacy is a cultural kaleidoscope forged from the needs of harder times when the sea and date palm oases provided much needed sustenance. This nurtured a steadfast respect for our heritage, traditions, surroundings and for bestowing hospitality to travellers.

Having recently undergone a significant enhancement in its tourism infrastructure, Abu Dhabi is better placed than ever to meet the highest expectations of the world’s business visitor.

Blessed with UNESCO inscribed World Heritage sites, the Oasis city of Al Ain is the emirate’s heritage heartland, representing 5,000 years of civilisation. Ancient traditions, crafts and pastimes are preserved reflecting an evolution of Emirati culture which holds true today.

The emirate’s commitment to culture is epitomised in the planned Saadiyat Island Cultural District. This will be home to the world’s largest single concentration of premier cultural assets – the opening of Louvre Abu Dhabi later this year will add a new cultural dimension for business visitors, and with the Zayed National Museum opening in 2016 and Guggenheim Abu Dhabi expected in 2017, this proposition will be further strengthened and provide an unrivalled visitor experience.

Yas Island – the emirate’s entertainment destination – is home to an array of fabulous visitor experiences such as Ferrari World Abu Dhabi, Yas WaterWorld, world-class facilities of Yas Marina, Seven hotels, a Championship ready links golf course, and the emirate’s largest mega-mall.

Experiences and attractions such as the magnificent Sheikh Zayed Grand Mosque and the Abu Dhabi Falcon Hospital, traditional souks, architectural landmarks and iconic hotels provide something for everyone, with any interest.

Sustainable development of the tourism sector is a priority, identified as an engine of Abu Dhabi's future economic growth in the Abu Dhabi Economic Vision 2030, a comprehensive plan for the diversification of the emirate's economy, and Abu Dhabi Tourism & Culture Authority (TCA Abu Dhabi) is responsible for delivering this function.

Abu Dhabi is the capital city and political centre of the UAE. It is a growing regional business hub, and has an ambitious blueprint for developing its business events industry. Already ranking among the top 100 busiest global meetings destinations in the International Congress and Convention Association's (ICCA) global cities league, efforts to catapult into the top 50 within five years are constantly being stepped up a gear. The 23 association meetings held in the emirate in 2013 have elevated it into 22<sup>nd</sup> place in Asia Pacific & Middle East rankings, and the capital anticipates further progress in the 2014 table.

Business Tourism has been identified as a key economic diversification driver in Abu Dhabi. Studies commissioned by TCA Abu Dhabi and Abu Dhabi National Exhibition Centre (ADNEC) suggest the economic impact from business events in Abu Dhabi will increase by approximately 7% per annum on average up until 2020 based on historic performance.

The direct economic impact of business events sector is expected to reach Dhs5.1bn (\$1.4bn) by 2020.

Abu Dhabi Convention Bureau, a division of TCA Abu Dhabi drives and supports the development and promotion of business events throughout the emirate efficiently, effectively, and transparently, and in partnership with all its stakeholders, aligned with the Abu Dhabi Government's 2030 Economic Vision to deliver social and global empowerment and strategic and economic impact.

Abu Dhabi Convention Bureau assists with any planners' needs under a 'One Destination' collaborative stakeholder approach and acts as a one-stop shop, offering free advice, help with planning, and local knowledge, as well as ensuring congress and convention delegates are well versed with the range of experiences available to them pre-, during or post-visit.

Key assistance provided by the groundbreaking Advantage Abu Dhabi scheme aimed at catalysing and seeding innovative and viable business events is expected to keep visitors coming in their droves.

The initiative, aimed at the corporate meetings and incentive travel segments offers 13 structured packages designed to enhance the emirate's appeal amongst sector-specific bookers and support for these initiatives can range from start-up financial grants, governmental endorsement and leadership patronage; to cost rebates and marketing to bolster the entire proposition.

## Doing Business in the United Arab Emirates

To qualify for this, the corporate meeting must meet the following criteria:- the meeting must include a minimum of 50 paid room nights, must be from a single corporation or organisation and must occur in 2015 or 2016. In return we offer a basket of offerings which increases the more room nights booked and includes free one day meeting packages, complimentary room nights, city tours and hosted dinners.

Applicants can also benefit from an 'Abu Dhabi Welcome Pack' for all delegates including city map, visitors' guides and souvenir gift and pre-event marketing support (images, text, collateral) while also being able to use Abu Dhabi Convention Bureau logo on all event marketing as 'Official Destination' or 'Official Destination Partner', as well as within all printed materials (brochures, flyers, banners, programme booklet, etc) and on all electronic collateral (website with hyperlink; email, etc)

Abu Dhabi Convention Bureau champions the emirate as a dynamic global business events leader, working in partnership with stakeholders to drive forward and support the development and promotion of business tourism in Abu Dhabi.

International conference and exhibition organisers, together with business event organisers with a viable proposal can also apply to the initiative for start-up financial grants, governmental endorsement, leadership patronage, cost rebates and marketing support among others.

Key decision-making factors are accessibility, safety, affordability, support, local strong association members and an interesting destination – and we believe Abu Dhabi qualifies on all points!

[www.abudhabi-cb.ae](http://www.abudhabi-cb.ae)

[www.visitabudhabi.ae](http://www.visitabudhabi.ae)

*Source - Abu Dhabi Tourism & Culture Authority*



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Abu Dhabi 

## Telecommunications, media and information technology sector

### Background

The UAE Government has been focusing on diversifying its sources of income to significantly increase the non-oil sector contribution to the national GDP, and is establishing knowledge-based industries across all emirates. The information, communication, and media technology industry sector, the highest-portion of the knowledge-based industries, is therefore receiving particular importance from the federal and local governments, with government spending continuing to boost this growing industry.

The UAE's information technology and communications sector is one of the most advanced industries not only in the region but also in the world. This success was mainly attributed to the strong commitment by the national government to develop an efficient advanced communications network. The existing regulative and motivating environment that best reflects the country's vision of becoming one of the best competitive communications markets, along with the high demand for advance telecommunications services, were the main drivers that positioned the country as a regional telecommunications provider. The telecoms sector is currently among the leading sectors attracting foreign direct investment (FDI). To best represent the continuing growth of this sector, the Telecommunications Regulatory Authority (TRA) conducts studies and surveys on a regular basis. The media sector has also accomplished remarkable achievements, growing from a small number of broadcasters to a wide

variety of television and radio channels, hundreds of newspapers and magazines and a growing number of publishing houses. The media industry in the UAE is the leading market in the Middle East. Renowned media broadcasters like CNN international, Bloomberg and BBC World have chosen the UAE as a main HQ to cover the Middle East and North Africa region. This was a result of the strong sector in the UAE, including business parks designed as media clusters like Dubai Media City, twofour54 zone and Creative City – all great drivers in the media sector. Government spending in information technology (IT) and business process outsourcing (BPO) gave a strong boost to this growing sector. As a result, the UAE ranks first among Arab countries in terms of ICT utilisation. The UAE's policies that protect IT services against piracy play an important role in promoting innovative and creative content. The free zones also contribute to the success of the IT and BPO sectors.

### Telecommunications, media and information technology: telecommunications

The telecommunication sector in the UAE is one of the most advanced in the world. The UAE was the first country in the region to introduce GSM mobile and the first to offer third generation (3G) mobile data services. To help maintain the country's leadership position, the TRA has established an ICT development fund, financed by licensed telecom operators, which will foster research and development in the UAE telecommunications sector. Important institutional and regulatory changes have taken place in the past several years, notably the licensing of a second telecommunications service provider, Emirates Integrated Telecommu-



nications Company (EITC, or Du), in 2007 ending the historical monopoly of Etisalat. Both licensed operators are majority state owned and pay the government a royalty which is a portion of their net profits. Etisalat is pursuing a strategy to invest abroad. The company has acquired green-field licences in 15 countries across Asia, the Middle East and Africa, including Saudi Arabia (Mobily), Sudan (Canar), Egypt (Etisalat Misr), Tanzania (via Zantel) and Afghanistan, and has made investments in incumbent operators Pakistan (PTCL) and West Africa (Atlantique Telecom). Etisalat is one of the largest telecommunications companies not just in the region but also in the world and was named the most powerful company in the UAE by Forbes Middle East in 2012. It still controls the majority of the market share (80%) in the UAE. Etisalat is currently owned by the UAE Ministry of Finance (60%) and 40% is publicly traded on the Abu Dhabi Exchange (ADX).

Etisalat and EITC both support the nation and all levels of government by contributing to the advancement of education, social welfare, international relations, sports and culture. Etisalat and EITC work closely with government bodies in developing and implementing programmes aimed at enriching the lives of people in the UAE and the communities in which they live. Etisalat and EITC are involved with a number of organisations and initiatives that reach out to people in the UAE. These include significant cultural festivals, family events and tourist attractions across the nation. The UAE has one of the highest broadband penetration rates in the MENA region, with telecom companies offering new technologies for internet access with competitive tariffs. The telecommunications industry as a whole has seen substantial growth in recent years due to the significant growth of the population and of the number of tourists. The UAE's telecommunication is also rated as one of the highest GDP per capita in the world. International telecom companies can penetrate the telecom

sector in the UAE by partnering with the main telecom providers, Etisalat and Du, or through applying for tenders and obtaining projects. In collaboration with Tata Communications and Cisco, Etisalat launched its virtual boardrooms in Dubai in 2010. The process of transforming Etisalat's conventional infrastructure to fibre-optic next generation infrastructure, has also engaged the participation of international telecom companies. Telecom companies in the UAE obtain a great number of tenders offered by Etisalat and Du. Upgrading telecom exchange sites, supplying and installing AC and DC cables, installing and testing plant cable networks and installing and operating antennas site towers fabrication works are a few examples – supplying service providers with high and efficient technology in order to solve recurring issues such as short coverage in some remote and indoor areas.

### Opportunities

For the very latest business opportunities for UK companies in the telecommunications sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### **Telecommunications, media and information technology: Satellite communications**

Driven by its ambitious aim of positioning itself as a global distinguished location offering advanced communications services of all kinds, the UAE has been actively building its satellite communications infrastructure. Currently, it has seven satellites, maximising its capacity to not only meet domestic demand but also to serve the whole MENA region by providing advanced communications solutions.

The Telecommunications Regulatory Authority (TRA), the communications' regulator in the UAE, issued new regulations and policies to create a balanced, competitive environment, thus encouraging more satellite service providers with innovative technologies and competitive solutions to emerge in this young market. In 2009, the TRA issued four additional licences authorising GMPCS and PAMR services as well as mobile television and satellite communications.

Government, local and international private companies have been established to meet the growing demand for satellite imagery and communications services. International space and satellite manufacturers have been closely observing the UAE's initiatives and considering them as attractive opportunities to form partnerships, contracts and alliances for the design and building of satellites as well as the infrastructure of launch bases. Driven by its vision, Abu Dhabi has made strategic initiatives to become an innovative global satellite communications leader. Mubadala, established by Abu Dhabi to facilitate the diversification of

its economy, incorporated its satellite communications company "Yahsat", and invested US\$1.58 billion to develop two satellites. Partnerships with EADS Atrium and Thales Alenia Space, both world-class players, were made for their design and construction. Yahsat 1A was launched in April 2011 by Arianespace and Intelsat New Dawn telecommunications satellites, and the fifth satellite was sent by the UAE into space for communication purposes.

Furthermore, the TRA granted two satellite communications services licences for a period of ten years for Al Yah Advanced Satellite Communications Company and Star Satellite Communications Company in July 2010. Both companies are subsidiaries of Yahsat. Services are mainly provided for military entities as well as for the commercial sector in the Middle East, Africa, Europe and South West Asia. The satellite control is operated from Yahsat's gateway in Abu Dhabi.

The realisation of the great demand for high resolution aerial images by the government to efficiently develop its infrastructure and urban planning as well as by the commercial sector, drove Dubai to take the initiative of launching the first earth observation satellite program in the country "DubaiSat-1" in 2009. Design and development of the satellite was made in partnership with Satrec Initiative, a pioneer satellite manufacturing company in South Korea. Dubai also launched its second imaging satellite "DubaiSat-2" in 2012. Thuraya Telecommunications Company, the first UAE satellite communications company, ramped up commercial operations in 2001. Through its three geo-mobile satellites in orbit, the company continues to provide a wide

range of voice and data solutions via satellites. Since its inception, the company has been signing numerous service provider agreements with more than 40 countries across the world. Different satellite communications services such as call transfers, data and video images, tracking and locating vehicles, tankers and naval vessels are among the most-demanded services not only in the UAE but also in the whole region. Realising this, SmartSat, an alliance of Jordanian and Kuwaiti companies, was launched in Dubai as the MENA's first specialised company in the satellite industry.

Innovative UK companies can engage by initiating strategic relationships with the satellite communications service providers and supplying them with equipment, electronic programmes, control systems, maintenance and repairs. The lack of telecommunications infrastructure in many remote areas of the UAE, where telecommunications services cannot function, provide an excellent opportunity for satellite communications providers, as the demand by local and regional maritime and oil & gas companies is growing as the whole economy of the region grows.

### Opportunities

For the very latest business opportunities for UK companies in the satellite communications sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)

- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### Telecommunications, media and information technology: Business process outsourcing

Business process outsourcing (BPO) services have been growing in the Middle East and North Africa region especially in the UAE and Egypt. According to Frost and Sullivan, a global consulting firm, the outsourcing industry is expected to grow at a compound annual growth rate (CAGR) of approximately 8% for the period 2009-2016 with market revenues reaching US\$2.69 billion.

Due to the competitive compensation cost, growth in the quality of its management schools and an improvement in the literacy rate, the UAE has successfully become the second largest market for the outsourcing industry in the MENA region. Many multinational corporations have chosen the UAE as their main headquarters functions and services.

The UAE was among the first countries in the region to feel the importance and realise the potential growth of this market in the MENA region. Accordingly, it established a number of specialised zones equipped with BPO infrastructure and issued a number of policies and regulations to organise and monitor the progress of this activity. Among these zones is Dubai Outsource Zone (DOZ) which was established in 2004.



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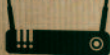
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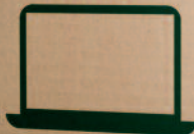
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## Doing Business in the United Arab Emirates

Penetrating the MENA market through DOZ Dubai Outsource Zone (DOZ), one of the first free zones dedicated to outsourcing companies in the region, has been significantly contributing to the performance of this industry not only in the UAE but also in the whole MENA region. DOZ is one of the places where activities such as business process outsourcing, HR outsourcing, IT outsourcing and back office thrive. The facility offers an environment that allows companies and individuals to operate with collective synergy and freedom.

Companies based in DOZ enjoy free zone benefits including 100% business ownership and exemption from taxes as well as value-added services such as networking opportunities, venue management services, industry awareness programmes and government services.

DOZ currently hosts a number of companies in diverse sectors such as banking and finance, accounting, IT, payroll processing, engineering, research and development as well as design. Current companies operating in DOZ include Nokia Siemens Networks, Emirates airline, AXA Insurance, Du, Mashreq Bank, Arab Bank, First Data, Cupola, Larsen & Toubro Infotech Ltd, Al Futtaim Willis, and the Jumeirah Group.

Due to the great benefits gained as a result of outsourcing non-core businesses, many companies and government entities are taking this approach. Abu Dhabi Water and Electricity Authority (ADEWA) is studying plans to outsource administration. ADEWA has already signed a US\$81.74 million contract with Injazat Data Systems, a leading company in outsourcing services in the region, awarding it a ten-year IT outsourcing

contract to manage all of ADWEA's IT requirements. Understanding the demand of this industry in the MENA region, international BPO companies have been considering potential growth. In 2009, Sundaram Business Services, the business process outsourcing arm of Sundaram Finance Ltd. formed a joint venture with ETA Group of Dubai to start a first BPO outlet in Dubai, targeting the GCC region.

Call-centres, which are a major part of BPO services, are becoming integral to the UAE business sector. The contract and customer service activities of many banking, insurance, telecom and consumer goods sectors are now outsourced.

### Opportunities

For the very latest business opportunities for UK companies in the business process outsourcing sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

## Telecommunications, media and information technology: Information technology

The IT market, which represented around 1.2% of the UAE's GDP in 2009, grew to reach around AED 29.7 billion in 2013, and AED 32.9 billion by 2014 (preliminary figures).

*Source: UAE National Bureau of Statistics, Department of Economic Statistics – National Accounts Division, June 2015*

The UAE ranks first for its impact of ICT on access to basic services, and first in the world for ICT use and government efficiency, according to the 2015 Global Information and Technology Report released by the World Economic Forum. See: [www.reports.weforum.org/global-information-technology-report-2015/economies/#economy=ARE](http://www.reports.weforum.org/global-information-technology-report-2015/economies/#economy=ARE)

Software, hardware and IT services are the pillars of the UAE's IT sector. The UAE is a key market for software companies. Applications from desktop accounting packages to ERP, CRM and HRM solutions are demanded by the UAE's software growing market. In addition to the steady growing demand by the public and private sectors, the UAE is leading the way in addressing software piracy levels in the whole region. In fact, the UAE has posted the lowest piracy rate in the region for the past ten years. Free zones have been providing exceptional opportunities for international IT companies. Dubai provides three highly-sophisticated zones equipped with advanced ICT infrastructure. These are Dubai Internet City (DIC), Dubai Outsource Zone and E-Hosting Datafort. DIC, one of the largest information and communications technology clusters in the Middle East and North Africa (MENA) region, has been providing a strategic and cost effective platform for ICT companies targeting emerging markets in a vast region extending from the Middle East to the Indian subcontinent, and from Africa to Central Asia. Today, DIC is home to more than 1,400 companies ranging from

Microsoft, Dell, Intel and IBM to Canon, General Electric and Cisco. Other Fortune 500 technology giants such as Oracle, HP, Samsung, Nokia, RIM (BlackBerry), Yahoo, Google, IBM, Symantec and AT&T also have roots in the DIC with new permanent regional headquarters in Dubai. Dubai Silicon Oasis (DSO) is another technology park, established in 2006 to host technology-based companies. The capital, Abu Dhabi, is also developing its 3 km<sup>2</sup> technology cluster near Abu Dhabi International Airport. This development is an implementation of its 2030 comprehensive vision that plans to transform the city into an IT globally-recognised hub. The park is expected to host the first microchip factory in the Middle East due for completion later this year (2015). This initiative is carried out by Advance Technology Investment Company (ATIC), a regional leader in the semiconductor industry.

### Opportunities

For the very latest business opportunities for UK companies in the information technology sub-sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=None](http://www.businessopportunities.ukti.gov.uk/home.html?guid=None)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)

### **Telecommunications, media and information technology: Media**

Because specialised zones have been established to solely serve the media sector, along with business-friendly regulations and a strategic location in the heart of the GCC, the UAE is the

ideal central place to serve not only the domestic market but also to provide high-quality media services including advertising and marketing, publishing, broadcasting and media consultancy to the whole MENA region. The substantial growth in the media sector since 1999 is a result of the country's commitment to position itself as a global media hub. The UAE today is the home of more than 25 national television channels, 36 national radio stations, more than 200 satellite TV broadcasters, plus a large number of conventional and online newspapers and magazines. Through fostering innovation and quality in its emerging media sector, the UAE has been attracting global media companies from all over the world.

As an efficient step toward developing a globally-competitive media sector, the National Media Council (NMC) was established in 2006 to oversee media development in the country and to support media initiatives. The council's mission of providing an integrated regulatory environment for the media sector has set up a clear vision of how the nation is genuinely committed to building a world-class industry.

#### **Broadcasting**

Establishing an efficient technical broadcasting foundation has always been a priority of the UAE. In 2006, the Telecommunications Regulatory Authority (TRA) acquired rights to 225 digital channels at

the ITU Regional Radio Communication Conference to allow more channels to be carried across fewer airways by converting from analogue broadcasting to digital broadcasting. By locating in the UAE, the TV and radio broadcasters have access to different regional markets that speak multiple languages and with various interests and needs. They can easily source the talents for this from local and neighbouring countries. Positioning in the UAE does not only mean the company is serving the domestic market. Using the advantageous location of the country as a central location to serve the wider MENA region has given major media groups access to much greater audiences.

Furthermore, even though the majority of the television viewers in the Arab region prefer TV in Arabic, the UAE has the highest number in the MENA region of those who prefer TV in English. According to Arab Media Outlook, 22% of TV consumers in the UAE prefer watching English channels. The large number of English speakers in the country has been and will continue to be the primary factor behind this result. By providing the regulatory environment and the supportive climate for innovation, and given the multicultural nature of the society, the UAE is well positioned to continue its leadership role as the regional broadcasting hub. Already, the UAE is the host of the largest number of TV and radio channels that are free-to-air in the Arab world; they operate out of the different media business parks that are scattered around the country. The UAE not only provides the infrastructure, but it also creates the facilities that enable broadcasters to use innovative cutting-edge technology to enhance their reach and quality.



## Print

The UAE's print industry has also achieved growth in terms of number of newspaper titles, increasing from 9 in 2003 to 23 in early 2015. Given the various interests of the region's population, the UAE has also fostered the creation of a regional magazines and journals industry.

The number of magazines that are operating from the UAE has reached over one hundred magazines. Although the UAE is a relatively small market with limited reach, most of the magazines look at the larger picture, making the UAE the distribution, digitally and via print, throughout the region. The newspaper and magazine publishing industry makes efficient use of the relatively low cost of printing in comparison to other countries of the region.

Recognising the significance of the modernised, standardised and cost-effective printing industry to the growth of a healthy and competitive media market, specialised business parks and infrastructure have been established that allow the creation of a regional printing hub. The International Media Production Zone (IMPZ) was established in 2003 as a specialised media production zone to develop a business environment that is uniquely geared towards the needs of graphic art, printing, publishing, and packaging and media production companies.

## Advertising

In spite of the relative downturn that was experienced in advertising spend due to the general economic conditions caused by the global economic and financial crisis, the UAE's advertising industry is well on the way to recover and is now undergoing a major shift in the industry structure. Digital media and social media are now dominant means for marketing and advertising in the region, leading to the need to use different skill-sets and production resources. The UAE is today the host of the top-notch international

names in the international advertising industry and is truly the regional capital for the advertising and promotion industry.

A range of well-established free zones and business parks has been built to provide all necessities that a media company could ask for. Dubai Media City, Fujairah Creative City, twofour54 zone in Abu Dhabi and RAK Media City are only a few examples of the strategic locations for setting up a media company in the UAE.

Dubai Media City, an initiative of the Dubai Technology Electronic Commerce and Media Free Zone Authority was established in 2000 to provide an advanced high-tech infrastructure and a supportive environment for media-related businesses to enable them to operate globally out of Dubai. The Dubai Media City is the place where every kind of media business, especially broadcasting, publishing, advertising, public relations, music, news media, production and post-production will thrive. Very well-known media groups like MBC media group that has the highest viewership's rates in the region have chosen DMC as their headquarters.

The media sector in the UAE is rich in world-class media companies. Abu Dhabi Media Company (ADMC), established in June 2007 to revitalise the media industry in the UAE's capital, has already established itself as a leading multi-platform media and entertainment provider in the MENA area. ADMC manages and operates 18 market-leading brands across television, radio, publishing, digital media, games, feature films, music, digital signage, outside broadcast/production and printing. Dubai Media Incorporated (DMI), another media giant in the UAE and the region, has six television channels, three newspapers, a press and two radio stations.

## Doing Business in the United Arab Emirates

### Opportunities

For the very latest business opportunities for UK companies in the media sub-sector, contact:

- UK Trade & Investment:  
[www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency:  
[www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
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- UAE Ministry of Economy:  
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- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
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## Sports sector

The UAE is more than a sporting spectators' paradise: participatory sports are popular throughout the country, with a special emphasis on football, golf, tennis, water sports and just about anything to do with cars and horses. Sports sponsorship is also a major focus of UAE companies and organisations and has proven to be extremely successful in heightening international awareness of the country. The UAE is renowned for having some of the best sporting facilities across the world, and the country therefore attracts major sports events. The Yas Marina Circuit annually hosts the Etihad Airways Abu Dhabi Grand Prix in November,

attracting upper-end travellers with diverse needs from across the world and creating opportunities for niche tour operators. The circuit can accommodate 50,000 spectators.

The Dubai Duty Free Tennis Championships and the Capitala World Tennis Championship are other major sporting events attracting thousands of high income travellers who can be targeted with customised tours suiting their interests.

### Football

Football is immensely popular in the UAE, firmly entrenched in the collective conscience. The pride that was engendered by the UAE's hosting of the 2009 FIFA Club World Cup, bringing stars of international football, was an apt expression of that passion. The nation celebrated the arrival of world-class club football at Zayed Sports City Stadium. The sport received a boost when President H.H. Sheikh Khalifa bin Zayed Al Nahyan gave AED 50 million to the UAE Football Association to upgrade facilities at amateur football clubs. In addition Abu Dhabi has constructed a 65,000-seat stadium with a moving roof and is the home of the national team and a venue for major events.

### Equestrian sports

The passion for horses in the UAE is expressed in many forms, including horse-racing, endurance racing, show jumping, and polo. All equestrian and racing activities are supervised by the Emirates Equestrian Federation (EEF), which was established in 1996.

Purebred Arabian horses are at the core of the UAE's culture and heritage and Abu Dhabi has taken a leading role in

providing support for the breed at home and abroad. The debut of purebred Arabian horse-racing, the third round of the UAE President Cup (Group 1), at England's historic Ascot racecourse in 2009 was a particularly successful milestone in the UAE's bid to promote purebred Arabian racing and the culture and heritage of the UAE around the world. The President of the UAE Championship series for purebred Arabians, organised in major European cities by the EEF, was first staged in 1994 with the support of the late Sheikh Zayed bin Sultan Al Nahyan.

### Water sports

The warm and calm blue waters of the Gulf provide great scope for a range of water sports and Abu Dhabi International Marine Sports Club, Dubai Offshore Sailing Club, Dubai International Marine Club (DIMC), Fujairah International Marine Club and similar clubs in Sharjah, Ajman and Umm Al-Qaiwain provide superb facilities, enabling enthusiasts to indulge in their favourite pastime throughout the year. The traditional dhow-racing season begins in October with the first heat for the 22-foot class at the DIMC. Races are held throughout the season for all classes culminating, in May, in the Sir Bu Nu'air dhow race.

Organisations such as Emirates Heritage Club in Abu Dhabi bridge the gap between traditional and contemporary sailing, imparting maritime skills and providing competitive experience for local youngsters. The clubs also run races for all classes of dinghies and yachts, with the Dubai Muscat Offshore Sailing Race taking place in November. International teams, including America's Cup challengers, frequently train in the ideal local conditions and international competitions are often held in the UAE.

### Motor sports

The UAE can boast one of the best venues in the Formula One circuit. Built on Yas Island in Abu Dhabi and designed

by Hermann Tilke, the Yas Marina Circuit stretches 5.5 km and contains 21 corner twists, snaking through grandstands that can accommodate over 50,000 spectators.

The UAE Desert Challenge, one of the world's most prestigious international cross-country rallies, was renamed the Abu Dhabi Desert Challenge in 2009, with the five-day motor sport spectacular being staged in its entirety across Abu Dhabi emirate under the auspices of the Abu Dhabi Tourism Authority (ADTA). Originally the last round of both the FIA Cross Country Rally World Cup and the FIM Cross Country Rallies World Championship, the Desert Challenge is now the season-opening round.

The international motorsports fixture Rally Abu Dhabi debuted in the emirate in 2010 as a World Rally Championship (WRC), and is now an official WRC event. The Dubai International Rally, the final round of the FIA Middle East Rally Championship, and a round that decides the champion for the year, has been staged in Dubai in December since the mid-1980s.

### Tennis

The success of the inaugural Capitala World Tennis Championship event has established Abu Dhabi as the host of one of the most anticipated events on the tennis calendar. The Dubai World Tennis Championships also witnesses some of the most exciting matches of the season. The staging of major international sporting events not only brings visitors to the country, it also serves to stimulate local sporting enthusiasts and inspire them to greater efforts. In this context, the local tennis scene has undergone a major overhaul under the auspices of Tennis Emirates, the body responsible for promoting local players. This included the affiliation of all tennis academies in the country with Tennis Emirates in order to standardise training methods.

## Doing Business in the United Arab Emirates

A ranking system has been introduced, replacing the system started in 2007, along with more grassroots schemes for young players, including the creation of national junior training centres in each of the seven emirates. The scheduled season has also undergone changes and now runs from October to September.

The International Tennis Federation's (ITF) 'Play and Stay' scheme encourages new players into the sport as well. These strategies have been developed in consultation with the National Olympic Committee in order to produce players capable of competing in international events such as the Olympic Games and the Davis Cup. Tennis Emirates has also entered into a cooperation agreement with the Spanish Tennis Federation, producers of some of the world's top seeded players. The UAE national team players will now be able to practice at the Madrid Tennis Federation's (MTF) headquarters, also dubbed the 'Magic Box', the home of the Madrid Masters.

### Golf

The UAE is home to some incredible golf courses including the Greg Norman-designed Earth Course in Dubai and the Saadiyat course in Abu Dhabi, designed by Gary Player. Other popular golfing venues include Abu Dhabi Golf Club, the Dubai Creek Golf and Yacht Club, the Emirates Golf Club and the Jebel Ali Golf Resort. Many of these world-class golf courses host major golfing events.

### Cricket

The UAE has established cricket at the grassroots level, introducing the game to Emiratis, promoting women's cricket and unifying governance across all regional cricket councils. The Abu Dhabi Cricket

Club has become an Associate Club partner of the Marylebone Cricket Club (MCC) in England, enabling aspiring cricketers in the UAE to train under the same expertise.

### Rugby

The expatriate community brought their love of rugby with them to the UAE and the sport is now played in a number of clubs throughout the Emirates. Major tournaments such as the Dubai Rugby Sevens, which has become a significant international event over the years, have also increased its popularity.

### Opportunities

For the very latest business opportunities for UK companies in the sports sector, contact:

- UK Trade & Investment: [www.businessopportunities.ukti.gov.uk/home.html?guid=none](http://www.businessopportunities.ukti.gov.uk/home.html?guid=none)
- UAE Federal Customs Agency: [www.customs.ae/En/Home/Pages/default.aspx](http://www.customs.ae/En/Home/Pages/default.aspx)
- British Embassy in Dubai: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)
- UAE Ministry of Economy: [www.economy.gov.ae/English/Pages/default.aspx](http://www.economy.gov.ae/English/Pages/default.aspx)
- Dubai FDI: [www.dubaifdi.gov.ae/en/Pages/default.aspx](http://www.dubaifdi.gov.ae/en/Pages/default.aspx)
- SHUROOQ: [www.shurooq.gov.ae](http://www.shurooq.gov.ae)



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## UNITED ARAB EMIRATES

The UAE's first free zone was established in 1980. The success of the UAE's free zone innovation in attracting foreign investment and technological expertise and the growth of re-exports and trans-shipment as a major commercial activity, has led all the emirates to create such free zones to attract inward investment, employment generation, and significant economic development.





## Free zones

### Background

The UAE's first free zone was established in 1980. The success of the UAE's free zone innovation in attracting foreign investment and technological expertise and the growth of re-exports and trans-shipment as a major commercial activity, has led all the emirates to create such free zones to attract inward investment, employment generation, and significant economic development.

The advantages already available to companies in the UAE customs territory include:

- No corporate or personal taxes
- Freedom to repatriate capital and profits
- slow import duties except on tobacco and spirits
- No exchange restrictions
- 100% foreign ownership of companies, and hence a full control over their activities

Comparative advantages in each zone are based on individual locations, facilities, areas of specialisation, and establishment and operating costs.

### Jebel Ali Free Zone

Jebel Ali Free Zone (Jafza) was the first zone established in the UAE in 1980. Jafza is a part of Dubai-based state owned Economic Zones World, one of the world's biggest developers of economic zones, logistics and R&D-driven industrial parks. Jafza is built over an area of 48 km<sup>2</sup> and it ranks among the world's largest and fastest-growing free zones. Situated between Jebel Ali Port, the world's 6<sup>th</sup> largest seaport, and the Al Maktoum International Airport, the world's largest cargo airport, Jafza is the only free zone in the world to be located between the two major logistic enablers. With a six lane highway, Jafza will facilitate the transportation of goods (custom bound) from sea to air in just 20 minutes. Jafza is well positioned to enable its partners the fastest possible access to a market of over two billion people in South and West Asia, the CIS and Africa.

A range of state-of-the-art facilities are provided at Jafza, which include pre- built modern warehouses ready to be leased, office space in various sizes to accommodate the requirements of any company of any size, and plots of land for large-scale operations such as manufacturing and extensive warehousing.

Jebel Ali Free Zone boasts a wide range of commercial incentives, from 100% foreign ownership, zero corporate and income taxes for a period of 50 years to exemption from local labour restrictions, full repatriation of profits and capital, and no foreign currency restrictions.

For more information on Jafza, see: [www.Jafza.gov.ae](http://www.Jafza.gov.ae)





## Hamriyah Free Zone

Free zones in Sharjah are characterised by the atmosphere of a secure investment and infrastructure and modern management. The free movement of capital and full exemption from taxes on products and customs duties on materials imported for these areas also provide great opportunities for industries and businesses and service to success and sustainability.

Hamriyah Free Zone Authority (HFZ) was established by a decree issued in 1995. It is located in Sharjah, which gives the free zone a unique geographic and time zone advantage backed by a secure a fully convertible currency and multi-access to neighbouring and global countries through land, sea and air. HFZ is fast becoming one of the cornerstones of the UAE industrial development. As the next generation free zone, HFZ is ensuring that its management is flexible and dynamic besides being an investor-orientated free zone. Being quality conscious and ISO certified, HFZ procedures for setting up a company are easy and well streamlined.

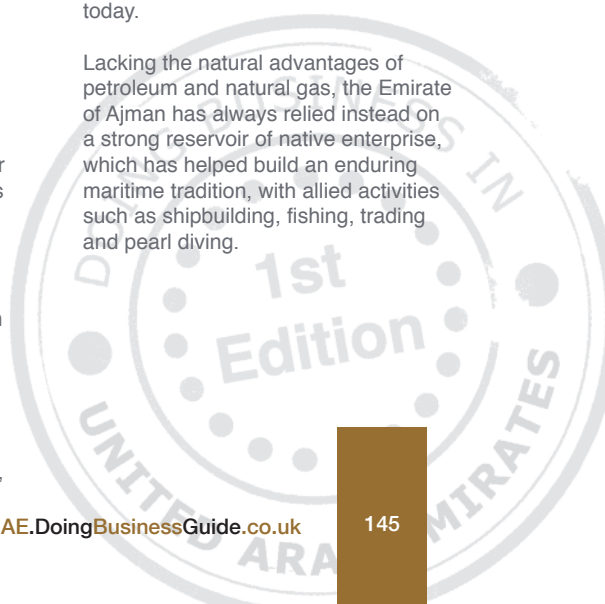
HFZ fosters entrepreneurship and economic development. The free zone has been deploying business solutions for international and local investors to access the lucrative market in the Middle East and North Africa (MENA) region for the last 20 years. This includes total ownership of business, repatriation of capital and profits, no taxes or duties, application of one-stop-shop concept for quick issuance of licences, a splendid visa solution with the free zone sponsorship of business owners and their employees and above all an ideal geographical positioning. For more information on HFZ, please visit: [www.hamriyahfz.com](http://www.hamriyahfz.com)

## Ajman Free Zone

Ajman Free Zone Authority (AFZ) has witnessed increased demand from investors and businessmen looking for good investment opportunities, especially after the success it accomplished in organising the activities of the Ajman International Economic Conference, attended by more than 500 governmental and economic figures and a select number of regional and international speakers.

As a major contributor to the Emirate's economic development, AFZ provides a particularly welcoming environment to the following: Foreign investment entrepreneurship, international trade and commerce, and manufacturing and industrial activity. Ajman Free Zone also offers 100% foreign ownership, repatriation of capital and profits, no personal income tax and no corporate taxes, thus the Ajman Free Zone is widely recognised as a haven for entrepreneurs today.

Lacking the natural advantages of petroleum and natural gas, the Emirate of Ajman has always relied instead on a strong reservoir of native enterprise, which has helped build an enduring maritime tradition, with allied activities such as shipbuilding, fishing, trading and pearl diving.



## Doing Business in the United Arab Emirates

AFZ offers all the advantages of any free zone in the UAE. Recognising the need to continuously innovate, AFZ has always taken care to provide a package of unbeatable benefits. Chief among these is a relentless drive to innovate ever more attractive packages for business. A massive multi-million Dirham plan to develop over 1,000,000 m<sup>2</sup> at the free zone is presently underway, which on completion will be able to accommodate up to 4,000 companies.

The companies at AFZ are engaged in the business of:

- textile, readymade garments and leather goods
- food, beverages and tobacco
- timber, furniture and wood products
- paper and pulp, printing and publishing
- chemical and plastics
- non-metallic minerals
- basic metals
- metal products, machinery and industrial equipment

For more information on AFZ visit:  
[www.ajmanfreezone.gov.ae](http://www.ajmanfreezone.gov.ae)

Ahmad Bin Rashed Port and Free Zone  
The Ahmed Bin Rashed Port and Free Zone is located on the West Coast of the UAE, in the Emirate of Umm Al-Quwain. The free zone complex consists of 845 m of quay wall with 400 m capable of handling ocean-going vessels, and 118,000 m<sup>2</sup> of land reserved for light industrial development. Standard services include water, electricity, communications, and labour accommodation. In addition, the free zone provides comprehensive administrative and logistical support to the investor.

In addition, the port facilities operate on the free port concept, which has now been extended to include manufacture and assembly. For more information on Ahmed Bin Rashed Port and Free Zone, visit: [www.emiratesfreezone.gov.ae](http://www.emiratesfreezone.gov.ae)

### Fujairah Free Zone

Fujairah Free Zone (FFZ) offers a variety of investment opportunities, coupled with easy and cost-effective investment facilitation and a host of administrative services, which make it easy to establish and operate business in the FFZ. In addition, investors benefit from the triple FFZ advantage, namely the accessibility, connectivity and economy. Licences can be issued within one working day. Reduced establishment expenses and lower overheads make FFZ a very cost-effective investment proposition.

FFZ offers a unique connectivity logistic link to the world: by air through Fujairah International Airport, by sea through Fujairah Sea Port, and by road to the Middle East and beyond. Investors benefit by way of faster transactions accruing due to shorter delivery times. For more information on FFZ please visit: [www.fujairahfreezone.com](http://www.fujairahfreezone.com)

### Ras Al-Khaimah Free Trade Zone

Established in 2000, Ras Al-Khaimah Free Trade Zone (RAK FTZ) is one of the fastest-growing and most cost-effective FTZs in the UAE. It is strategically located 45 minutes from Dubai. It is a world-class business hub to more than 4,000 active companies from 106 countries around the globe and a vehicle for industrial growth

and development. RAK FTZ, with its cutting-edge technology and keen customer focus, offers on-demand and custom-built support services to investors in a cost-effective and flexible environment. It also offers a range of unique services, which include legal, human resources and marketing assistance.

RAK FTZ has created a unique four-park system comprised of a business park, industrial park, technology park and academy zone, each of which offers identical advantages and benefits to investors. Hence, RAK FTZ is well positioned for global commerce. It was the first free zone to offer business centre, innovation and promotion centre facilities in four locations in the UAE as well as representative offices in Turkey, India, Germany, USA and China.

RAK FTZ's reputation for affordability, flexibility and broad geographical reach are rapidly emerging as the preferred business hub in the region, from which investors of all origins and industries can easily access and branch into the emerging markets.

RAK FTZ is committed to simple and customer friendly procedures and is recognised throughout the region. RAK FTZ clients enjoy the widest range of facilities and value-added services, and benefit from key advantages such as:

- 100% tax exemption
- 100% foreign ownership
- Transparent laws and regulations
- No restrictions on capital and profit repatriation
- Strategic location with proximity to Dubai
- State-of-the art communication facilities
- Easy access to Ras Al-Khaimah's airport and sea ports

RAK FTZ has also announced a project worth US\$400 million, for power plant creation with a capacity of 400 MW,

based in the industrial area of Khor Khwair, as well as the establishment of Industrial Creek for commercial ships unloading and maintenance, at a total cost of half a billion Dirham. It is worth noting that RAK FTZ hosts around 7,000 companies, while Ras Al-Khaimah Investment Authority hosts about 2,700, with a total investment of AED 10 billion. For more information on RAK FTZ, please visit: [www.rakftz.com](http://www.rakftz.com)

#### Abu Dhabi free zones

- Abu Dhabi Airport Free Zone
- Saadiyat Free Zone
- Industrial City of Abu Dhabi
- Khalifa Port and industrial Zone
- Twofour54 media and production free zone
- Masdar City

#### Dubai free zones

- Dubai Airport Free Zone
- Dubai Car and Automotive Zone
- Dubai Flower Centre
- Dubai Gold and Diamond Park
- Dubai Biotechnology and Research Park
- Dubai Healthcare City
- Dubai International Financial Centre
- Dubai Internet City
- Dubai Knowledge Village
- Dubai Media City
- Dubai Logistics City
- Dubai Maritime City
- Dubai Multi-Commodities Centre
- Dubai Outsource Zone
- Dubai Silicon Oasis
- Dubai Studio City
- Dubai Academic City
- Dubai Textile City
- Dubai International Media Production Zone
- International Humanitarian City
- Dubai Techno Park
- Jebel Ali Free Zone

# Invest in Sharjah

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Sharjah is the industrial and cultural hub of the United Arab Emirates with a total of 138 km of coastline along the Arabian Gulf and the Indian Ocean. Sharjah had an increase of about 13% in its GDP in 2014 and has a diversified economy with promising opportunities in the healthcare, education, tourism, infrastructure and environmental sectors.



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Sharjah Government, United Arab Emirates

SHARJAH INVESTMENT AND  
DEVELOPMENT AUTHORITY

**In Dubai – free zones planned or under-development**

- Dubai Building Materials Zone
- Dubai Auto Parts City
- Dubai Design Centre
- Dubai Carpet Free Zone
- Heavy Equipment and Trucks Free Zone
- Dubai Energy City

**Ajman Free Zones**

- Ajman Free Zone

**Fujairah Free Zones**

- Fujairah Free Zones
- Fujairah Creative City

**Ras Al-Khaimah Free Zones**

- RAK Free Trade Zone
- RAK Investment Authority Free Zone

**RAK Free Trade Zones being considered or in development**

- RAK Centre for Business Excellence or RAK Training Centre for Business Excellence
- RAK Education Zone
- RAK Financial Centre
- RAK Industrial and Technology Park

**Sharjah Free Zone**

- Sharjah Free Zone

**Hamriyah Free Zone**

- Sharjah Airport International Free Zone

**Umm Al-Quwain Free Zone**

- Ahmed Bin Rashid Free Zone

**ZonesCorp**

The Higher Corporation for Specialised Economic Zones (ZonesCorp) is the government-backed corporation responsible for the establishment and the administration of zones of a specialised economic nature in Abu Dhabi. As the leading industrial development agency in Abu Dhabi, ZonesCorp is reshaping the Emirate's economic landscape through the implementation of targeted industrialisation and investment programmes.

In addition to its role in developing the infrastructure in industrial clusters, ZonesCorp is the licensing authority for all industrial activities in Abu Dhabi. Moreover, ZonesCorp is responsible for the development of regulations administering the industrial clusters including licensing regulations, fines and fees. ZonesCorp is committed to developing the industrial infrastructure in the capital, cultivating a business climate conducive to growth and driving the diversification of the economy.

ZonesCorp has much to offer businesses in the way of value propositions and operational incentives. With specialised zones in the emirate of Abu Dhabi boasting state-of-the-art facilities, cutting-edge utilities, logistics capabilities, advanced communications infrastructure and workers' residential cities, investors can easily set up their businesses in the country's capital and set their industrial projects in motion in a matter of a few weeks.

ZonesCorp develop, operate and manage special economic zones in strategic locations throughout the Emirate of Abu Dhabi, providing customer-centric services including a one-stop shop, a foreign labour service centre, and quality workers' accommodation. Companies can leverage an enhanced financial capability by procuring new specialised clusters through public-private partnership management structures and the involvement of the ZonesCorp Infrastructure Investment Fund.

ZonesCorp's portfolio of projects includes existing zones of several industrial cities in the Mussafah district of Abu Dhabi as well as the Industrial City of Abu Dhabi 1 (ICAD I), Industrial City of Abu Dhabi 2 (ICAD II), Industrial City of Abu Dhabi 3 (ICAD III), Al Ain Industrial City (AAIC I & II) and Workers Residential Cities. Future Zones projects include: Industrial City of Abu Dhabi 4 (ICAD IV), Autocity (ICAD V), and Construction and Building Materials Zone.

For more information on ZonesCorp, please visit: [www.zonescorp.com](http://www.zonescorp.com)





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## UNITED ARAB EMIRATES

In 2007, the Abu Dhabi Government released a policy agenda establishing planning foundations and priorities necessary for the development of the emirate, and this was followed by the release of the Abu Dhabi Government Economic Vision 2030, providing a road map for the economic and social development of Abu Dhabi for a quarter of a century.







## UAE business infrastructure

### Banking

The UAE has a modern and competitive banking sector, with 51 banks (Oct 2014). 28 of these are foreign banks, representing just under 60% of the total market (HSBC and Standard Chartered account for approximately half of total foreign bank assets). UK banks are well represented, with a largely retail and commercial business base.

*Source: Central Bank of the UAE, 13 August 2015*

The banking sector weathered relatively well the drawbacks of the international financial crisis, thanks to the government injection of liquidity in the capital of banks. Moreover, the banking sector benefits from a strong deposit base.

Although banks in the UAE adopt a cautious stance, some banks, particularly those in Abu Dhabi, offer attractive upside potential while operating in a secure environment. A mid to long-term view should see a healthy growth in the top-line, reduced provisioning requirements, robust earnings trajectory and attractive valuation multiples.

### Insurance services

The UAE insurance market, with its AED 18.3 billion written premium income, is the largest insurance market in the GCC region and one of the largest markets in the Arab world. This position has been attained as a result of the extensive development realised by all of the emirates of the UAE during the last few

years. Nevertheless, insurance penetration (gross premium as a percentage of GDP) is still on the low side at around 2%, suggesting that there is significant space for expansion. The breakdown of gross premium income is AED 2.7 billion for life insurance compared to AED 15.6 billion for non-life insurance.

With a loss ratio of 57%, the UAE insurance market is realising a very satisfactory performance, with the exception of third-party motor insurance. All other insurance classes are performing very well, due in part to the absence of natural catastrophes in this region.

The UAE insurance industry has been less affected by the international financial and economic crisis compared with other financial sectors, although within the industry, those with exposure to the stock markets have naturally seen a decline.

### Reinsurance

UAE insurance companies depend to a large extent on reinsurance in order to have the required underwriting capacity and to reduce the risk of concentration and conflagration. The average reinsurance percentage is around 50%. Local insurance companies have also begun adopting international corporate governance standards and transparency rules, led by the insurance authority and the stock exchange regulations. The majority of insurance companies in the UAE are rated by international rating agencies. Insurance classes subject to compulsory tariffs include motor insurance and third-party motor insurance, by virtue of federal law.



Since the promulgation of the Federal Law No.6 of 2007 establishing the Insurance Authority (Insurance Commission), the body has prepared new rules to reorganise the insurance market, including:

- A code of conduct for insurance companies
- Anti-money laundering and combating financing terrorism activity rules
- Regulations concerning brokers' activity, agents, profession loss adjusters, insurance consultants, and actuaries
- The authority will pay close attention to the financial regulations of insurance companies. The minimum paid-up capital of these companies has already been increased from AED 50 million to 100 million (AED 250 million for reinsurance companies)
- New rules concerning the financial reporting system, public disclosure of financial statements, and rules governing the investment policy of insurance companies

Foreign capital was and still is permitted to participate in the capital of national insurance companies within a percentage not exceeding 25%.

#### **Marketing of insurance products**

Marketing insurance products in the UAE insurance market is achieved through local office brokers and banks. A number of insurance companies have entered into agreements with local banks in order to transact bank assurance.

#### **Takaful insurance**

Insurance companies with Islamic Shari'ah rules are gaining pace in the market, with a 9% market share. A new regulation has been issued by the insurance authority in order to organise and control the activity of this kind of insurance.

#### **Financial markets**

##### **Abu Dhabi Securities Exchange**

A pillar for economic and social development of Abu Dhabi, the Abu Dhabi Securities Exchange (ADX) was established in November 2000 as a local government entity to become the official stock exchange for the emirate of Abu Dhabi through providing the infrastructure and trading platform for the different securities, enjoying financial and administrative independence and acquiring all the necessary supervisory and executive powers.

Throughout the decade, ADX was able to record significant growth rates as reflected in the remarkable increase of transactions and the diversification drive to allow for more financial Instruments, especially the bonds market, and hence increase the scale and depth of the exchange.

By early 2015, there were 70 listed companies on the exchange, allowing for investors to trade through any of the registered brokerages at the exchange.

## Doing Business in the United Arab Emirates

ADX has also signed a number of agreements with major financial institutions to provide for custody services, including renowned international corporations, namely the National Bank of Abu Dhabi (NBADL HSSC, Standard Chartered, Deutsche Bank and Citi).

In alignment with the Abu Dhabi Government's Economic Vision 2030, ADX aspires to become the leading stock exchange in the Gulf region by leading the development of the UAE capital market through a well-regulated market-place in a lawful environment that ensures integrity, transparency and disclosure.

Investors can trade securities listed on ADX UK's International FTSE Group, one of the leading stock exchange rating agencies in the world. The upgrade of the UAE from a "frontier" market to an "emerging" market has opened a new chapter for the UAE capital market to attract more international investors and accommodate more portfolios for international financial institutions along with other seasoned emerging markets such as China, India and Brazil.

The UAE's financial markets in general, and ADX in particular, are relatively young compared with other emerging markets, having only been established in 2000. Yet the country's relentless efforts to become a primary and innovative regional and international financial centre have yielded international recognition, and hence the magnitude of concern and efforts by ADX to implement international best practices, develop its infrastructure and introduce new financial instruments and investment vehicles.

In 2007, the Abu Dhabi Government released a policy agenda establishing planning foundations and priorities necessary for the development of the emirate, and this was followed by the release of the Abu Dhabi Government Economic Vision 2030, providing a road map for the economic and social development of Abu Dhabi for a quarter of a century.

It was no surprise that ADX was at the heart of these priorities and plans, thanks to the vital role of financial markets in the context of economic and social development through diverting savings towards investment in the various economic sectors, and developing the financial infrastructure of Abu Dhabi to transform the emirate into one of the leading innovative finance and services centres in the region.

Undoubtedly, ADX plays a significant role in the emirate's efforts to diversify the economy away from relying on hydrocarbons, supporting non-hydrocarbon production and services such as financial services, tourism and real estate, and through the provision of innovative financial alternatives to fund the investments in these sectors, as emphasised by the policy agenda and the Economic Vision 2030 reflected in the exchange's strategic five-year plans. ADX was also able to develop its infrastructure to become a pioneer institution in the field of developing electronic services in Abu Dhabi through the introduction of new services at the exchange's website, including filing complaints and automating the disclosure process, in addition to more-efficient applications for reviewing listed companies' financial statements.

ADX is generating reliable feedback necessary for the processes of development and planning through the introduction of new surveys and indexes to assist in identifying areas requiring more attention and development in future plans. These surveys include an investor literacy e-survey introduced towards the end of 2009 used to deduce an investor literacy index, a vital indicator for planning awareness and education programmes.

An investor confidence e-survey was also concluded during the same period for 1,700 investors to develop an investor confidence index, a necessary barometer for awareness programmes, and introducing new financial instruments and investment vehicles.

On March 25, 2010, ADX introduced the Exchange Traded Funds (ETFs) trading platform, by listing NBAD's "OneShare Dow Jones UAE 25" ETF, and hence establishing the necessary infrastructure for diversifying investment vehicles and hence attracting more foreign investments by allowing foreigners to trade in ETFs and by permitting UCIT- compliant foreign ETFs incorporated overseas to list in Abu Dhabi.

For more information on the Abu Dhabi Securities Exchange please see: [www.adx.ae/English/Pages/default.aspx](http://www.adx.ae/English/Pages/default.aspx)

### **Dubai Financial Market**

Dubai Financial Market (DFM) was established as a public institution having its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public joint-stock companies, bonds issued by the federal government or any of the local governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market.

DFM has worked with renowned international experts in the design of a trading system which is fair, transparent and efficient, so that investors' interests are served and the economic objectives of the UAE are met.

Safeguarding the efficiency and integrity of trading requires DFM to conduct regular monitoring and controlling of market activity. The market control section monitors compliance with the trading rules and regulations of ESCA and DFM and helps to ensure that trading is conducted in an orderly manner. The Brokers licensing and inspection section monitors brokers' conduct to ensure integrity of the brokers' activities and that the best service is given to investors. The companies listing and compliance section strives to furnish investors with all the necessary data concerning issuers of listed securities in a timely manner and to co-ordinate with the market surveillance section to forbid the use of inside information.

In 2010, DFM launched a 'first of its kind' global service with the iVESTOR card, a revolutionary and innovative solution enabling retail investors to instantly receive DFM dividends directly into their iVESTOR card. With the iVESTOR card, investors no longer have to wait for dividend cheques or have the hassle of depositing cheques into their bank accounts, as this unique card will enable DFM to credit any future dividends directly into the cardholder's balance in a flexible and fast way. Additionally, the iVESTOR cardholder can easily withdraw cash from over 650 Emirates NBD ATM's or from any VISA or PLUS marked ATMs worldwide, top-up their balance, as well as make purchases from millions of retail outlets.

## Doing Business in the United Arab Emirates

### Retail investors

Retail investors can benefit from:

- Instant credit of any future DFM dividends and other joint stock companies dividends (subscribed to the NESTOR service) directly into their card. No need to wait for cheques
- Fast and easy cash withdrawals of dividend payments from anywhere in the world, anytime, via Emirates NBIJ, VISA or PLUS ATMs
- Cash top-ups directly onto the card via any Emirates NBD cash deposit machine or branch
- Purchase goods/services worldwide via VISA-accepting retail outlets, online sites and more Islamic Shari'ah-compliant

### Dubai International Financial Centre

Dubai International Financial Centre (DIFC) is an "onshore" financial centre, offering a convenient platform for leading financial institutions and service providers. DIFC has been established as part of the vision to position Dubai as an international hub for financial services, and as the regional gateway for capital and investment.

Between the financial centres of Europe and South-East Asia lies a region comprising over 42 countries with a combined population of approximately 2.2 billion people. Yet this vast region, stretching from the western tip of North Africa to the eastern part of South Asia had, until 2004, been without a world-class financial centre. DIFC now aims to play a pivotal role in meeting the growing financial needs and requirements of the

region while strengthening links between the financial markets of Europe, the Far-East and the Americas. The mission of DIFC is to be a catalyst for regional economic growth, development and diversification by positioning DIFC as a globally-recognised financial centre.

The Centre has been designed to attract regional liquidity back into investment opportunities within the region and contribute to its overall economic growth. Since its launch, DIFC has attracted international firms such as Merrill Lynch, Morgan Stanley, Goldman Sachs, Mellon Global Investments, Barclays Capital, Credit Suisse, Deutsche Bank and many other leading international financial institutions, which have all applied for or received a licence to operate from DIFC.

### Dubai: Economic dynamism, growth and vision

Critical to DIFC's success is Dubai's established track record of realising innovative projects of scale in an environment that is safe, vibrant and exciting. His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, has continued to lead efforts that have established Dubai as one of the fastest-growing cities in the world.

Dubai has a well-diversified economy based on international trade, banking and finance, information and communication technology, tourism and real estate. This economic diversification is continuing with the establishment of new industries, private sector growth through acquisition and increased regional economic integration and innovation.

## Objectives of DIFC

DIFC has been designed to attract regional liquidity back into investment opportunities within the region and contribute to its overall economic growth, facilitate planned privatisations in the region and enable initial public offerings by privately-owned companies, giving impetus to the programme of deregulation and market liberalisation throughout the region – creating added insurance and reinsurance capacity (65% of annual premiums are re-insured outside the region); and developing a global centre for Islamic finance – now an international market of over US\$400 billion serving large Islamic communities stretching from Malaysia and Indonesia to the United States.

## Benefits of establishing in DIFC

Institutions receive a number of benefits when joining DIFC, including:

- 100% foreign ownership
- 0% tax rate on income and profits
- Wide network of double taxation treaties available to the UAE incorporated entities
- No restriction on foreign exchange
- Freedom to repatriate capital and profits without restrictions
- World-class English language court system based on the common law, with judges internationally renowned for handling commercial disputes
- High standard of laws, rules and regulations
- Ultra-modern office accommodation and sophisticated infrastructure
- Operational support and business continuity facilities of uncompromisingly high standard

## DIFC sectors of focus

DIFC focuses on the following main financial services sectors: banking and brokerage, capital markets, wealth management re-insurance and captives, Islamic finance, ancillary services.

### Banking and brokerage/ capital markets

Businesses in the region have traditionally sourced their funding from domestic lenders at often inefficient, expensive and illiquid cost. Similarly, underdeveloped capital markets have forced local investors and borrowers to seek opportunities in international markets. However, the growing programme of liberalisation and privatisation in the region, a rising need for IPOs and secondary offerings, the growth of foreign direct investment, and rapid expansion of regional trade, is driving demand for more-sophisticated forms of financing. DIFC acts as a catalyst to facilitate the mobilisation of capital. It intends to be the regional gateway for investment banks and other financial institutions who wish to establish underwriting, M&A advisory, venture capital / private equity, foreign exchange, trade finance and capital markets operations to service this large and relatively untapped market.

### Wealth management

DIFC provides an onshore centre offering a wide range of investment opportunities, such as: mutual funds, exchange traded funds, open and closed-ended investment companies, index funds, hedge funds, consultant wrap accounts and Islamic-compliant funds. Further, DIFC will provide an ideal environment and a highly-skilled workforce to asset management firms and private banks for their fund registration and administration functions.

## Doing Business in the United Arab Emirates

### Insurance, reinsurance and captives

The penetration and density of insurance in the region has been significantly below average world levels. Statistics show that the sum of insurance premiums in the Middle East is considerably below that of developed or other developing markets. However, with economic growth, industrialisation and improved regulation, the region is experiencing a changing attitude towards risk and an increased awareness of the need for insurance.

Due to slow growth in more mature markets, the world's insurance and reinsurance companies are now assessing markets such as the Middle East. DIFC has set out to create a global insurance hub by attracting global reinsurance companies, brokers, captives and other service providers.

### Islamic finance

Islamic finance and banking was estimated to be worth around US\$1 trillion dollars in 2014 and is destined to grow more than four times the rate of conventional investing, according to analysts at Deloitte & Touche. The industry is expected to surge 28.6% a year and have a value totalling US\$5 trillion by 2016. DIFC's innovative ambition to become the global hub for Islamic finance comes at a very interesting time in the market's development.

Each Islamic market has developed relatively independently, setting its own regulations and standards, developing a wide variety of products with different benchmarks and pricing techniques. This has now been recognised as untenable if the industry is to grow, to respond to the needs of Islamic investors and be given global recognition.

There is increasing recognition that collaboration is the key to competitiveness. DIFC's innovative ground-up approach puts Dubai in a leading position to establish global standards for Shari'ah compliance that will foster cross-border trading and product innovation.

### Ancillary services

In addition to the above sectors of financial activity, DIFC will continue to attract high-calibre, reputable ancillary service providers, thereby providing a fully robust platform to support the operational needs of financial institutions. These services will include accounting and legal practices, actuaries, management consultants, recruitment firms, and market information providers, among others. The expertise that the world's major international professional services firms bring to DIFC will complete the process of building a world-class international financial centre. DIFC offers these service providers with the kind of unique opportunities that can come only from locating their operations in a hub which is in close physical proximity to a wealth of innovative business opportunities, including significant cross-border synergies across multiple industries and functions.

### Regulatory framework

As with established international financial centres, at the heart of the overall DIFC concept is an independent regulator, the Dubai Financial Services Authority (DFSA). The independent status of the centre is further enhanced by the establishment of the DIFC Courts. The laws establishing the DIFC Courts have been designed to ensure the highest international standards of legal procedure, thus ensuring that they provide the certainty, flexibility and efficiency



expected by the global institutions operating within DIFC.

### Infrastructure and location

The physical infrastructure is also a major factor in enticing international business to locate in DIFC. So much more than just a financial district, DIFC is an innovative 'city within a city' that comprises a unique integration of buildings and open spaces with over 65% of the total site landscaped with specific green zones. It provides over several million square feet of ultra-modern office space, residential and leisure areas including offices, serviced apartments, hotels, shops, restaurants, a museum, an art gallery and a performing arts centre. Guaranteeing DIFC's success is its location. The cosmopolitan city of Dubai has a safe, secure, economically, politically and socially-stable environment with superb infrastructure and a highly skilled, educated and multi-cultural workforce.

With such a sophisticated physical infrastructure, an innovative, visionary leadership and a stringent regulatory framework, DIFC is poised to tap the largest emerging market for financial services within a region of 2.2 billion people and a combined economy worth US\$2.3 trillion in terms of GDP, growing at an annual rate in excess of 5%. The world's newest international financial centre has become a reality and both the region and the world's financial community are set to benefit.

### Entities and subsidiaries of DIFC

#### DIFC Authority

The DIFC Authority is responsible for developing strategy and providing direction and supervision to the Dubai International Financial Centre. It works to attract licensees to operate in DIFC and creates laws and regulations that govern non-financial services activities. One of the DIFC Authority's main tasks is to develop the financial services industry in Dubai.

### The DIFC Centre of Excellence

The DIFC Centre of Excellence was established as an innovative hub for executive and professional development and education. The centre was created by the Dubai International Financial Centre (DIFC) and reaches out to professionals within the Middle East, North Africa, Eastern Africa, the Caspian Subcontinent and the Indian Subcontinent. The centre is situated within DIFC, the world's fastest-growing financial centre and at the heart of cosmopolitan Dubai. The DIFC Centre of Excellence aims to develop a talent pool of innovative professionals for and from the region through partnering with top ranking business schools, professional development providers, corporate universities, as well as certification, accreditation and rating organisations.

Innovative partners and programmes include: London Business School (EMBA, executive education programmes, and custom designed programmes), Cass Business School (offering the world's first EMBA with a specialisation in Islamic Finance in the world from DIFC, Energy or General Management and Finance), Queens School of Business (executive education programmes), Securities and Investments Institute (SII) (finance training, examination and certification activities), the Chartered Insurance Institute (CII) (membership in the CII and Certified Insurance and Finance programmes), and the International Bar Association (IBA). In order to accommodate the needs and interests of busy professionals, the DIFC Centre of Excellence offers a mix of programmes, from one-day workshops up to a higher degree.

## Doing Business in the United Arab Emirates

**Hawkamah**

Hawkamah, the Institute for Corporate Governance, is an international association of corporate governance practitioners, regulators and institutions whose primary mandate is to develop corporate governance best practices in the Middle East region, including the promotion of institution building, corporate sector reform, good governance, market development and increased investment and growth across the region. Please see: [www.hawkamah.org](http://www.hawkamah.org)

**Mudara**

Mudara, the Institute of Directors (IOD), was established by DIFC to facilitate professional development through education, networking and services to its members.

**DIFC- LCIA Arbitration Centre**

Dubai is positioned as an international arbitration jurisdiction with the establishment of the DIFC-LCIA Arbitration Centre. Please see: [www.difcarbitration.com](http://www.difcarbitration.com)

**DIFC Global**

DIFC Global provides premium office facilities that support companies in developing their business globally. Currently established in Dubai, London and Hong Kong, DIFC Global is creating a network of premium offices in the world's major financial hubs. DIFC Global's offerings are ideal for companies looking to conduct feasibility studies, evaluate future potential, collaborate on joint ventures, or scout for new business in the world's largest established and emerging financial markets. Please see: [www.difcglobal.ae](http://www.difcglobal.ae)

**Dubai Financial Services Authority (DFSA)**

The Dubai Financial Services Authority is the independent regulatory authority responsible for the regulation of financial and ancillary services conducted in or from the Dubai International Financial Centre. The DFSA's primary functions include policy development, enforcement of legislation and authorisation and supervision of DIFC licensees. It manages companies offering asset management, banking, securities trading, Islamic finance, and re-insurance, and it regulates the Nasdaq Dubai exchange. Please see: [www.dfsa.ae](http://www.dfsa.ae)

**DIFC Courts**

The DIFC Courts is an independent judicial system established under laws enacted by the late H. H. Sheikh Maktoum bin Rashid Al Maktoum, ruler of Dubai in September 2004. It has jurisdiction over matters arising from and within DIFC. Please see: [www.difccourts.ae](http://www.difccourts.ae)

Firms wishing to carry out financial services in DIFC need to be authorised by the DFSA, which requires a demonstration of fitness and propriety. Guidelines include:

- An applicant's relationship with a group entity and the regulatory history of the group. Firms which are subject to regulatory supervision in other comparable jurisdictions will be in a better position to demonstrate their ability to comply with the stringent regulatory requirements of DIFC
- An applicant's capability in terms of financial resources, human resources and technical competency

- An applicant's ability to devise and maintain appropriate systems and procedures to support, monitor and manage its affairs, resources and regulatory obligations, including sound anti-money laundering policies and procedures
- A sound business plan and the experience and qualification of the organisation and the key personnel within it
- The ability and willingness of an organisation to comply with regulations Including levels of capital adequacy, high standards of business conduct and a robust risk management system

When considering an application for a licence and assessing the fitness and the propriety of the applicant, the DFSA will also consider:

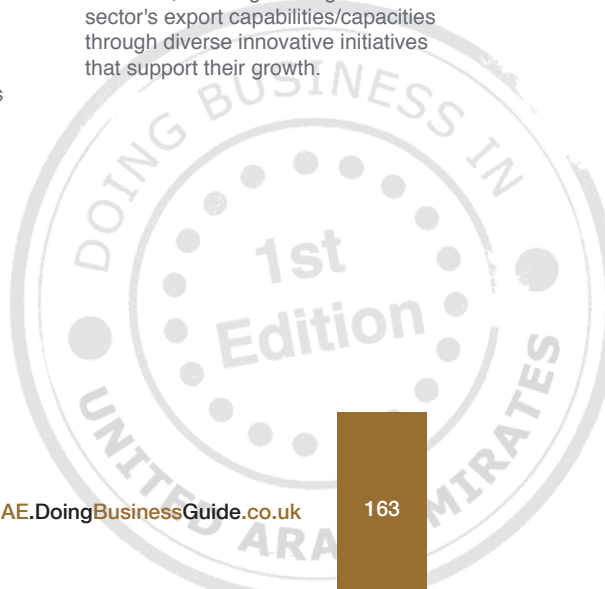
- Any matter which may harm the integrity or reputation of the DFSA or DIFC
- The activities of the applicant, the associated risks and accumulation of risks that those activities pose to the DFSA's objectives
- The cumulative effect of factors which, if taken individually, may be regarded as sufficient to give reasonable cause to doubt the fitness and propriety of an applicant. An applicant must be able to demonstrate that it has compliance arrangements, including processes and procedures that will enable it to comply with all applicable rules
- Authorised firms must comply with the Conduct of Business (COB) module which entails adherence to the following best principles and practices:

- Integrity
- Due skill, care and diligence
- Management, systems and controls
- Resources
- Market conduct
- Conflicts of interest
- Suitability
- Customer assets and money
- Relations with regulators

### Trade and export facilitation

The Dubai Export Development Corporation (EDC) was established to provide exporters with the services required to enter or expand into foreign markets. EDC is the trade promotion arm of Dubai Economic Department and its mission is to empower and diversify Dubai's economic growth by offering innovative pioneering export services to businesses.

The strategic objectives of EDC are to maximise value of exports through Dubai and enhance the industrial sector's contribution to GDP, widen Dubai's exporter base by support of businesses in the production of internationally competitive goods, facilitate exports into unexplored/high potential markets while accelerating market share in such target countries, and augmenting the industrial sector's export capabilities/capacities through diverse innovative initiatives that support their growth.



EDC's service model includes:

### 1. Export preparation:

- Export capability assessment
- Market intelligence & trade Information
- Export assistance/referrals through partners
- Export training/coaching
- Export guides & publications

### 2. Export facilitation:

- Identify, match buyers
- Provide export opportunities/UAE export directory
- Referrals and advocacy with government partners
- Local/international events & missions
- Provision of value-added services, e.g. export credit insurance
- Facilitate international export intelligence
- Assistance through EDC overseas trade offices and international partners

### 3. International assistance:

- Qualified buyer identification
- On-the-ground market information & assistance
- Matchmaking in EDC overseas office countries
- Facilitation in outward missions
- Facilitate investment partnership

### Export Credit Insurance Company of the Emirates

The Export Credit Insurance Company of the Emirates (ECIE) was established as part of H.H. Sheikh Mohammed Bin Rashid Al Maktoum's vision, in his capacity as Vice President and Prime Minister of the UAE and Ruler of Dubai, to help UAE-based companies make use of opportunities to grow their exports safely. ECIE primarily helps companies increase their export business by providing them with necessary protection against trade credit risks, thereby allowing them to manage their commercial and political risks better, and help safeguard their balance sheets and increase profitability. ECIE offers short-term trade credit insurance policies to companies based in the UAE which are engaged in manufacturing, value-added trading and, the export of services. Insurance policies tailored by ECIE cover a seller against the risk of non-payment by its customers.

ECIE's partnerships include those with Coface – the global expert in credit risk analysis and trade receivables management, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) – the globally-acclaimed Islamic multilateral based in Saudi Arabia, and the well-reputed Arab Investment & Export Credit Guarantee Corporation (DHAMAN) based in Kuwait.

An export credit guarantee is a form of insurance that covers an exporter if the importer or the importer's bank defaults on payment. ECIE's business activities are governed by the UAE Insurance Authority, and its relations with companies and banks are conducted on a commercial basis.

ECIE is a member of the prestigious Berne Union Prague Club – an elite association of reputed global trade credit risk solution providers. In addition, ECIE is a fully-fledged member of the General Organisation of the Credit Alliance – an association of trade credit risk insurers and related service providers supported by Coface. ECIE also occupies a key seat on the board of the Aman Union – an association of Arab and Islamic trade credit insurers.

### ECIE products

Receivables protection package includes the following major services:

- Credit risk analysis, assessment and continuous monitoring
- Debt collection and recovery and ultimately:
- Indemnification in case of a claim filed by the policyholder (the seller)

ECIE covers both commercial and political risks, and their product range includes:

- Short-term credit risk insurance (insuring credit sales where the credit period is not more than 360 days) as well as, medium/long-term credit
- Risk insurance (on a case-by-case basis where the credit period is between one and seven years)
- Foreign investment insurance (ECIE covers the political risks that a UAE-based company is exposed to by virtue of investing in a project via a plant, etc. overseas)
- A policyholder can choose between a conventional and a Shariah-compliant insurance policy

### ECIE's benefits

Past history is not necessarily an indicator of the future which is why the financial standing of a company remains an unknown factor.

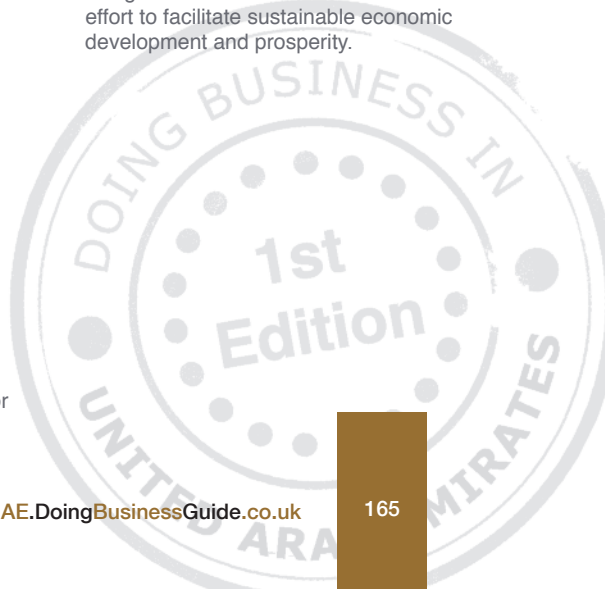
ECIE's credit insurance policy helps mitigate this risk by protecting a company's trade receivables.

Intense competition forces sellers to sell on unsecured terms which could put the seller at grave risk, especially if a major buyer defaults on payment, thus leading to a catastrophe – the seller will be able to leverage on ECIE's expertise and avoid such a scenario.

ECIE's credit insurance policy helps a company increase its exports as well as domestic sales, and secure its profitability by facilitating adequate credit based on the credit risk assessment and insurance commitments provided by ECIE.

ECIE policy provides access to banking facilities primarily required for funding working capital when a company is in 'growth mode'. The seller will be able to focus on achieving its core objective – production, marketing and sales, while ECIE manages the associated credit risks.

ECIE acknowledges that manufacturers, traders and service providers in the UAE play a special role in driving the economic growth of the country, and ECIE's innovative products and services are designed to add maximum value in an effort to facilitate sustainable economic development and prosperity.



## **Trade finance support: clearing the path to trade**

The UAE is a dynamic and expanding market for UK exporters: but all trade must be financed, and it is important to understand the options and risks. Where there are gaps in private sector provision of finance, UK Export Finance can be a valuable partner.

Over the past three decades the UAE has invested a great deal of money in airport and port facilities, free trade zones, urban planning and tourist infrastructure. As a result it has become not only a major market for UK goods and services but a place where many UK exporters set up their wider Middle East operations, making trade both with and through UAE an essential part of their broader international expansion.

While the UAE is rated as a low risk export market, normal trade finance support such as insurance against a buyer non-payment (for example due to insolvency), or facility for working capital, will often be needed. Where the private sector cannot provide all the support a firm would like, UK Export Finance (UKEF) – the UK's award-winning export credit agency, and a government department – can prove a useful partner for both exporters and banks.

The importance of the UAE as an export market is underlined by the level of UKEF support for UK exporters there over the past five years at more than £2bn.

Help available from UKEF includes guarantees to banks to support bonds issued to exporters, letters of credit or export working capital facilities. The agency can also provide credit and bond insurance to protect an exporter against non-payment risk or a bond being unfairly called.

UK exporters to the UAE who have already benefited from our support include architects; a manufacturer of vibration sensors for nuclear power plants; and a horse feed specialist. On the other side of the export equation, UKEF can support the UAE buyers of UK goods and services with loans or loan guarantees. For example the agency was able to provide and guarantee buyer credit finance for the Dubai World Trade Centre District development, enabling UK contractor Carillion to secure work on this substantial construction project.

At the time of writing, UKEF has issued an expression of interest for a further potential \$2 billion loan to Dubai Aviation Engineering Projects to help finance work to expand the Al Maktoum International Airport. If it goes ahead, the loan will ensure the project makes strong use of goods and services from UK exporters.



A similar expression of interest worth \$500 million has already been written for the Expo 2020 project, the world's fair and another major international landmark event for the UAE. So for both projects it is now over to the buyers in UAE to work with UKEF and UK Trade & Investment and UK firms to assemble a group of exporters able to take on the work.

Whether or not these loans are taken up in full, they are indicative of both the scale of opportunity for UK exporters in the UAE and the willingness of UKEF to support trade with the nation.

In all, UKEF has supported a significant amount of UAE export business over the past five years, enabling a much larger volume of exports to take place than would otherwise have happened.

### **If you are planning your own next moves, here are some finance tips:**

#### **Trade Finance tips for exporters to UAE:**

##### **1: Stay covered**

If you are selling on open account into UAE, you might consider taking out credit insurance. As UAE is a low risk market, commercial credit insurers do write plenty of cover, but where there are any gaps in the market UKEF is able to offer support with its Export Insurance Policy (EXIP). There is no maximum or minimum contract value for consideration, and the policy can cover up to 95% of contract value.

##### **2: Seek advice on letters of credit**

Letters of Credit (LCs) are a form of payment promise made by the buyer's bank to the exporter, subject to certain conditions such as delivery on time and to the specified standards. The Middle East market is used to issuing and working with LCs, though exporters will need to consider carefully in each case whether it is worth requesting one, as there is a cost attached. UKEF can provide guarantees to support banks in the UK which confirm letters of credit for exporters – so do seek advice from your bank on all the options.

##### **3: Talk to us**

There are many opportunities in the UAE for UK exporters, such as the 2020 Expo. Related work will include development of the Expo site, adjacent to Al Maktoum airport; work on associated infrastructure such as roads and rail; and the construction of new hotels all over Dubai. To better understand the breadth of this and other UAE opportunities, UK exporters should contact UKTI, which has commercial offices in Dubai and extensive networks of business contacts. For trade finance issues, exporters can also contact UKEF directly through its network of 24 regional Export Finance Advisers.

See: [www.gov.uk/uk-export-finance](http://www.gov.uk/uk-export-finance)

## UNITED ARAB EMIRATES

British companies are advised to undertake as much market research and planning as possible. Doing business with the UAE can be challenging, but taking a strategic approach is the key to making the process manageable.







PREPARING TO EXPORT TO THE UAE

## Doing Business in the United Arab Emirates

### Preparing to export to the UAE

#### Taking a strategic approach

British companies are advised to undertake as much market research and planning as possible. Doing business with the UAE can be challenging, but taking a strategic approach is the key to making the process manageable. The first step is to spend some time thinking about your company's UAE objectives.

The ten questions listed within the grey box should help you to focus your thoughts. Your answers to them will highlight areas for further research and also suggest a way forward that is right for your company. You may then want to use this as a basis for developing a formal UAE strategy, although this may not be necessary or appropriate for all companies:

#### Your Aims

- Do you wish to buy from the UAE, sell to the UAE or both?
- Do you wish to establish your own company presence in the UAE, for example through a representative office, limited liability company or joint stock company?
- Do you need to be involved in the UAE at all?

#### Your Company

- What are the unique selling points for your product or service?
- Do you know if there is a market for your product in the UAE?
- Do you know if you can be competitive in the UAE?

- Do you have the time and resources to handle the demands of communication, travel, product delivery and after-sales service?

#### Your Knowledge

- Do you know how to secure payment for your products or service?
- Do you know where in the UAE you should start?
- Do you know how to locate and screen potential partners, agents or distributors?

It's unlikely that you will have the answers to all these questions at the outset and these "knowledge gaps" should form the basis for further research and investigation.

#### Consultation and bespoke research

You will be able to find out some free information from carrying out desk research. As a minimum, you are advised to contact the UK Trade & Investment (UKTI) team at the British Consulate in Dubai prior to your visit to discuss your objectives and what help you may need. They can provide a range of services to UK-based companies, including the provision of market information, validated lists of agents/potential partners, key market players or potential customers, establishing the interest of such contacts in working with the company, and arranging appointments. In addition, they can also organise events for you to meet contacts or promote a company and its products/services.



## Help available for you

You can commission a UKTI Overseas Market Introduction Service (OMIS) to help you enter or expand your business in the UAE. Under this service, the Consulate's Trade and Investment Advisers, who have wide local experience and knowledge of the UAE market, can identify business partners and provide the support and advice most relevant to your company's specific needs in the UAE.

### Other UKTI services

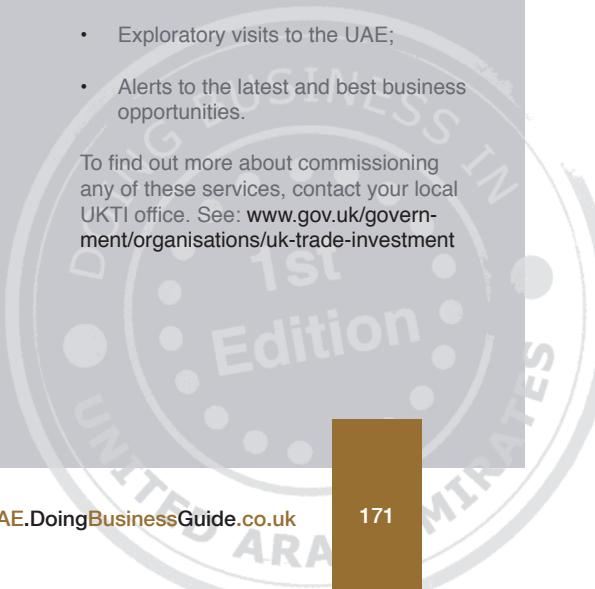
UKTI assists new and experienced exporters with information, help and advice on entering overseas markets such as the UAE.

#### These services include:

- An Export Health Check to assess your company's readiness for exporting and help develop a plan of action;
- Training in the requirements for trading overseas;
- Access to an experienced local International Trade Adviser;
- Specialist help with tackling language and cultural issues when communicating with UAE customers and partners;
- Advice on how to go about market research and the possibility of a grant towards approved market-research projects;
- Ongoing support to help you continue to develop overseas trade and look at dealing with more-sophisticated activities or markets;

- Information, contacts, advice, mentoring and support from UKTI staff in the UK and their network of staff in the UAE;
- Support to participate in trade fairs in the UAE;
- Opportunities to participate in sector-based trade missions and seminars;
- Access to major buyers, local governments and supply chains in the UAE;
- Advice on forming international joint ventures and partnerships;
- Exploratory visits to the UAE;
- Alerts to the latest and best business opportunities.

To find out more about commissioning any of these services, contact your local UKTI office. See: [www.gov.uk/government/organisations/uk-trade-investment](http://www.gov.uk/government/organisations/uk-trade-investment)



## UNITED ARAB EMIRATES

The job market of the UAE is vibrant, and it continues to grow. Economic liberty, infrastructure, enhanced legal and regulatory framework, in addition to political, economic and social stability, have contributed to the increasing level of foreign investment and provide a business-friendly environment that attracts new investment opportunities and increases investors' appetite to invest in the UAE.





## How to do business in the UAE

### Job market

The job market of the UAE is vibrant, and it continues to grow. Economic liberty, infrastructure, enhanced legal and regulatory framework, in addition to political, economic and social stability, have contributed to the increasing level of foreign investment and provide a business-friendly environment that attracts new investment opportunities and increases investors' appetite to invest in the UAE.

Furthermore, the establishment of free zones, flexibility and efficiency of the banking sector, and sustained political stability make the UAE a model among the world in attracting FDI. Foreign direct investment plays a major role in supporting economic growth in the UAE, as it is one of the important factors in achieving a competitive global economic centre. Policy makers in the UAE consider FDI inflows as an index of the success of their international business regimes. Most FDI in the UAE comes from non-Arab nations, the top six countries – the China, USA, India, Germany, Japan and the UK – contributing a combined value of over US\$320 billion in 2014.

*Source: UAE Government: National Bureau of Statistics, June 2015*

### Labour market

The UAE recognises that sustainable development is only possible through the provision of employment for both nationals and expatriates alike. However, construction activities do not fully create sustainable employment in the long run, neither does oil, which is a depletable resource. For this reason, the UAE is actively pursuing a diversification strategy into manufactured industries and services over the short and medium term.

### Employment and labour laws

The UAE values the expatriate labour force that has helped in building the country, and does not distinguish between employers or workers on the basis of nationality or otherwise. The constitution expressly provides: "foreigners present in the UAE are entitled to the rights and freedoms and are subject to the correlative duties provided for under the respective international instruments or under conventions and treaties to which the UAE is a party".

The UAE is convinced that trade liberalisation necessitates countervailing protection of vulnerable groups, facilitation of social dialogue and empowerment where needed, to strike a balance among competing interests of the various stakeholders. Although the labour law does not yet recognise the right of workers to organise and form trade unions, The Ministry of Labour (MOL) does protect workers' rights which are enshrined in the labour law.

The MOL has strengthened workers' protection measures and revamped all of its procedures in order to make prompt fulfilment of workers' rights by employers a precondition for entitlement to the services provided to employers by the ministry. The UAE Government is giving special attention to labour laws and efforts are being undertaken to improve the conditions of workers. Resolving conflicts and disputes between employers and workers is an important function of the MOL, and new approaches and mechanisms are being introduced to achieve this goal.

**Monitoring of working hours, health and safety standards, medical care and other core labour standards are conducted through the following:**

- Field inspection of places of work in accordance with the ILO Convention 81/1947 ratified by the UAE. These inspections are random in full conformity with the ILO standards
- Decentralised worker friendly individual grievances complaint system
- Collective labour disputes resolution system

#### **Labour laws**

Preventative and pre-emptive measures: MOL undertakes administrative measures to prevent violations occurring through a system of an electronic track record of offending employers, holding performance bonds against employers, and compulsory audited reporting of monthly payment of wages and field inspection.

Resolution of individual grievances: MOL provides a labour relations tribunal in each one of its 11 labour UAE offices endowed with the task of receiving individual complaints by workers and employers and amicably settling them.

The tribunal has the power to summon parties, hear the case of the complainant and the defendant and issue its decision. Resolution of collective labour disputes: MOL provides a mechanism for settlement of collective labour disputes in each one of its labour offices in the UAE.

Litigation in the labour courts of the UAE: If either party does not accept the decision of the above-mentioned labour tribunal, the tribunal will refer the matter to the labour court which eventually issues a judicially binding judgement. Not a single company in violation of the core labour standards can avoid the penalties prescribed by the law. Please see: [www.mol.gov.ae/Pages-EN/rulelabour.aspx](http://www.mol.gov.ae/Pages-EN/rulelabour.aspx)

#### **Human resources (Tanmia)**

The Emiratisation policy was introduced in 1998 by the National Human Resource Development and Employment Authority (Tanmia). This policy is an economic partnership between the government and the private sector and aims to increase the number of nationals employed in private sector activities. The targeted sectors were selected based on two principal criteria: The economic health of the industry and its importance to the country, and the availability of skilled jobs for nationals.

In 1998, Cabinet Decree No. 10 was introduced requiring all banks, including foreign bank branches, to achieve 4% annual increases in their number of UAE national staff from 1 January 1999. According to the authorities, banks have since made noticeable progress in recruiting UAE nationals, although not as many as required by the quota. In general, about half of the UAE national job seekers registered with Tanmia that subsequently secured jobs in the private sector were recruited by the banking sector.

## Doing Business in the United Arab Emirates

In 2001, the government recommended that 5% of the employees of all insurance companies, including foreign companies, should be UAE nationals, and that the number of national employees should increase annually by 2%, this was made mandatory by a Cabinet Resolution in 2003. In 2004, a Council of Ministers' Resolution imposed a requirement of 2% UAE national staff of "trade sector firms" that employ more than 50 workers.

The MOL's new Emiratization plan is meant to strengthen the recruitment of UAE nationals in certain jobs rather than in economic sectors. The new rules are applicable to all private companies. Tanmia also offers training programmes for UAE nationals to ensure that they have adequate skills to be hired by the private sector. In addition, the authorities of certain emirates have also developed programmes to encourage entrepreneurship among nationals through the creation of small and medium-sized enterprises (SMEs). These programmes offer a simplified application process,

### Labour contracts

The rules and procedures adopted for the licences to recruit foreign labour to work in the UAE are applied in all the emirates. The MOL issues a model form of dual-language labour contract in Arabic and English which is widely used, but other forms of contract are enforceable, provided they comply with the labour law. End-of-service gratuities are equivalent to 21 calendar days' pay for every year of the first five years of service and 30 calendar days for every year of service over the five years. The total gratuity should not exceed two years' wages. Employees are entitled to pro-rata amounts for service periods of less than a

full year, provided they have completed one year in continuous service.

### Employment contracts

When a worker arrives in the UAE, he or she should have an employment contract agreed with the locally-based hiring establishment. The contract should be written in Arabic and may also be in English. The employment contract should be produced in three copies, one should be kept with the worker, another with the employer and the third with the competent labour department. The employee should keep a copy available throughout the contract term. The employment contract should state the nature and the date of starting work, location, term, duration and salary. The competent labour department should review and certify the employment contract.

### Labour card

The following conditions are applicable: The employer should obtain a labour card for the recruited worker within 60 days of the latter's arrival in the UAE. Failure to do so will result in a penalty fine. In this case, the worker would have carried out his or her work in breach of the law and the regulations of the employment of foreign labour. In such circumstances, workers are advised by the MOL to notify the competent labour department to take the necessary action against the employer.

The worker should be medically fit to perform the work they were hired for and should not be suffering from any disease. This should be proven by medical certificate for each worker, issued by a competent medical practitioner in the UAE as per the relevant instructions.



The card is valid for two years (three years in the free zones) and renewable for similar periods, with the consent of the employer and the worker. It should be renewed within 60 days from the date of expiry. The card may not be renewed after the lapse of this period unless the employer submits an acceptable justification to the MOL. In this case, the MOL will levy prescribed fines for the delay in renewing the card. The worker may not continue to work after the expiry of their labour card.

As the worker is the one who would suffer from the non-renewal of their labour card, they should request the employer to renew it, as long as the labour relationship is continuing. If the employer does not respond, the worker is advised to notify the competent labour department to take the necessary action against the employer.

The employer undertakes to pay the fees due on the employment contract and the labour card as well as any fines in the case of failure to obtain or renew the labour card within the defined period. All workers should carry their labour cards when they move around in the UAE.

#### **Labour cities**

Dubai Industrial City (DIC) and the Emirate of Abu Dhabi both have residential city projects conceived to address the large demand for workers' accommodation, providing affordable, self-contained accommodation with full commercial and leisure facilities within easy access of production centres, thereby further attracting investments and the requisite workforce for continued development and growth.

The following documents are available at the Ministry of Labour website: [www.mol.gov.ae](http://www.mol.gov.ae):

- General directives
- Work permits
- Employment contracts & labour cards
- Private recruitment agencies
- Work hours leaves
- Compensation for work injuries & professional diseases
- Labour disputes
- Termination of the employment contract
- End of service benefits
- Transfer of sponsorship
- Repatriation

#### **What to consider when doing business Entering the market**

Economic activity in the UAE is regulated by each individual emirate as well as by the federal government. Dubai has taken the lead in constructing/developing a relatively unrestricted environment in which to do business. Competition is very keen in established sectors. Breaking into an existing market means newcomers have to work hard to capture a share. Newcomers need to find competitive advantages, for example, better quality, faster delivery, lower prices or newer designs.

Other opportunities exist alongside notable joint public / private stock companies. An example is Dubai Investments, a public joint stock company, which has developed a 3,180 hectare industrial park on the outskirts of Dubai. The company has interests in the manufacturing of consumer goods, communications, light industry, high technology and environmentally friendly acquisitions. Their core business is investment in viable projects that have the potential for growth across all economic sectors.

## Doing Business in the United Arab Emirates

### Selling in the UAE

The majority of local governments and federal ministries based in Dubai are required to purchase through local agents, who may also assist in marketing and sales, although it is still possible for a company outside the UAE to sell directly to contractors. Generally, price is the most important factor in promoting sales, although it is evident that product quality and after-sales service are also important selling factors in the UAE market.

Advertising and participation in sales promotions and trade exhibitions is often helpful for raising consumer awareness and gaining market share, but effectiveness will vary according to product. The period from September to June sees a variety of trade exhibitions and conferences in a broad range of sectors including information technology, education, interior design, construction and health. Exhibitions and trade fairs are also held in Sharjah, Ras Al-Khaimah and Fujairah.

#### Channels of distribution and sale

There are three main methods of exporting to Dubai and the Northern Emirates. It is up to individual companies to choose the method of export that best suits the characteristics of their product or service following careful assessment of potential sales in the market place. These methods are:

##### 1) Direct trade

International manufacturers and exporters may conduct business with the country by concluding transactions directly with importers and traders who are already established in the market. This type of trade is best suited to low volume trade

or to test the market and should not otherwise be used as a permanent arrangement.

To do business in the UAE, it is necessary to comply with the federal laws governing business activity. It is essential to obtain the correct authorisation and licences prior to conducting trade within the UAE. In addition it is important to be properly advised as to the requirements which apply in each particular emirate.

In the private sector, there is nothing to prevent a foreign principal from supplying its customers directly in the UAE. If the foreign principal therefore already has an established customer base in the country it may not be necessary to appoint an agent. If however the foreign principal's potential business is substantial or no established client base exists, it may be appropriate to appoint an agent.

As far as the public sector is concerned, most governmental ministries and public sector organisations will only deal through an agent. If an agent is to be appointed then the foreign principal must comply with the various requirements laid down by law. Perhaps the most fundamental requirement is that only UAE citizens, or companies which are wholly owned by UAE citizens, are permitted to conduct the business of a registered agent.

##### 2) Commercial agencies

A foreign company wishing to supply goods to Dubai and the Northern Emirates can do so without establishing a physical presence by appointing a commercial agent and distributor to represent their interests in the UAE. There are regulations governing the appointment of commercial agents, representatives, and distributors, defining a commercial agency as any

arrangement whereby a foreign company is represented by an agent to "distribute, sell, offer, or provide goods or services within the UAE for a commission or profit".

The Commercial Code Federal Law no. (18) of 1993 augments the Commercial Agencies Law and establishes the regulatory framework for the various types of commercial agencies permitted. The most common type of agency is the contracts agency, whereby the agent undertakes on a permanent basis and in a specific area of activity, the instigation and negotiation of the conclusion of deals, to the advantage of the principal and in return for payment. Distributor contracts are treated like contracts agencies when they involve one agent as the sole agency.

**Primary requirements of commercial agencies:**

1. Commercial agents must be UAE nationals or companies incorporated in the UAE and owned entirely by UAE nationals;
2. Commercial agents must be registered with the UAE Ministry of Economy;
3. The agency agreement must be registered in order for the agent to avail itself of the protections afforded under the law and to have the agency relationship recognised under UAE law;
4. Commercial agents are entitled to an exclusive territory encompassing at least one emirate for the specified products;
5. Unless otherwise agreed, commercial agents are entitled to receive commissions on sales of the products in their designated territory irrespective of whether such sales are made by or through the agent;
6. Commercial agents are entitled to prevent products subject to their agency from being imported into the UAE if the agent is not the consignee.

It is therefore not possible for foreign nationals or a company incorporated in the UAE which has any foreign participation to conduct these activities. For the avoidance of doubt, other GCC nationals or companies incorporated in other GCC states cannot act as agents in the UAE either alone or in partnership with a UAE national or company.

The UAE is a federal country and it may be necessary to appoint more than one representative in order to cover the whole market effectively. Alternatively a sole agent may be appointed. In practice, many overseas companies appoint several agents to cover defined areas of the country (and the region) and may have separate agreements for separate products. Any commercial agency agreement needs to be drawn up with great care specifying the products and territories to be covered by the agent.

The Commercial Agencies Law was amended in 2006. Under the new law the provision prohibiting a principle from refusing to renew an agency agreement without justified cause has been deleted. In reality it may still be extremely difficult to terminate a commercial agency agreement without facing a claim for compensation from the agent unless it is terminated with the written agreement of both parties. However, article 8 also now states that a principle may register a different agent if the term of the agreement has expired. Under the new law either the principle or the agent may claim compensation if termination of the agency causes damage to either of the parties.

The British Embassy recommends that UK companies should seek legal advice before entering into a written agreement.

### 3) Setting up a presence in Dubai

Apart from the obvious distinct advantages of having a physical presence in the market place, one important consideration is that businessmen in the Middle East prefer to meet, in person, those they may wish to do business with. It is important to invest time in building relationships with potential customers or partners.

#### Market entry and start-up considerations

Under federal legislation, the principal relevant options available for conducting business in the UAE are:

- participation in a local company or other commercial entity
- establishment of a branch office
- establishment of a branch or subsidiary in one of the free zones of the UAE
- appointment of a commercial agent or distributor

Of the above options, the most appropriate will usually depend upon the nature of the activities proposed to be undertaken and it may be that a combination of the options outlined is appropriate for your particular business.

#### Establishment of a local company or other commercial entity

There is no such thing as an "off the shelf" company in the UAE. Every commercial entity must be specifically established. This process may be document-intensive and time consuming.

The most common commercial entity used by foreign companies is the Limited Liability Company (LLC) – see detail later in this guide. Legal support is advisable as to all aspects of establishing a UAE company or other commercial entity including, for example, its capitalisation and level of foreign participation. Foreign participation is generally limited to no more than 49% (although there are contractual ways in which to mitigate the effects of a minority ownership of shares) and general partners in any of the partnerships listed above must be UAE nationals.

#### Establishment of a branch office

The scope of activities permitted to be undertaken by branch offices varies from emirate to emirate, although generally a broad range of activities can be undertaken to the extent that the parent company is duly licensed to carry out such activities and subject to statutory limitations concerning certain activities, such as trading which may not be conducted under a branch office structure. A foreign company establishing a branch office in one of the emirates must register with the Ministry of Economy in addition to the local business licence issued by the government of the relevant emirate. Furthermore, the applicant company is now required to deposit a bank guarantee in the sum of AED 50,000 to the Ministry of Economy.

The branch office must also be sponsored by a UAE national or by a locally registered company wholly owned by UAE nationals. The sponsor is known as the National Agent. A formal National Agency Agreement is required, in which the National Agent undertakes to sponsor and assist the foreign company, usually in return for a

fee. It is not advisable for a National Agency Agreement to be signed without legal advice having been taken. In certain businesses, the permission of a particular authority is required, for example the Municipality in Dubai as regards engineering consultancy and the Central Bank as regards finance.

### Using the free zones of the UAE

The UAE has free zones in most of the individual emirates. Dubai also has a number of specialist free zones, including Jebel Ali Free Zone, Dubai Airport Free Zone, Dubai Multi Commodities Centre, Dubai Technology and Media Free Zone and Dubai Healthcare City.

**These innovative free zones offer a variety of valuable benefits to businesses and a degree of flexibility, including:**

- 100% foreign ownership through branches, single or multiple shareholder companies (known as FZEs, FZCOs or FZ-LLCs)
- no National Agent required for branch offices of foreign companies
- no customs duties on imports and re-exports (except re-exports into onshore UAE)
- special assistance in obtaining work permits for staff
- guaranteed exemptions from all types of taxes

Details of the incentives and facilities available, together with registration, minimum capitalisation and other requirements vary between free zones, and specific legal advice should be taken. See also, the 'Free zones' chapter on page 143 in this guide.

## Customs and regulations

### FCAUAE application

The Federal Customs Authority of the UAE launched the "FCAUAE" smart-phone/tablet application in August 2014, specifically designed for smart government services as part of its 2014-16 strategy. The launching of this innovative new application is part of an initiative launched by His Highness Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai, to transform the UAE Government into a smart government before the end of 2015.

The Authority's new smart application will provide quick services for strategic partners in the customs sector, and aims at simplifying and facilitating the various services anywhere and at any time. It will also allow customers access to information, the submission of services application forms, as well as follow up on progress during normal work hours via smartphone.

The application offers customers and partners a wide variety of information services related to customs, including: The terms of the unified customs tariff for Gulf Cooperation Council States, customs procedures unified guidelines, inspection and preview procedures unified guidelines in the UAE, passenger to/from UAE guidelines, the unified fees for all services offered at the country's different customs ports, and the customs clearance mechanism.

What sets this application apart from other applications is that it provides an interactive service that enables customers and partners to access the locations of more than 60 customs ports in the UAE, by linking with Google's GPS system.

## Doing Business in the United Arab Emirates

As a result, it will become easier for customers to set a direct route to their desired port, in addition to providing the port search option based on the emirate and port type (land, sea, and air).

### Green Customs

In its new 2014-16 strategy, the FCA is adopting a new innovative green customs initiative to enhance the customs departments and their partners' abilities to detect and control illicit trade in environment-unfriendly goods.

The initiative is one of those launched by the UN Environment Program (UNEP) in June 2013 in coordination with the World Customs Organization (WCO), Interpol, and the UN Office on Drugs and Crime (UNODC), regulating sound procedures for handling and transporting hazardous chemicals and radiative materials and their waste, pathogenic animals and plants, genetically-modified organisms and those facing risk of extinction.

It is aimed at enhancing the abilities of customs officials and related authorities to monitor legal trade, and to detect and prohibit the illicit trade of goods that have an adverse impact on the public health, environment, GMF plants and animals and those likely to become extinct.

The initiative will also share information and data relating to chemical, biological and environmental safety, and targets the establishment of local, regional and international reference laboratories and others in the land, sea and air customs points to monitor and detect the environmental and biological impact of importing and exporting such goods.

The green customs project will build a database providing scientific references, state-of-the-art analysis, and the lab

equipment required for monitoring, detecting and conducting chemical, biological and environmental analyses. The project will also increase awareness, general knowledge and education among the public about green customs, and international agreements and conventions in this field.

The FCA plan includes activating and updating a national database about chemicals according to latest international developments, forming and expanding special teams for fighting chemical fires and disasters in the civil defence system and developing a curriculum of chemicals in military and security academies and colleges, so that the alumni can have the knowledge required for dealing with such materials and related hazards. In addition, permanent scientific advisory committees will be formed to conduct studies, propose solutions, offer scientific recommendations on handling chemicals, and to take part in developing emergency plans to overcome related hazards and risks.

### Customs duties

The UAE imposes 5% customs duty across-the-board on most categories of imports. Products brought into a free zone within the UAE are exempt from import duties. The UAE's customs tariffs are based on the Customs Co-operation Council's nomenclature system. Duties may be levied ad valorem or specific to the goods concerned.

Foodstuffs, medicines and goods destined for government or oil companies are generally exempt from duty. Customs duties are levied on the CIF value at the rate of 5%. Where permitted, the duty on alcoholic beverages is 50% and on tobacco products is 100%.

Sharjah, Ras Al-Khaimah, Ajman, Fujairah and Umm Al-Quwain customs duties are levied on the CIF value. In Sharjah, there are two free zones at Hamriya and the airport. Free zones are also operated in Ajman, Fujairah, Ras Al-Khaimah and Umm Al-Quwain.

The UK customs classification helpline (Tel: 01702 366 077) provides advice on customer classification numbers. The helpline is open from 09.00-16.30. Enquiries can also be e-mailed to: [classification.tso@hmrc.gsi.gov.uk](mailto:classification.tso@hmrc.gsi.gov.uk)

The Arab-British Chamber of Commerce has a network of agent and sub-agent chambers of commerce throughout the UK that can help companies with enquiries about sending samples and temporary imports to Dubai and the Northern Emirates. Companies should contact their local chamber of commerce to find out where their local agent chamber is. The website of the British Chambers of Commerce has a search facility that allows enquirers to locate their local chamber.

#### Additional taxes

- **Corporate income tax:** the individual emirates issue corporate tax decrees although in practice, taxes have only been imposed on oil and gas producing companies and petrochemical producing companies at rates set out in their government concession agreements.
- **Capital gains tax:** capital gains are not subject to taxation.
- **Social security taxes:** the UAE does not impose social security taxes.

## Legislation and local regulations

### Commercial law

The Federal Commercial Code has been in effect since 1993 and is a wide-ranging law, which directly affects every commercial organisation conducting business in the UAE. The commercial code covers such matters as the regulation of commercial activities, including preparation of commercial contracts, and obligations and assumptions that will apply in the absence of express agreement to the contrary.

### Enforcement of your commercial rights

The UAE has civil courts, which deal specifically with civil and commercial matters and are governed by strict rules of procedure. The courts of Dubai do not form part of the federal court system but do apply the Federal Civil Procedures Code. Although contracts prepared in languages other than Arabic are enforceable before the courts, all pleadings and supporting documentation must be prepared in or translated into Arabic. There is a right of appeal against judgments in given circumstances.

Specific legal advice should be taken on the potential length and cost of any action prior to commencing proceedings in the UAE. In addition, arbitration should be considered as an alternative means of dispute resolution. The Chambers of Commerce in both Abu Dhabi and Dubai have established commercial arbitration centres. The UAE has now acceded to the 1958 New York Convention on the recognition and enforcement of foreign arbitral awards. This means that foreign arbitral awards should be more easily enforceable in the UAE.

### Government contracts

Companies doing business with official bodies should note that there are strict regulations affecting government contracts. Also, government bodies operate various standard forms of contract, such as construction and consultancy contracts, which follow international practice but are adapted for local usage. Standard forms of contract also vary between the different emirates.

### Real estate

Although the UAE Civil Code includes a number of provisions dealing with land ownership, leasing, co-ownership of floors and apartments and the creation and operation of owners' associations, it does not address the underlying issue of the ownership of property by non-UAE nationals. It has therefore been left to each of the individual emirates to legislate on real estate matters. The Dubai property law provides the general rule that property ownership in the emirate shall be restricted to UAE and GCC nationals (and companies wholly owned by them), as well as public shareholding companies, and that other nationalities may be granted a right of property ownership on a freehold or 99 year leasehold basis, in 30 pre-designated areas. In 2007 laws were introduced requiring developers to establish escrow accounts designed to protect off plan purchasers, and concerning the multiple ownership of property.

Traditionally in Abu Dhabi, absolute ownership of land has been vested in the government of Abu Dhabi, which has tended only to grant rights in land to Abu Dhabi nationals and companies 100% owned by UAE nationals. However, GCC nationals have the right to own land and

buildings in Abu Dhabi, and other expatriates the right to own buildings in certain designated "investment areas". Federally non-UAE and GCC nationals may also acquire a right of usufruct (effectively a lease) for up to 99 years, or a right of musataha (the right to develop the land of another) for up to 50 years, each renewable by mutual consent. Generally, despite the introduction of a number of significant laws which have been passed in order to regulate property ownership and property related transactions in the UAE, there are still important issues which arise from the ownership of land, for example in relation to inheritance and rights of residence.

### Debt collection

In order to minimise the risk of accruing bad debts, exporters should take up credit references on UAE importers with whom they do business. Legal action can be both costly and lengthy and may not be worthwhile for relatively small debts. Commercial, diplomatic or consular officers are not able to assist in the collection of debts but they may be prepared to offer advice on the best means of settling outstanding difficulties. British banks are able to advise on the different means of securing payment.

### Taxation

Certain emirates, including Abu Dhabi and Dubai, have promulgated income tax legislation but, in practice, it is only applied to companies in the oil, gas and related sectors, and branches of foreign banks. Customs duties are currently levied at a general rate of 5% within the GCC, in accordance with the GCC Customs Union. There is no direct personal taxation in the UAE. Most emirates levy various municipal taxes and



indirect taxation through official fees is commonplace.

### Importing goods

Goods which have been manufactured in Israel may not be imported into the UAE. Pornographic material, ivory/rhino horns, cannabis, alcoholic beverages, fire-arms, fireworks, narcotics and opium are also strictly prohibited. British and Irish beef and related products may not be imported. All printed matter, films and tapes must be cleared by the Ministry of Information. Exports to the UAE are subject to pre-shipment inspection for those who want it. A full inspection service can be provided by SGS Group. See: [www.ukenquiries@sgsgroup.com](mailto:www.ukenquiries@sgsgroup.com) (Tel: 01276 697877).

### Responding to tenders

#### The UAE offset programme

Foreign tenderers for military (and some civil) supply and service contracts are required to pre-qualify, under the UAE offset programme, which includes signing an offset agreement with the UAE Offsets Group (UOG). The offset agreement will require a successful tenderer to earn credits by promoting economic activity in the UAE, through direct investment in projects and otherwise. It is strongly recommended that companies required to sign an offset agreement take appropriate legal and other professional advice on its implications. In 2008 UOG established Tawazun Holding, a wholly-owned subsidiary, to effect offset arrangements with individual participants. Tawazun Holding has already entered into a number of high-profile joint ventures.

### Recruiting and retaining staff

#### Employment legislation

There are legislative and other requirements governing the employment of Emirati and expatriate labour in the UAE. These impose certain rights and

obligations on both the employer and the employee. To some extent, these differ as between expatriate employees who are brought into the country by their employer and those who are employed locally.

#### Immigration

Sponsorship by a company of expatriate personnel and visitors to the UAE imposes obligations on that company, and its authorised representatives or managers, as to the conduct of such persons. There are various regulations concerning the issue, renewal and cancellation of visas and labour cards. Great care must be taken not to infringe such regulations and UAE-based employees must respect the customs and laws of the UAE.

### Documentation

The necessary documents required for import and export of goods to and from the UAE are as follows:

- Invoices – initiated by supplier
- Certificate of origin
- Bills of lading / airway bill

#### Labelling and packaging regulations

Labelling in Arabic is required on all consumer products. Labels need to provide information including details of the manufacturer, product information, and standard quality disclosures. There are some products which must be clearly marked, stamped, branded or labelled so as to indicate the country of origin. Please contact the British Embassy in Abu Dhabi or Dubai for further information: [enquiries@ukti.gsi.gov.uk](mailto:enquiries@ukti.gsi.gov.uk)

## Doing Business in the United Arab Emirates

Additionally, many food products may also have to comply with hygiene and ingredients regulations.

**Labels on foodstuffs must have the following information:**

- product and brand names
- production and expiration dates
- country of origin
- name of the manufacturer
- a comprehensive list of ingredients and additives

### Getting your goods to the market

All the emirates have modern ports and warehouse facilities – the port of Jebel Ali in Dubai is DP World's flagship terminal, the world's largest man-made harbour, the biggest port in the Middle East, and the busiest container terminal between Asia and Europe. The majority of goods are imported by sea. Much is transferred by truck to neighbouring GCC countries or to smaller ships for onward movement to ports around the region.

In Dubai, Port Rashid and Jebel Ali Port are now amalgamated under the Dubai Ports World. Port Rashid is one of the busiest ports in the Gulf and has 35 berths.

The development of the free zones at Jebel Ali and Dubai International Airport has enabled Dubai to dominate the regional business of unloading, breaking down, and reloading cargo for onward shipment. Warehouse facilities provide storage for imports and there are no storage charges for the first 20 days.

### Delivery dates

Sea freight from the UK takes approximately 4-6 weeks, with airfreight taking 3-7 days. Goods requiring transfer from the ports will require extra time and this will need to be taken into account when calculating delivery time. Customs clearance can also add a week or two to delivery times.

The British International Freight Association's (BIFA) importer/exporter initiative aims to provide specialist help and assistance to companies who are new to exporting. This service, available through selected BIFA registered members, offers up to one day's free consultancy to advise companies on such matters as modes of transport, distribution methods, costing, documentation and payment terms.

### Standards and technical regulation

#### Anti-dumping & countervailing

As a signatory to the World Trade Organisation (WTO), the UAE can apply anti-dumping or countervailing duties to products which are sold in the UAE for less than they sell in the country of origin in order to gain market share or undermine an existing or emerging industry in the UAE. These additional duties are imposed on a temporary basis to counteract the effects of an unfairly low price or an unfair subsidy to the producer. An example of an unfair subsidy would be government grants, capital loans, favourable loan guarantees, export rebates, or tax incentives. These duties can only be imposed if the imported goods have caused, or are likely to cause, material harm to the UAE domestic market.

## Intellectual property rights

Federal intellectual property (IP) laws have been in place in the United Arab Emirates since 1992 for the protection and enforcement of intellectual property rights. Further, in 2002, a major legislative overhaul resulted in amending/repealing the 1992 laws to meet international standards for intellectual property protection.

The UAE is a party to the following main intellectual property protection treaties:

- The Paris Convention – the protection of industrial property covering patents and trademarks
- Berne Convention – Literary and artistic works
- Patent Cooperation Treaty (PCT)
- Rome Convention – Performers, producers of phonograms and broad casting organisations
- WIPO Copyright Treaty (WCT)
- WIPO Performances and Phonograms Treaty (WPPT)
- The agreement on trade-related aspects of intellectual property rights (TRIPS Agreement), which forms one of the main agreements of the World Trade Organization (WTO)

The basic elements of the intellectual property laws of the UAE are as follows:

- **Trademarks** – registration is valid for ten years as of the date of filing the application renewable for similar periods. A trademark can be infringed by manufacturing, sale and possession of counterfeit goods, as well as imitation, misleading practices, and fraudulent use of registered trademarks. Minimum fines of £935 can be levied and/or prison sentences can be imposed on the infringers. The court has authority to order seizure, confiscation and destruction infringing goods and the equipment/machinery used to commit infringement.

- **Copyrights** – the duration of protection is for the lifetime of the author plus 50 years after his death or 50 years from the date of publication in cases of cinematographic works, works of corporate bodies and works published for the first time after the death of the author. Copyrights infringement attracts a jail term and/or a fine of not less than £1,870. The court has authority to seize, confiscate and destroy infringing goods and the equipment/machinery used to commit infringement.
- **Patents** – a patent is valid for 20 years only with annuities payable during that time. The penalties stated in the law for violators of patent rights are fines of not less than £935 and/or imprisonment. The court has authority to order confiscation and destruction of the seizures, tools, or machines and removal of the violating material.
- **Designs** – registration of a design is valid for ten years only with annuities payable during that time. The infringement of design right attracts the punishment of a fine of not less than £935 and/or imprisonment. The court has authority to order confiscation and destruction of the seizures, tools, or machines and removal of the violating material.



## Facilitation of trade

### Market access

The UAE's entry into the multilateral trading system, namely the World Trade Organization (WTO), and to regional agreements such as the Gulf Cooperation Council (GCC) and the Great Arab free trade agreement (GAFTA), as well as in a number of other bilateral agreements including Free Trade Agreements (FTA) and double taxation agreement (DTAs), is expected to boost the UAE's attractiveness to foreign investors. It promises to open the UAE to international markets, but also increase policy transparency, improve governance, and offer greater business predictability. Foreign investors will certainly benefit from such a business environment, hence, foreign direct investment (FDI) flows are likely to increase dramatically as a result.

### World Trade Organization

The UAE Government believes that an economy based on market factors, fair competition, free trade and economic openness are necessary conditions for increased competitiveness and productivity in the long run. Further, the UAE believes that it is essential to have a strengthened international trade system which is fully regulated, fulfils the aspirations of its members, and lays down the principles and rules for promoting international trade liberalisation. The UAE is a strong believer and advocate of the multilateral trading system, and joined the World Trade Organization (WTO) on April 10, 1996 to support its participation in international trade and to take advantage of new opportunities offered by the new international trading system.

As a result of being a WTO member, the UAE grants 'Most Favoured Nation' (MFN) treatment to all of its trading partners. The WTO agreement ratified and prevails over domestic legal instruments. The UAE's MFN-applied tariff, based on the GCC Common External Tariff (CET), is low, at an average of some 5.1%, whereas most of the UAE's applied tariffs (except on alcohol and tobacco) are zero or 5%.

The UAE has also developed national laws and regulations in line with WTO guidelines in a number of important areas including intellectual property, trade in goods, trade in services, trade remedy laws, and procedures managing trade. In the area of trade, the UAE is following legislative and regulatory developments recorded in the international arena, including the application of international standards and specifications that have become a major challenge for the development and diversification of national exports, and through which national firms will play a role in international trade.

Membership of the WTO results in a number of positive medium- and long-term effects for the country, as it is the only global international organisation dealing with the rules of trade between nations. These include the gradual reduction of customs duties applied to exports to regional and global markets, and lately The UAE notified the WTO with its commitments under the newly born Trade Facilitation agreement. To this end, ongoing updates of UAE laws in line with best international practices, and allowing the UAE to play an active role in the multilateral trading negotiations.

**Regional agreements –  
Gulf Cooperation Council (GCC)**

The GCC was created on May 25, 1981 by Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. The main objectives of the agreement are regional cooperation and integration in all economic, social, and cultural affairs, including trade, industry, investment, finance, transport, communications, and energy. Its specific objectives are to achieve a common market, with equal treatment of GCC citizens in each member country in respect of freedom of movement, work, residence, ownership of real estate, and movement of capital, as well as financial and monetary coordination including adoption of a common currency.

**Bilateral agreements –  
Free trade agreement**

Since the UAE is a member of the GCC, it has negotiated with a number of countries a bilateral free trade agreement to enhance the UAE's position as a trade hub and investment destination. These countries include the European Union (EU), the MERCUSUR, Japan, China, South Korea, Australia, New Zealand, Pakistan, India and Turkey.

**Double taxation agreement**

Double taxation agreements (DTAs) prevent those individuals and corporations from being susceptible to tax on the same item in the same time period. These agreements determine which of the two states concerned should levy tax in a particular case. Further, DTAs are intended to avoid double taxation of income and gains where a resident of one country has taxable income arising in the other country.

The government considers DTAs important to encourage FDI flows. These agreements promote trade in goods and services and the flow of capital, technology and persons. To this end, the UAE Government is keen to work with other countries on DTAs in order to expedite investment opportunities in the UAE and other economic partners.

The UAE has signed an agreement with the OECD to harmonise taxation issues. In addition, the UAE has DTAs with various countries.





**UNITED ARAB EMIRATES**

The procedures for getting a visa to enter the UAE are relatively simple and hassle-free and if all documents are in order, then the visa is issued within 72 hours. In urgent cases, visas are also issued within a day.

## Relocating

### Visas

The procedures for getting a visa to enter the UAE are relatively simple and hassle-free and if all documents are in order, then the visa is issued within 72 hours. In urgent cases, visas are also issued within a day.

The kind of visa required for entry into the UAE depends on several different factors such as your nationality, the purpose of your planned visit and your planned visit duration. If you are coming to work in the UAE you will require a visa that can only be obtained on your behalf by your employer or sponsor.

#### National citizen of GCC countries

National citizens of GCC countries do not require a visa to visit the UAE. They will simply need to produce their GCC country passport upon arrival at the point of entry into the UAE.

#### Other categories of visitors

The following categories of visitors may receive their visit visa upon arrival at the airport:

- AGCC residents: GCC residents who are not GCC nationals but have a high professional status such as company managers, business people, auditors, accountants, doctors, engineers, pharmacists, or employees working in the public sector, their families, drivers and personal staff sponsored by them, are eligible for a non-renewable 30-day visa upon arrival at the approved ports of entry.

- National citizens of the following countries: Australia, Andorra, Austria, Brunei, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Malaysia, Monaco, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Singapore, South Korea, Spain, Sweden, Switzerland, United Kingdom, United States of America and The Vatican will be granted a free-of-charge visa for a single visit upon arrival in the UAE. It should be noted that this list may vary slightly from time-to-time and it is therefore best to check with your local UAE embassy or the airline that you are using to fly to the UAE.
- German citizens: German tourists and business visitors may apply to the UAE embassy in Germany for a one or two year multiple-entry visa. No sponsor is required. The maximum duration of stay of visa holders should not exceed three months a year.

### Visa categories

**Entry service permit:** An entry service permit applies to the following categories and their families accompanying them: Company manager's representatives, sales managers, account auditors, delegations from companies or establishments to carry out a commercial activity in the UAE, consultants requested by companies operating in the UAE that are required to carry out an urgent task.





In order to complete the application, the sponsor will require the visitor's date of arrival and flight details, and a photocopy of the first few pages of the visitor's passport which should be valid for at least three months.

**Visit visa:** The visit visa applies to tourists who wish to spend more than 14 days in UAE, those coming for family visits, as well as those on long-term business visits. It requires the sponsorship of any UAE resident or any company or hotel licensed to operate within the UAE.

In order to complete the application, the sponsor will require the visitor's date of arrival and arrival details and a photocopy of the first few pages of the visitor's passport, which must be valid for at least three months. Hotels, hotel apartments, tour operators, travel agents and airlines may not levy supplementary charges or processing. The visit visa holder may enter and leave the country through any port of entry in the UAE.

**Tourist visa:** A special category of visas under the visit visa type is a tourist visa, which can be obtained for individual tourists from most countries. Visitors barred from the tourist visa are those from Israel, sanctioned countries and those from countries facing unrest.

The tourist visa requires the sponsorship of hotels and tour operators who bring in visitors. Hotels, hotel apartments, tour operators, travel agents and airlines as mentioned above may not levy supplementary charges or processing.

**Multiple entry visas:** Multiple entry visas are issued to business visitors who have a relationship with either a multinational or other reputable local company, and who are frequent visitors to the UAE. The visitor must enter the UAE on a visit visa and obtain the multiple entry visa while in the country. The visa is stamped on the passport.

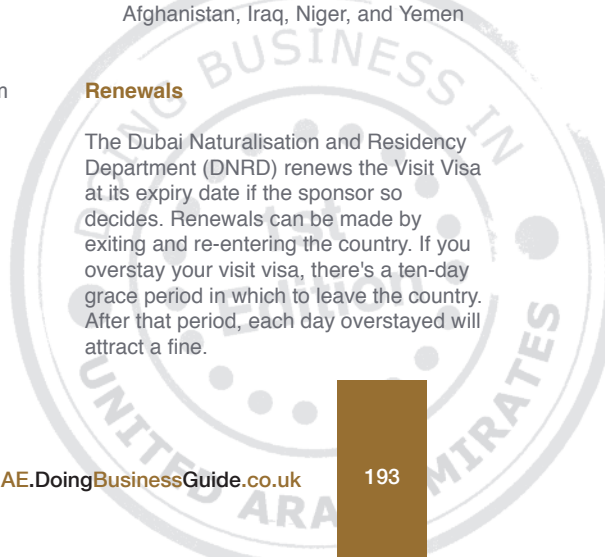
**Transit visa:** Transit passengers stopping at Dubai International Airport for a minimum of eight hours and meeting the certain conditions mentioned below are eligible to obtain a 96-hour transit visa.

These conditions are as follows:

- Airlines sponsored only (prior arrangements maybe required)
- Applications should have a confirmed onward booking to the 3<sup>rd</sup> destination
- For transit passengers or those holding special permits, or for visit or mission, the passport or the document must be valid for at least three months
- Citizens of the following countries are not eligible for this visa: Somalia, Afghanistan, Iraq, Niger, and Yemen

### Renewals

The Dubai Naturalisation and Residency Department (DNRD) renews the Visit Visa at its expiry date if the sponsor so decides. Renewals can be made by exiting and re-entering the country. If you overstay your visit visa, there's a ten-day grace period in which to leave the country. After that period, each day overstayed will attract a fine.



## Doing Business in the United Arab Emirates

**Documents required for a visa:** To obtain a visa from a UAE embassy, the following documents are required:

- Valid Passport
- Two photographs
- Duplicate application form
- Letter or fax from the sponsor in the UAE to the embassy concerned
- A letter from the applicant's company plus photocopy

**Family visa:** This type of visa is required if an expatriate intends to bring a member of their family to the UAE for an indefinite period of time.

A family visa can be acquired based on the following criteria:

- Expatriates or residents (also known as sponsors) must earn a minimum monthly salary of AED 4,000 or AED 3,000 + accommodation.
- A short term visa, valid for 30 days, can be acquired for an application fee of AED 620 + typing fees; while AED 1,120 + typing fees needs to be paid for a long-term visa valid for only 90 days. Neither of the visas can be extended beyond this period.
- A deposit of AED 1,000 needs to be paid, which can be refunded after the relative has left the country.

### Hiring a maid

Domestic help is one of the most sought after services in the UAE, and there are guidelines designed to make the process more transparent for maids and sponsors. Unlike other types of visas, domestic staff are subject to a different sponsorship and visa approval system.

### Housing

#### Housing and accommodation

When moving to the UAE, finding an ideal place to live – in a community that reflects one's needs and requirements – is a major concern for most. Fortunately, the UAE's housing and accommodation sector ensures that there is something to suit every budget and lifestyle.

Many companies advertise rental accommodation options, including private villas and luxury apartments, in the classified sections of local newspapers. Moreover, specialised housing agents are always on hand to assist with relocation and house hunting. There are no limitations for expatriates looking to purchase a property as part of their relocation plan to the UAE.

Should an individual wish to take more time before buying an apartment or villa, a wide variety of options including five-star, four-star, three-star, budget hotels, furnished and semi-furnished hotel apartments are available.

Additionally, when renting a property, there are various mortgage options to finance a purchase. However, it is advisable to study residence options as per budget, travel convenience and other individual factors before finalising a

property to rent. Having said that, it's easier and more convenient to rent an accommodation than purchase a property.

**Before deciding on whether to rent or buy a property, it is best to rule out the following points first:**

- How much is the rent or instalments – is it paid weekly, monthly, quarterly or yearly?
- Research the seller, the area and community, neighbours, market value and best areas to reside in.
- An individual is required to pay annual rent in advance either with post-dated cheques or cash. The number of cheques or instalments to be paid varies from one landlord to another.
- A refundable security deposit will also be required at the time of agreement.

Once the terms and conditions of a tenancy contract have been decided, it is imperative that all lease agreements are registered with RERA (Real Estate Regulatory Authority) as otherwise neither party can assert their claim in case of a dispute. Property agents who act as middlemen between the tenant and landlord usually charge a commission.

**Documents Required:**

- A valid passport
- A valid residence visa
- A salary certificate – this is a testament of an individual's income, his or her employment and financial status

**Freehold property purchase**

This option is available on almost all developments in the UAE, with a mixture of freehold and a 99-year leasehold property in some cases. Expatriates with a valid residence visa and even overseas investors can purchase property in the UAE.

## Banking

**Banking processes and procedures**

Banks in the UAE offer varied choices that are on a par with international standards. There are both locally-incorporated as well as foreign banks, commercial/retail and investment. In most cases, the foreign banks also offer non-resident accounts to be opened if they have a presence in the account holder's home country. The UAE is also home to several renowned Islamic or Sharia'a-compliant banks and institutions, including Dubai Islamic Bank, the world's first Islamic bank. In 2013 the number of commercial banks in the UAE was 51 including both locally-incorporated and foreign ones, aside from nine representative offices of foreign banks.

Islamic (Sharia'a-compliant) and regular banks are all governed by the Central Bank of the UAE.

**Initiating accounts**

Opening a commercial bank account for individual purposes in the UAE is a very simple procedure, but sometimes this varies from bank-to-bank and account type. Expatriates must have a valid residency visa with an expiry date of no less than one month to open an account.

**Accounts**

The main types of account that can be opened are current, savings and deposit accounts. Current accounts offer a chequebook facility, but require a minimum account balance, while savings accounts have no chequebook facility and in certain cases, only an ATM card and no minimum balance is required. Deposit accounts vary according to the fixed savings/amount, tenure and interest accrued.

## Doing Business in the United Arab Emirates

### Deposits and withdrawals

There are ample ATMs located across the UAE for cash withdrawals, which can also be used for making utility bill payments, while the same also house cash deposit machines (CDMs) for credit card payments and account deposits. Overdrawing on the accounts is done only with prior application and approval from the bank.

### Issuing cheques

The process of writing cheques is similar to that in the UK, and these can be written in English or Arabic. Although cash or debit payments are preferred for everyday transactions in Dubai, a large number of service providers require personal cheques for regular payments like tenancy payments or guarantees in case of loans, mortgages and utility services.

Cheques are mostly not accepted by local retailers. It is important to note that issuing a cheque without the necessary funds in the account is a criminal offence in the UAE. If the cheque bounces, the bearer can file a criminal case against the issuer. This could result in a travel and/or immigration ban on the defaulter.

### Credit cards

Most banks issue credit cards which carry set interest rates, while in the case of Islamic banks, a pre-listed fee is charged. Every bank has different salary and employment tenure criteria for issuing cards, while all of them require a cheque as a guarantee. Non-payment of credit card dues can also be a criminal offence if the cheque is deposited and returned due to insufficient funds.

### Bonds and savings certificates

Some banks and financial institutions, both regular and Islamic, offer fixed bonds and certificates as investment or saving vehicles. These offer attractive returns of interest and can be cashed at any time at the same bank or institution.

### Currencies

Although AED is the currency of record, in some banks, savings accounts can be opened in major foreign currencies, predominantly US\$ and GB£.

### Salary transfer

Having the salary transferred to an account is required to apply for loans, mortgages, utility services or tenancy contracts, as a bank statement is usually required along with proof of income.

### Services

As with all global banks, standard banking services are offered by UAE banks. These include cheque clearance, standing orders, direct debits, salary transfer and credit card repayments. Most of these transactions per year are free, including withdrawing cash from any of the bank's ATMs, although a nominal fee is charged for withdrawals from other banks' ATMs.

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Heather Wells, Group Finance Director of BDP

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UK Export  
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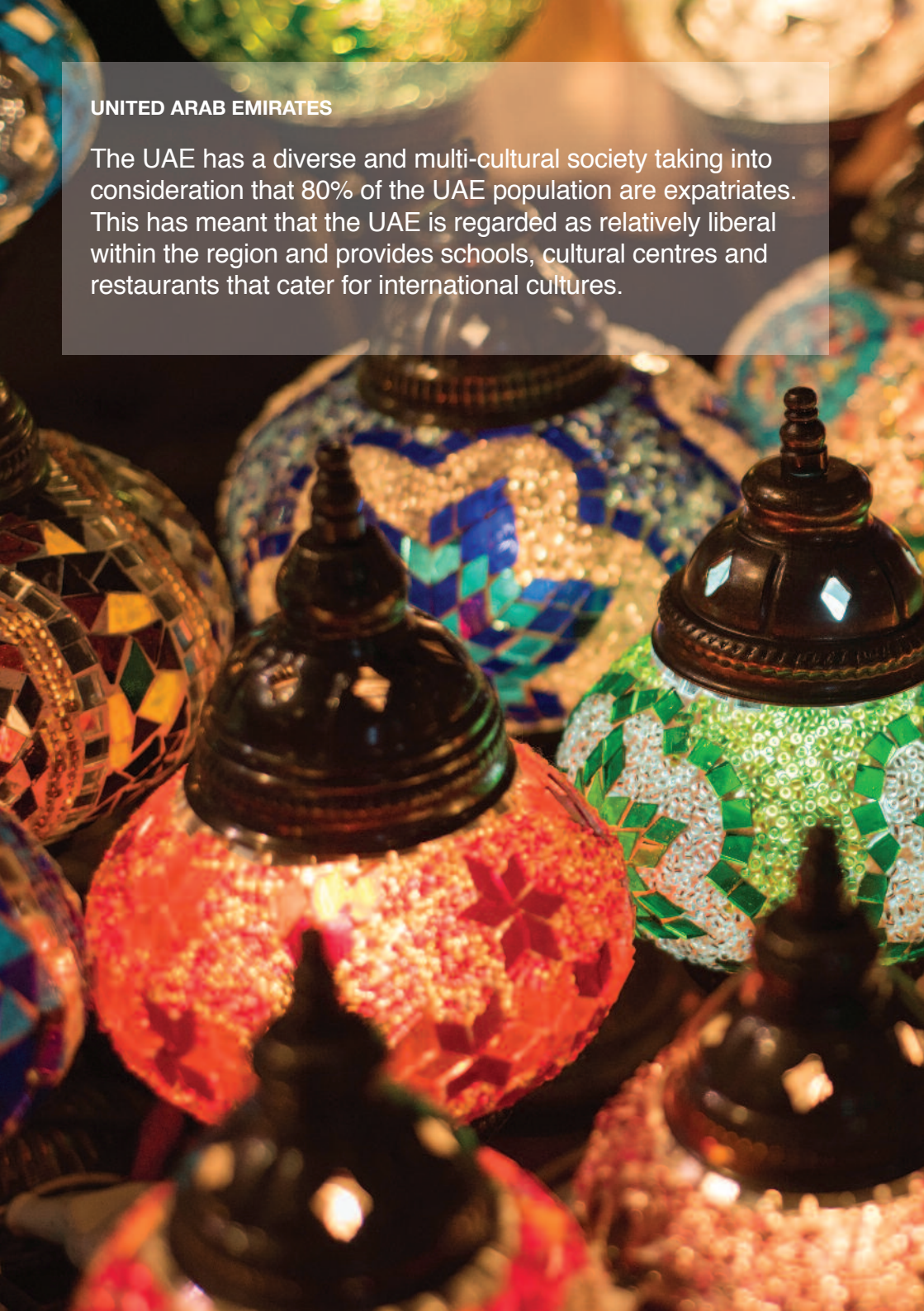
WUXI SHOPPING MALL

JIANGSU  
CHINA

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## UNITED ARAB EMIRATES

The UAE has a diverse and multi-cultural society taking into consideration that 80% of the UAE population are expatriates. This has meant that the UAE is regarded as relatively liberal within the region and provides schools, cultural centres and restaurants that cater for international cultures.





## Business etiquette, language & culture

The UAE has a diverse and multi-cultural society taking into consideration that 80% of the UAE population are expatriates. This has meant that the UAE is regarded as relatively liberal within the region and provides schools, cultural centres and restaurants that cater for international cultures.

The national culture mainly revolves around the religion of Islam, although other religions are also respected whereby churches and temples can be found alongside mosques.

The Islamic dress code is not compulsory. Most UAE national (Emiratis) males prefer to wear a kandura, an ankle-length white shirt and most Emirati women wear an abaya, a black over garment covering most part of the body. This attire is particularly well suited for the UAE's hot and dry climate. Western style clothing is, however, dominant due to the large expatriate population and this practice is beginning to grow in popularity among Emiratis.

More information can be found on the FCO Travel Advice Centre:  
[www.fco.gov.uk/en/travel-and-living-abroad](http://www.fco.gov.uk/en/travel-and-living-abroad)

## Business etiquette

### Language

Arabic is the most commonly spoken language, followed by English, French, Russian, Hindi and more. Almost all official documents, forms, laws and decrees are in Arabic. Therefore, it helps to have a working knowledge of the language. Whilst it is preferable for written correspondence to be in English, Arabic is sometimes preferred within some public-sector organisations. Translators are available, and a list can be obtained from the British Embassy. See the 'Resources' section for more details.

### Meetings and presentations

Personal relationships are key to doing business in the UAE. UK exporters are encouraged to have a face-to-face business dialogue with their UAE counterparts. It is essential to obtain legal, financial and taxation advice, along with undertaking necessary research, all of which are critical when considering new markets.

As in other countries, more than anything it is important to target the right person in your contacts, the decision-maker. It is also preferable to establish new business contacts via an introduction by mutual contact, exhibitions, networking receptions or through the Embassy in the form of an Overseas Market Introduction Service (OMIS). Through an OMIS, the Embassy in the UAE can provide a programme-arranging service, whereby your company would be introduced to the most appropriate contact and an appointment can be confirmed on your behalf.



Face-to-face meetings are preferred as phone or emails are sometimes seen as impersonal. Appointments should be made no more than two weeks in advance and confirmed a few days before the actual meeting as priorities may change.

The working week within the private sector is Sunday-Thursday from 9am-5pm and within the public sector Saturday-Wednesday from 8am-2.30pm (some offices are open until 4pm). There are many exhibitions that take place in the UAE with some of the largest regional events held in Dubai and Abu Dhabi. This is a good opportunity for companies to meet potential partners, distributors and clients.

### **Negotiations**

Personal contact with potential and existing partners/clients and regular visits to the market are of the utmost importance and it is natural for the business relationship to be built with time. It is advised that you consult a lawyer prior to signing an agreement in the UAE. A list of lawyers is available from the British Embassy. See the 'Resources' section for details.

### **Cultural considerations**

Bridging the divide between cultures is based upon understanding the perspectives of each other. It is not a matter of who is right or wrong, but respecting each-others' beliefs and way of life.

The Emirates are a considerably modern country in relation to the rest of the Middle East region. As such, many traditional attitudes and business practices are evolving towards a more westernised approach. Nevertheless, it is still important to be aware and respectful of some of the differences that might exist.

### **Understanding the unwritten rules to gain the competitive edge**

The working week traditionally starts on Sunday and ends on Thursday. Friday and Saturday are the official days of rest, though in some cases, people will work Saturday.

Meetings should be scheduled in advance with extra time allocated in case it should go on longer or start later than anticipated. The customary greeting is "As-salam alaikum," (peace be upon you) to which the reply is "Wa alaikum as-salam," (and upon you be peace). When entering a meeting, general introductions will begin with a handshake. You should greet each of your Emirati counterparts individually. Avoid shaking hands with a woman unless they extend their hand first. When you are in the UAE, especially on business, coffee, as well as tea, will often be offered to you in offices and at Arab's homes. Offering coffee is symbolic of hospitality.

### **Dos and don'ts**

The UAE is a Muslim country and the laws and customs are very different from those in the UK. You should respect local traditions, customs and laws at all times and be aware of your actions to ensure that they do not offend other cultures or religious beliefs, especially during the holy month of Ramadan. Please visit: [www.ukinuae.fco.gov.uk](http://www.ukinuae.fco.gov.uk) for more information.

As with any other country, there are certain rules and regulations that must be adhered to in the UAE too, in order to ensure a safe, secular and respectful environment for all.

## Here's a checklist of essential dos and don'ts:

### Dress code

Emirati men or Arab citizens from GCC states usually wear the traditional clothing of their native country. Many Muslim women cover their hair with a scarf and wear a long, black robe called the abaya.

### Drugs and alcohol

The UAE adopts a zero-tolerance policy for drugs and alcohol – it is a punishable offence to drink, or to be drunk, in public. To purchase or consume alcohol in the privacy of their homes, residents can obtain a liquor licence. However, the licence will be applicable only in the emirate where it has been issued – a permit issued in Abu Dhabi, for example, is not valid in Dubai. Any alcohol consumption is illegal in Sharjah.

The penalties for drug trafficking or smuggling are severe. The possession and/or import of even the smallest amount of drugs can result in a minimum prison sentence of four years.

### Medication

Some prescribed and over-the-counter medicines that are available outside of the UAE are considered controlled substances within the Emirates. It is best to procure a prescription or prior permission from the UAE's Ministry of Health before travelling with any such medicine to the UAE. Failure to do this may lead to prosecution under UAE law.

For more information and to view the list of controlled medication, visit the Ministry of Health's website: [www.moh.gov.ae](http://www.moh.gov.ae)

### Etiquette

The UAE is very particular about public displays of affection and there have been several arrests for kissing in public. Sex outside of marriage is considered illegal and unmarried couples indulging in adultery risk prosecution, imprisonment and/or a fine and deportation. If an unmarried woman gives birth in the UAE and is brought to the attention of the authorities, she may face severe punishment – ranging from a refusal to issue a birth certificate to arrest and imprisonment.

Cohabitation (including in hotels), cross-dressing and homosexual behaviour are also banned in the country.

It is imperative to avoid using obscene language or make rude gestures in public as offenders have, in the past, received six-month jail sentences for such acts. Some have also been deported.

### Censorship and photography

Photography of certain government buildings is not permitted. It is advisable not to photograph people (especially women) without their permission. Do not take pictures of military sites. Avoid bringing any magazines, DVDs or books with pornographic content into the UAE. Certain international magazines and newspaper sold in the UAE are censored – all objectionable material is marked in black, while intimate scenes in films shown in UAE movie theatres are censored.

## Pets

The UAE places no restrictions on bringing pets into the country. However, if an individual opts to rent an apartment, the confined space can prove to be a hassle for both the pet and its owner. Additionally, unfavourable climatic conditions make it difficult to leave pets outdoors. Research and decide on the choice of residence first before deciding to bring pets into the UAE.

It is essential to micro-chip all dogs and cats before their arrival in the UAE. The vaccination card would need to display the micro-chipping details. If handwritten, it would need to be stamped by the veterinarian.

## Education

With an influx of nationalities streaming into the UAE each year, catering to multicultural needs and requirements – especially in complex areas such as education – can be a mammoth task. However, the UAE does this with ease. Irrespective of whether an expatriate student is used to an O-level or A-level type of education or has had another educational background, schools in the emirates have courses to suit all.

One of the great things about education and schooling in the UAE is the opportunity to interact with students from various nationalities and backgrounds, which in the long run ensures greater global awareness. This is possible through a wide variety of curricula on offer which includes American, British, Australian, French, German, Indian, Iranian, Japanese, Russian and of course Arabic. To ensure all schools meet parents' expectations, the Knowledge and Human Development Authority took it upon itself to grade each school based on performance, facilities and level of education by providing a detailed report on every school each year. Besides a wide variety of primary school options, the UAE also offers the best in higher education facilities.

A dedicated complex for world-renowned universities and campuses ensures expatriates and residents do not have to look elsewhere to offer the best in education to their wards. Also known as the Dubai International Academic City, this educational free trade zone houses some of the most sought after universities with over 400 institutions operating within the city.

## Driving

Learning to drive in the UAE is relatively easy. As with all nations, there are certain rules and regulations that must be adhered to. In order to procure a UAE driving licence, an individual needs to be 18 or above.

### Documents required:

- A no-objection letter from the sponsor
- Original passport and copies
- Copy of a valid residence visa
- Eight passport size photographs
- An eye test certificate listing the condition and health

### Driving dos and don'ts:

Do follow the rules and speed limits of the emirate you are travelling in at all times. Do not indulge in 'road rage' such as rude gestures or verbal abuse when driving or if involved in an accident, as this can attract penalties such as fines, a jail sentence, and possible deportation. In case of an accident, alert the police first. It is an offence to leave the scene of an accident before the police have arrived.

## Doing Business in the United Arab Emirates

Do not drink and drive as this is considered a serious criminal offence. Should an individual be caught in the act, his/her insurance is likely to be invalidated, which means the offender will have to pay the claims of all parties involved in an accident, if any. Offenders caught drinking and driving also risk imprisonment.

### Religion

The UAE is a Muslim country and the laws and customs are very different from those in the UK. You should respect local traditions, customs and laws at all times and be aware of your actions to ensure that they do not offend other cultures or religious beliefs, especially during the holy month of Ramadan.

#### Ramadan in the UAE

All individuals are expected to extend basic respect and courtesy to Muslims fasting during Ramadan. A clear guide is available on arrival at all major airports.

#### Key Points to Remember:

- Do not eat, drink or smoke in public view during the day (including in the car). This is considered highly disrespectful and is also against the law. Failure to comply could result in arrest.
- Pregnant, nursing women and young children are exempt from fasting. However, it is advisable to exercise discretion at all times.
- As per law, during Ramadan almost all eating and drinking establishments will not be operational during the day.

- Dress modestly. While it is advisable to avoid skimpy clothing at all times, particular caution must be taken during Ramadan so as not to offend religious beliefs and the local customs and traditions.
- Loud music and dancing is considered disrespectful during Ramadan – kindly avoid.

#### Places of worship

The UAE has some of the most beautiful mosques in the region, with one in almost all major areas and communities. Some mosques, such as the Sheikh Zayed Grand Mosque and Jumeirah Mosque in Dubai, have touring options for non-Muslims too.

#### Health services

Hospitals and health care providers in the UAE offer some of the most advanced and diverse facilities – a testament to the Emirates' thriving health care system. Well-equipped private and public hospitals and clinics offer the best in specialised healthcare through in and out-patient facilities at world-recognised institutions.

Health insurance is essential, irrespective of whether an individual is on a tourist visa or has been sponsored for a visit. Most employers offer insurance coverage at a premium. Insurance can also be bought through different service providers at a fee. It would be advisable to contact your sponsor or agency for a list of health insurance options.

## Emergency contacts:

Police:	999
Fire:	997
Ambulance:	998
Abu Dhabi -	02 446 1461
Dubai -	04 229 2222
Sharjah -	06 563 1111

## Lifestyle and entertainment

As much as the UAE prides itself on being a hub of culture and tradition, its wide variety of entertainment options is also a testament to the country's secular nature. Many expatriates make the most of their tax free lifestyle by indulging in high-standard international cuisine at world renowned restaurants. There are numerous night clubs around the emirates too. Some of the clubs attract international DJs, including talent from the Middle East and Asia and the rest of the world. Clubbing facilities in Dubai include sophisticated cocktail lounges serving an eclectic mix of cuisines and drinks and the best in live music and entertainment.

Another feature is the Emirate's emphasis on featuring the best talent of the music industry, be it by way of numerous piano and jazz bars, world-renowned singers or gems from the local talent pool.

### Al Ain Wildlife Park and Resort

Al Ain Wildlife Park and Resort is one of the best conservatories in the region where visitors are treated to a unique glimpse of some of the animals that comprise UAE's wildlife such as the Arabian Oryx and gazelle. For more information see: [www.awpr.ae](http://www.awpr.ae)

### Al Bastakiya-Dubai

Al Bastakiya-Dubai is one of the oldest residential areas in the city, where houses were once built for the Iranian merchants and where once-wealthy traders and pearl divers lived. The area has been protected and is now home to museums, coffee shops and art galleries that are open to all.

### Al Mamzar Beach Park

One of Dubai's most popular parks, Al Mamzar houses an amphitheatre, with plenty of picnic spots and a well-equipped children's playground. The park is surrounded by beaches that have sheltered areas for swimming with ample security in the form of trained lifeguards. Open Hours: 8am-11pm daily, 8am to 11.30pm on Thurs and Fri. Weds only for ladies.

### Atlantis – Aqua Venture

A relatively new venue for watersport activities, including its Leap of Faith ride. See: [www.atlantisthepalm.com](http://www.atlantisthepalm.com)

### Camel Racing

The Dubai World Cup may be one of the richest horse races in the world, but camel racing is by no means less appealing in the Emirates, since the former UAE president, Shaikh Zayed, endorsed the sport and offered financial aid to citizens who cared for the camels. There are 15 racetracks located throughout the country, with races taking place on Thursdays, Fridays and Saturdays throughout the winter season.

### Desert Safari

Despite being a trip designed for tourists rather than a true representation of what Bedouin life in the UAE was really like, a desert safari is a popular experience of world beyond the city's tarmac and towers.

Camel-riding, henna, belly-dancing and traditional food can all be found on the various tours offered from each of the Emirates.

### Dreamland Aqua Park

This park put Umm Al-Quwain on the world map. Considered one of the largest water parks in the region, Dreamland offers a variety of programmes and hosts special events throughout the year. See: [www.dreamlanduae.com](http://www.dreamlanduae.com)

## Doing Business in the United Arab Emirates

### Dubai Aquarium

Located in the Dubai Mall, this 10-million litre tank is one of the top draws in the UAE, mainly due to its massive size and an underwater zoo tour attraction. See: [www.thedubaiaquarium.com](http://www.thedubaiaquarium.com)

### Dubai Museum

Located within Al Bastakiya, Al Fahidi Fort is the oldest building in Dubai, having been built in 1899 to defend the emirate against sea attacks. It was expanded on in the 1830s-1850s, and today is considered to be one of the most important historical monuments in the city. The fort has housed the Dubai Museum since 1970, showcasing the cultural history of the area as far as 3,000-4,000 years ago. See: [www.thedubaitourism.com](http://www.thedubaitourism.com)

### Ferrari World

A theme park that focuses on cars and racing, Ferrari World is a popular spot irrespective of whether you are a sport enthusiast or not. See: [www.ferrariworlddubudhabi.com](http://www.ferrariworlddubudhabi.com)

### Heritage Village, Abu Dhabi

Replicating a traditional oasis village, looking at what life used to be like for the Emirati people. Complete with a tent made from goat hair, a falaj irrigation system and a campfire with customary coffee pots, and workshops given by traditional craftsmen to demonstrate skills such as metalwork, pottery, weaving and spinning.

### Hili Archaeological Gardens

Located 10km outside Al Ain, historians assert that the most unique feature about this park are the remnants from a Bronze Age settlement (2,500-2,000 BC,

excavated and restored in 1995) and a number of national treasures displayed at the museum.

### Jumeirah Beach Park (JBP)

The preferred park for most Western expatriates, JBP boasts a beach front and is frequented by tourists who are lured by its clean waters and round-the-clock security. Location: Opposite Chilli's Restaurant on the Beach Road, Jumeirah. Open Hours: 8am-10:30pm daily. Thurs & Fri until 11pm. Saturday for children and ladies only.

### Saadiyat Island

A natural island, Saadiyat is currently undergoing development on a massive scale and once completed it will house the Abu Dhabi Louvre. See: [www.saadiyatland.com](http://www.saadiyatland.com)

### Sir Bani Yas Island

This island has been named after the Bani Yas tribe, who first inhabited Abu Dhabi. A natural reserve, it also houses a five-star resort. See: [www.desertislands.anantara.com](http://www.desertislands.anantara.com)

### The Creek, Dubai

Splitting the city in two, the Creek (also known as Khor Dubai) was once a lifeline for Dubai's industry. Still a bustling thoroughfare today, there are plenty of boats, and a number of tours possible, as well as an abra, a cheap taxi boat that will take you from shore to shore.

### Tour a Mosque

Two of the best examples are the Shaikh Zayed Mosque in Abu Dhabi, the eighth largest mosque in the world and home to the world's largest handwoven carpet, and the Jumeirah Mosque in Dubai. Both are open to non-Muslims for guided tours

which will offer an invaluable insight into the local religion, plus a unique opportunity to see the exquisite Islamic architecture both buildings demonstrate. Visitors should dress conservatively, though.

#### **Wild Wadi**

A water park located between Burj Al Arab and Jumeirah Beach Hotel in Dubai. See: [www.wildwadi.com](http://www.wildwadi.com)

### **Getting around**

#### **Land transport**

UAE's public transport system is one of the best in the world with a widely connected network of buses, taxis and a Metro link in Dubai. The Dubai Metro connects all major areas of old and new Dubai, with construction underway to launch new routes. Metro users are required to buy a one-time Nol card which needs to be recharged once all funds have been exhausted. It is the most preferred mode of transport within Dubai due to its state-of-the-art facilities, easy access, cheap fares and level of comfort.

#### **Water transport**

Also known as Abras, water taxis are a preferred favourite for over 15,000 who commute between Deira and Bur Dubai each day. They are operational from 5am to 12am. See: [www.rta.ae](http://www.rta.ae)

#### **Air travel**

Brands in themselves, Etihad Airways and Emirates Airline have now become the symbol of the UAE. To make bookings for holiday packages or for convenient travel options, contact: Etihad Airways 02 505 8000 or 800 2277, 02 6939711 / [www.etihadairways.com](http://www.etihadairways.com).

## **How to invest in the UAE**

The UAE Commercial Companies Law, Federal Law No 8 of 1984 (as amended by Federal Law No 13 of 1988), governs the activities of foreign companies in the UAE.

Investment Promotion & Protection Agreements (IPPAs) are designed to encourage investor confidence by setting high standards of investor protection applicable in international law. Key elements include provisions for equal and non-discriminatory treatment of investors and their investments, compensation for expropriation, transfer of capital and returns and access to independent settlement of disputes.

Full details of the UK/United Arab Emirates IPPA, and contact points for any queries can be found on the FCO pages of the gov.uk website: [www.gov.uk/fco](http://www.gov.uk/fco)

Major UK investors include BP, Shell, Rolls Royce, International Power, BAE Systems, WS Atkins, Mott MacDonald, Halcrow, Hyder, HSBC, RBS, Standard Chartered, Laing O'Rourke.



## UNITED ARAB EMIRATES

The UAE has a diverse and multi-cultural society taking into consideration that 80% of the UAE population are expatriates. This has meant that the UAE is regarded as relatively liberal within the region and provides schools, cultural centres and restaurants that cater for international cultures.







UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY



الإمارات العربية المتحدة  
وزارة الاقتصاد

If you have a specific export enquiry about the market in the UAE which is not answered by the information on this report, you may contact:

**The United Arab Emirates Ministry of Economy**

H.Q. Abu Dhabi. PO Box 901

Tel: (00) +97126131111 • Call centre: 8001222

**UAE Ministry of Economy**

Dubai

PO Box 3625

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**UAE Ministry of Economy**

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Sharjah

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Tel: (00) +97165281222

**UAE Ministry of Economy**

Umm Al-Quwain

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**UAE Ministry of Economy**

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PO Box 865

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Please visit the UAE Ministry of Economy website at: [www.economy.gov.ae/English/Pages/Default.aspx](http://www.economy.gov.ae/English/Pages/Default.aspx)



**IOE**  
Institute of Export

**The Institute of Export**

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Website: [www.export.org.uk](http://www.export.org.uk)



**UK Export  
Finance**

UK Export Finance is the UK's export credit agency, serving UK companies of all sizes. We help by providing insurance to exporters and guarantees to banks to share the risks of providing export finance. In addition, we can make loans to overseas buyers of goods and services from the UK.

For more information and to arrange a free consultation with an Export Finance Adviser, visit: [www.gov.uk/making-exports-happen](http://www.gov.uk/making-exports-happen)

New business enquiries: Telephone: +44 (0)20 7271 8010  
Email: [customer.service@ukef.gsi.gov.uk](mailto:customer.service@ukef.gsi.gov.uk)

You may also contact  
UK Trade & Investment (UKTI):

**UK Trade & Investment  
Enquiry Service**

Tel: +44 (0)20 7215 8000  
Fax: +44 (0)141 228 3693  
Email: [enquiries@ukti.gsi.gov.uk](mailto:enquiries@ukti.gsi.gov.uk)

**UK Office:**

UK Trade & Investment  
1 Victoria Street  
London  
SW1H 0ET  
Tel: +44 (0)20 7215 4246  
Fax: +44 (0)20 7215 4075

Otherwise contact the UAE team directly:

**British Embassy in Abu Dhabi**

P O Box 248  
Abu Dhabi  
Email: [commercial.abudhabi@fco.gov.uk](mailto:commercial.abudhabi@fco.gov.uk)  
Tel: +971 2 610 1111  
Fax: +971 2 610 1585

**British Embassy in Dubai**

Al Seef Road  
PO Box 65  
Dubai  
Email: [ukti.dubai@fco.gov.uk](mailto:ukti.dubai@fco.gov.uk)  
Tel: +971 4 309 4444 / 309 4404  
Fax: +971 4 309 4302

## UAE Federal Ministries:

### Ministry of Defence:

Abu Dhabi Office

P.O. Box: 46616

Telephone: +971 2 4461300

Fax: +971 2 4463286

### Ministry of Defence:

Dubai Office

P.O. Box: 2838

Telephone: +971 4 3532330

Fax: +971 4 3531974

### Ministry of Finance:

Abu Dhabi Office

P.O. Box: 433

Telephone: +971 2 6726000

Fax: +971 2 6663088

### Ministry of Finance:

Dubai Office

P.O. Box: 1565

Telephone: +971 4 3939000

Fax: +971 4 3939738

Email: [mof@uae.gov.ae](mailto:mof@uae.gov.ae)

Website: [www.uae.gov.ae/mo](http://www.uae.gov.ae/mo)

### Ministry of Foreign Affairs:

Abu Dhabi Office

P.O. Box: 1

Tel: +971 2 4444488

Fax: +971 2 4449100

### Ministry of Foreign Affairs:

Dubai Office

P.O. Box: 3785

Tel: +971 4 2221 144

Fax: +971 4 2280979

Email: [mofa@mofa.gov.ae](mailto:mofa@mofa.gov.ae)

### Ministry of Interior:

Abu Dhabi Office

P.O. Box: 398

Telephone: +971 2 4414666

Fax: +971 2 4414938

### Ministry of Interior:

Dubai Office

P.O. Box: 4333

Telephone: +971 4 3980000

Fax: +971 4 3981119

Email: [moi@uae.gov.ae](mailto:moi@uae.gov.ae)

Website: [www.moi.uae.gov.ae/](http://www.moi.uae.gov.ae/)

[moiwebportal](http://moiwebportal)

### Ministry of Economy:

Abu Dhabi Office

P.O. Box: 904

Telephone: +971 2 6271100

Fax: +971 2 6261344

### Ministry of Economy:

Dubai Office

P.O. Box: 901

Telephone: +971 2 6265000

Fax: +971 2 6260000

Email: [moep@moep.gov.ae](mailto:moep@moep.gov.ae)

Website: [www.moep.gov.ae](http://www.moep.gov.ae)

### Ministry of Education:

Abu Dhabi Office

P.O. Box: 295

Telephone: +971 2 6213800

Fax: +971 2 6351164

### Ministry of Education:

Dubai Office

P.O. Box: 3962

Telephone: +971 4 2633333 /

+971 4 2176899

Fax: +971 4 2638194

Email: [moe@moe.gov.ae](mailto:moe@moe.gov.ae)

Website: [www.moe.gov.ae](http://www.moe.gov.ae)

**Ministry of State for Cabinet Affairs:**

**Abu Dhabi Office**  
P.O. Box: 2350  
Tel: +971 2 6268100  
Fax: +971 2 6268033

**Ministry of State for Cabinet Affairs:**

**Dubai Office**  
P.O. Box: 5002  
Tel: +971 4 3967555  
Fax: +971 4 3968430  
Email: csb@csb.ae  
Website: www.csb.gov.ae

**Ministry of Justice:**

**Abu Dhabi Office**  
P.O. Box: 260  
Telephone: +971 2 6814000  
Fax: +971 2 6814224

**Ministry of Justice:**

**Dubai Office**  
Telephone: +971 4 295004  
Email: moj@uae.gov.ae  
Website: www.uae.gov.ae/moj

**Ministry of Energy:**

**Abu Dhabi Office**  
P.O. Box: 59  
Telephone: +971 2 6262288  
Fax: +971 2 6272291

**Ministry of Energy:**

**Dubai Office**  
P.O. Box: 99979  
Telephone: +971 4 2945555  
Fax: +971 4 2945005  
Website: www.moenr.gov.ae

**Ministry of Health:**

**Abu Dhabi Office**  
P.O. Box: 848  
Telephone: +971 2 6330000  
Fax: +971 2 6215422

**Ministry of Health:**

**Dubai Office**  
P.O. Box: 1853  
Telephone: +971 4 3966000  
Fax: +971 4 3965666  
Email: postmaster@moh.gov.ae  
Website: www.moh.gov.ae

**UAE Government Offices:****Ministry of Environment & Water:**

**Abu Dhabi Office**  
P.O. Box: 213  
Telephone: +971 2 4495111  
Fax: +971 2 4495154

**Ministry of Environment & Water:**

**Dubai Office**  
P.O. Box: 1509  
Telephone: +971 4 2958333  
Fax: +971 4 2959563  
Email: minister@moew.gov.ae

**Ministry of Public Works:**

**Abu Dhabi Office**  
P.O. Box: 878  
Telephone: +971 2 6260606  
Fax: +971 2 6260026

**Ministry of Public Works:**

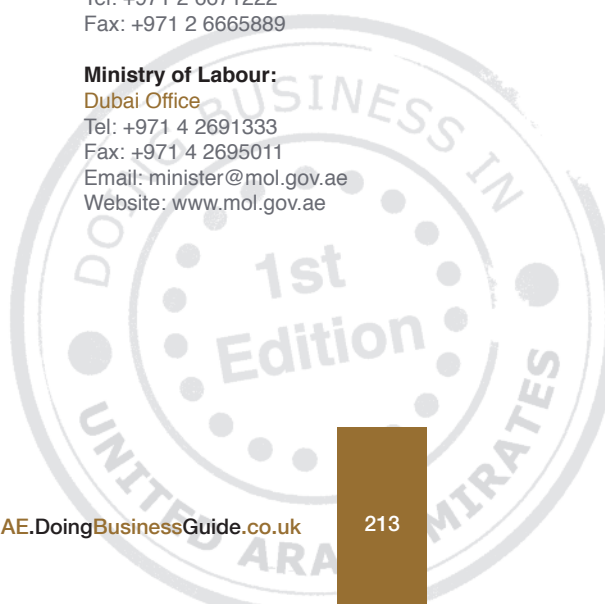
**Dubai Office**  
P.O. Box: 1828  
Telephone: +971 4 2693900  
Fax: +971 4 2692931  
Email: falshamsi@mpw.ae  
Website: www.mpw.ae

**Ministry of Labour:**

**Abu Dhabi Office**  
Tel: +971 2 6671222  
Fax: +971 2 6665889

**Ministry of Labour:**

**Dubai Office**  
Tel: +971 4 2691333  
Fax: +971 4 2695011  
Email: minister@mol.gov.ae  
Website: www.mol.gov.ae



## Useful Links

### Country Information:

#### BBC Website:

[www.news.bbc.co.uk/1/hi/country\\_profiles/default.stm](http://www.news.bbc.co.uk/1/hi/country_profiles/default.stm)

#### FCO Country Profile:

[www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/](http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/)

### Culture and communications:

CILT – National Centre for Languages - Regional Language Network in your area:  
[www.cilt.org.uk/workplace/employer\\_support/in\\_your\\_area.aspx](http://www.cilt.org.uk/workplace/employer_support/in_your_area.aspx)

### Kwintessential culture guides:

[www.kwintessential.co.uk](http://www.kwintessential.co.uk)

### Customs & Regulations:

#### HM Revenue & Customs:

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

### Economic Information:

#### The Economist:

[www.economist.com/countries](http://www.economist.com/countries)

#### Trading Economics:

[www.tradingeconomics.com](http://www.tradingeconomics.com)

### Export Control:

#### Export Control Organisation:

[www.gov.uk/beginners-guide-to-export-controls](http://www.gov.uk/beginners-guide-to-export-controls)

### Export Finance and Insurance:

#### UK Export Finance (formerly ECGD):

[www.gov.uk/government/organisations/uk-export-finance](http://www.gov.uk/government/organisations/uk-export-finance)

### Intellectual Property:

#### Intellectual Property Office:

[www.ipo.gov.uk](http://www.ipo.gov.uk)

### Market Access:

Market Access Database for Tariffs (for non-EU markets only): [www.madb.europa.eu/madb/indexPubli.htm](http://www.madb.europa.eu/madb/indexPubli.htm)

### Standard and Technical Regulations:

#### British Standards Institution (BSI):

[www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport](http://www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport)

### National Physical Laboratory:

[www.npl.co.uk](http://www.npl.co.uk)

### Intellectual Property:

[www.ipo.gov.uk](http://www.ipo.gov.uk)

### Trade Statistics:

#### HM Revenue and Customs (HMRC):

[www.uktradeinfo.com/statistics/buildy-ourowntables/pages/table.aspx](http://www.uktradeinfo.com/statistics/buildy-ourowntables/pages/table.aspx)

### National Statistics Information:

[www.statistics.gov.uk/hub/index.html](http://www.statistics.gov.uk/hub/index.html)

### UK Trade Info:

[www.gov.uk/government/organisations/uk-trade-investment](http://www.gov.uk/government/organisations/uk-trade-investment)

### Travel Advice:

FCO Travel: [www.gov.uk/browse/abroad](http://www.gov.uk/browse/abroad)

### Healthcare abroad:

Travel health: [www.travelhealth.co.uk](http://www.travelhealth.co.uk)

### International Trade:

#### Gov.uk:

[www.gov.uk/browse/business/imports-exports](http://www.gov.uk/browse/business/imports-exports)

OECD: [www.oecd-ilibrary.org](http://www.oecd-ilibrary.org)

Overseas business risk:  
[www.gov.uk/government/collections/overseas-business-risk](http://www.gov.uk/government/collections/overseas-business-risk)

Transparency International:  
[www.transparency.org](http://www.transparency.org)

World Bank Group economy rankings:  
[www.doingbusiness.org/rankings](http://www.doingbusiness.org/rankings)

World Economic Forum Global Competitiveness report:  
[www.weforum.org/reports/global-competitiveness-report-2014-2015](http://www.weforum.org/reports/global-competitiveness-report-2014-2015)

UK Trade & Investment:  
[www.gov.uk/government/organisations/uk-trade-investment](http://www.gov.uk/government/organisations/uk-trade-investment)

## Additional Useful Links

UK Trade & Investment:  
[www.gov.uk/government/organisations/uk-trade-investment](http://www.gov.uk/government/organisations/uk-trade-investment)

Foreign & Commonwealth Office:  
[www.gov.uk/government/organisations/foreign-commonwealth-office](http://www.gov.uk/government/organisations/foreign-commonwealth-office)

British Council: [www.britishcouncil.org](http://www.britishcouncil.org)

Trade Tariff: [www.gov.uk/trade-tariff](http://www.gov.uk/trade-tariff)

British Chambers of Commerce:  
[www.britishchambers.org.uk](http://www.britishchambers.org.uk)

IoD (Institute of Directors): [www.iod.com](http://www.iod.com)

CBI (Confederation of British Industry):  
[www.cbi.org.uk](http://www.cbi.org.uk)  
Institute of Export (IOE): [www.export.org.uk](http://www.export.org.uk)

British Expertise: [www.britishexpertise.org](http://www.britishexpertise.org)  
Department for Business, Innovation & Skills (BIS):  
[www.gov.uk/government/organisations/department-for-business-innovation-skills](http://www.gov.uk/government/organisations/department-for-business-innovation-skills)

UKTI e-exporting programme:  
[www.gov.uk/e-exporting](http://www.gov.uk/e-exporting)

## Trade Shows

A trade show is a method of promoting a business through the exhibition of goods and services, an organised exhibition of products, based on a central theme, where manufacturers meet to show their products to potential buyers.

Taking part in overseas exhibitions is an effective way for you to test markets, attract customers, appoint agents or distributors and make sales. UKTI's Tradeshaw Access Programme (TAP) provides grant support for eligible SME firms to attend trade shows overseas.

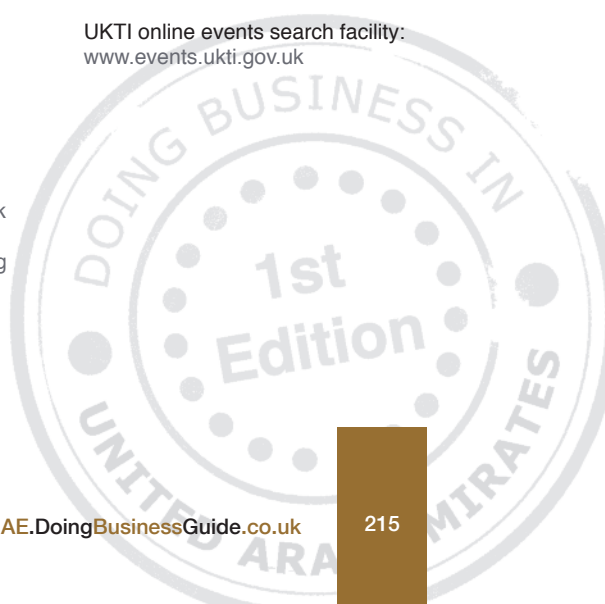
Participation is usually as part of a group, a great advantage for inexperienced businesses, and is usually led by one of UKTI's Accredited Trade Association (ATOs). ATOs work with UKTI to raise the profile of UK groups and sectors at key exhibitions.

10 Times (formerly BizTradeShows.com):  
[www.10times.com/unitedarabemirates](http://www.10times.com/unitedarabemirates)

British Expertise Events:  
[www.britishexpertise.org](http://www.britishexpertise.org)

EventsEye.com online database:  
[www.eventseye.com](http://www.eventseye.com)

UKTI online events search facility:  
[www.events.ukti.gov.uk](http://www.events.ukti.gov.uk)





QATAR

*Persian Gulf*

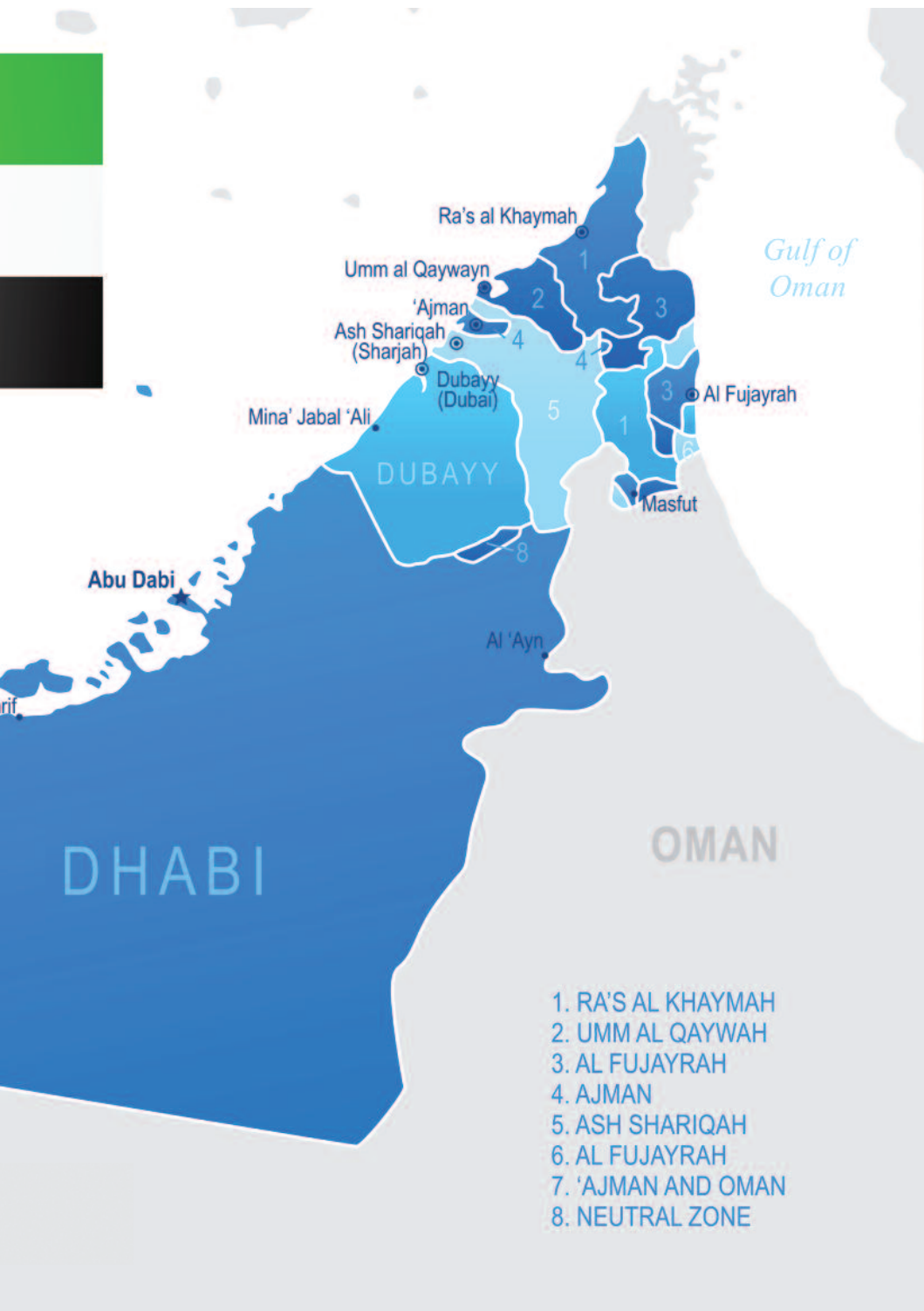
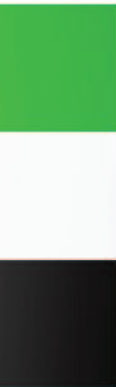
SAUDI ARABIA

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SAUDI ARABIA





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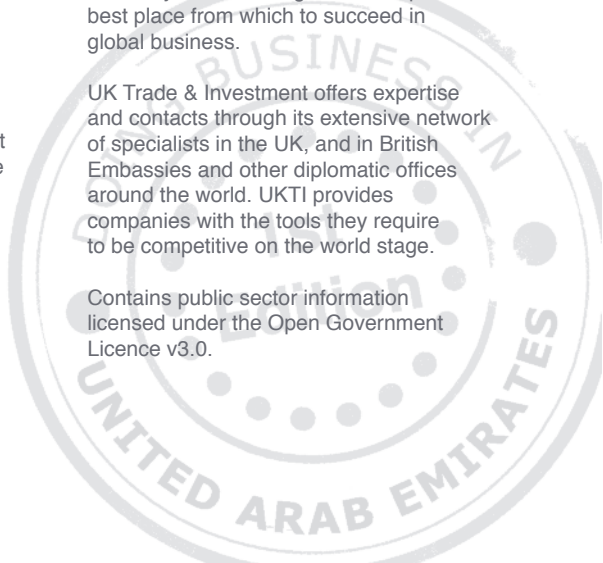
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UK Trade & Investment offers expertise and contacts through its extensive network of specialists in the UK, and in British Embassies and other diplomatic offices around the world. UKTI provides companies with the tools they require to be competitive on the world stage.

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# Doing Business in the UAE Guide Quick Facts

Full Name: United Arab Emirates

Area: 83,600 sq km

Population: 5,779,760 (July 2015 est.) note: the UN estimates the country's total population to be 9,445,624 as of mid-year 2014; immigrants make up more than 80% of the total population, according to 2013 UN data (2014)

Capital: Abu Dhabi

Languages: Arabic (official), Persian, English, Hindi, Urdu

Religion: Muslim (Islam; official) 76%, Christian 9%, other (primarily Hindu and Buddhist, less than 5% of the population consists of Parsi, Baha'i, Druze, Sikh, Ahmadi, Ismaili, Dawoodi Bohra Muslim, and Jewish) 15%

Life expectancy (at birth): 77.29 years

Government: federation with specified powers delegated to the UAE federal government and other powers reserved to member emirates

Legal System: mixed legal system of Islamic law and civil law

Currency: Emirati dirhams (AED)

Exchange Rate: £1 GBP = 5.60 AED (Sept. 2015)

GDP per capita: \$64,500 (2014 est.)

Natural resources: petroleum, natural gas

Value of Exports: \$404.7 billion (2014 est.)

Exports – commodities: crude oil 45%, natural gas, reexports, dried fish, dates (2012 est.)

Value of Imports: \$271.7 billion (2014 est.)

Imports – commodities: machinery and transport equipment, chemicals, food

Climate: desert; cooler in eastern mountains

Local Time: UTC+4

Dialling Code: 971

Internet Domain: .ae

National symbols: golden falcon; national colours: green, white, black, red

Source – CIA World Factbook, Google Currency Converter

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When away on business, flying can still be a pleasure. Our Business Studios onboard our new A380 are a uniquely spacious environment that embody style, simplicity and functionality. With fully-flat beds, complimentary loungewear, easy aisle access, convenient storage space and a personal 18-inch touch screen TV featuring over 750 hours of entertainment, ask yourself, when was Business Class ever like this?

**Business Class. Reimagined by Etihad.**

The Etihad A380 flies daily from London Heathrow to Abu Dhabi and onwards to Sydney.

[etihad.com](http://etihad.com)