

Doing Business in

United Arab

Emirates



Produced by the UKTI Team in the United Arab Emirates, based at the British Embassy in Dubai and Abu Dhabi.
Dubai Contact: Dave Wells, Deputy Director UKTI
Email: ukti.dubai@fco.gov.uk
Abu Dhabi Contact: Rob Kelly, Deputy Director UKTI
Email: ukti.abudhabi@fco.gov.uk
Last Updated: June 2011

The purpose of the Doing Business guides, prepared by UK Trade & Investment (UKTI) is to provide information to help recipients form their own judgments about making business decisions as to whether to invest or operate in a particular country. The Report's contents were believed (at the time that the Report was prepared) to be reliable, but no representations or warranties, express or implied, are made or given by UKTI or its parent Departments (the Foreign and Commonwealth Office (FCO) and the Department for Business, Innovation and Skills (BIS)) as to the accuracy of the Report, its completeness or its suitability for any purpose. In particular, none of the Report's contents should be construed as advice or solicitation to purchase or sell securities, commodities or any other form of financial instrument. No liability is accepted by UKTI, the FCO or BIS for any loss or damage (whether consequential or otherwise) which may arise out of or in connection with the Report.



Are you a member of a UK company wishing to export overseas? Interested in entering or expanding your activity in the UAE market? Then this guide is for you!

The main objective of this **Doing Business Guide** is to provide you with basic knowledge about United Arab Emirates (UAE) ; an overview of its economy, business culture, potential opportunities and an introduction to other relevant issues. Novice exporters, in particular will find it a useful starting point.

Further assistance is available from the UKTI team in the UAE. Full contact details are available at the end of this guide.

Important Information - Sanctions and Embargoes

Some countries maybe subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available on the [Business Link website](#)

Content

1. Introduction	4
2. Preparing to Export to the UAE	7
3. How to do business in the UAE	8
What to consider when doing business.....	8
Key areas for business	8
Market entry and start up considerations	9
Customs and regulations	10
Legislation and local regulations	11
Responding to tenders	12
Recruiting and retaining staff	12
Documentation	13
Labelling and packaging regulations	13
Getting your goods to the market	13
Standards and technical regulation	13
Intellectual property rights	14
4. Business Etiquette, Language and Culture	14
Language	14
Meetings and presentations	14
Negotiations	14
5. What are the challenges	15
Getting paid	15
6. How to invest in the UAE	16
Financial assistance	16
Contacts	16
Resources and useful links	17

1. Introduction

The UAE is situated in the southeast of the Arabian Peninsula on the Persian Gulf, bordering Oman and Saudi Arabia. The UAE is a federation of seven Emirates each with its own Ruler. These are Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman, Ras Al Khaimah and Umm Al Quwain. The capital and second largest city is Abu Dhabi, which is also the country's center of political, industrial and cultural activities.

Since its formation in 1971, the UAE has undergone a period of rapid and wide ranging economic and social development and within 40 years, Dubai is considered the regional hub for business in the Middle East and beyond.

Strengths of the market

- Dubai is regarded as a regional hub
- No taxation on personal income and capital gains
- English is widely spoken and accepted as business language
- Entry route to other GCC countries
- UAE is the UK's largest export market in the region
- Majority of UAE population are expatriates with 120,000 UK residents

Opportunities in UAE

The UAE offers major business opportunities in the Middle East with the following priority sectors identified by the 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, we judge that the main opportunities will be in oil and gas, energy, construction, mass transport, security, health and education.

Trade between UK and UAE

In 2010 The United Arab Emirates (UAE) was the UK's largest export market in the Middle East and North Africa. It is the UK's 16th largest export of goods market at around £3.9 billion and is designated as one of the UK Trade & Investment High Growth Markets.

Bilateral Trade:

Bilateral trade figures: (£ million)

	2006	2007	2008	2009	2010	March 2010	March 2011
UK Exports	3,637	2,756	3,686	3,556	3,891	847.6	1,196
UK Imports	1,101	1,061	1,034	1,137	1,669	363.1	476
Balance	2,536	1,695	2,652	2,419	2,222	484.5	720

Source: HMR&C

For January to March 2011 UK exports to the UAE were £1.2bn which represents an increase of 41% on the same period in 2010. UK imports were £476 million representing an increase of 31% on the same period in 2010.

In 2010, UK exports to the UAE were £3,891 million which represents an increase of 9% on the same period in 2009. UK Imports were £1,669 million representing an increase of 47% on the same period in 2009. But the UAE remains the UK's biggest export market in the region, and the 16th overall.

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.

Economic Overview

The UAE promotes a liberal business environment and has a standard of living that continues to attract expatriates from around the world. The UAE is looking to diversify 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, Dubai has announced a 42% increase in public spending for 2009 to Dhs37.7 billion. This represents a fiscal deficit of Dhs4.2 billion. 45% of spending has been set aside for infrastructure and public transport development – a 33% increase on 2008. 22% of the Dubai budget is allocated for social spending including education and health with a further 19% on security, borders and the judiciary.

The long term economic outlook for the UAE is positive. Abu Dhabi's oil and gas driven wealth underpins economic development throughout the UAE. Abu Dhabi has proven oil reserves for 100 years and revenues from that sector are projected to be some US\$29,117.

The UAE owns some of the world's biggest investment funds, including the biggest, ADIA, which has estimated reserves of between US\$500-900 billion.

Population

According to latest population estimates by the National Bureau of Statistics on 31 March 2011, the UAE's population has grown exponentially to 8.26 million in mid-2010, a growth of 64.5% in four years, as strong economic growth attracted workers from all over the world.

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 6,689 handpicked members of the Electoral College and the other 20 nominated by their respective Emirates.

The 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.

Abu Dhabi, Dubai & the Northern Emirates

Abu Dhabi is the capital of the UAE and has approximately 10% of the world's proven oil reserves and 5% of the gas. The Emirate also has an impressive investment portfolio financed from oil income. And has traditionally been the cornerstone of the economy with large proven reserves. 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.

Dubai's economy developed at a huge rate from 2000-8 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 about 100 airlines.

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 niche manufacturing ventures.

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.

Ajman is situated to the Northwest of Sharjah and home to a variety of factories producing goods including foodstuffs, 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 is situated on the Gulf of Oman. The Fujairah 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 Straits 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 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 and a number of different crops are grown. The emirate is also home to a large poultry farm.

Ras Al Khaimah (RAK) 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 Straits of Hormuz, RAK is in a good location. The emirate has established a free zone and is also developing a \$1 billion resort and hi-tech park, 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.

Getting here and advice about your stay

FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice [please visit the FCO Travel section](#)

2. Preparing to Export to the UAE

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 an agent.

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.

British companies wishing to approach the UAE market are advised to undertake market research and planning which can be conducted through the UKTI team.

UKTI's team in the UAE can provide a range of services to British-based companies wishing to grow their business in the UAE market. Our services include 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.

You can commission these services under which are chargeable and operated by UK Trade & Investment (UKTI) to assist British-based companies wishing to enter or expand their business in overseas markets. Under this service, the Embassy's Trade & Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

To find out more about commissioning work, please contact your local UKTI office. See www.ukti.gov.uk/home.

3. How to do business in the UAE

We would like to thank Trowers & Hamblins LLP, a firm of solicitors with offices in the UAE, for contributing to this guide. For further professional advice please contact:

Mr Andrew Rae, Partner
Abu Dhabi
Email: area@trowers.com
Tel: 00971 2 4107600

Ms Jennifer Bibbings, Partner
Dubai
Email: jbibbings@trowers.com
Tel: 00971 4 3519201

What companies should 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 is developing a 3180 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.

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-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.

Gateways/Locations – Key areas for business

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:

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.

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. The Federal Commercial Agency Laws of 1981 and 1988 state that an agent must be a UAE national or a company 100% owned by UAE nationals. There have been suggestions that this law may be reviewed. Officials from the UAE have met with a delegation from the World Trade Organisation (WTO), as part of the drafting process for a new UAE commercial law currently under consideration. The UAE, which has been a member of the WTO since 1996, held discussions with the organisation ahead of a trade policy review scheduled for March 2006, the date when the ten year exemptions from some WTO regulations that the country secured on joining the organisation expire. The new law though still to be agreed will allow majority foreign ownership of UAE registered firms; at present foreigners can only own 100% of UAE companies in dedicated free zones such as Jebel Ali and Dubai Internet City.

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 that either the principle or the agent may claim compensation if termination of the agency causes damage to either of the parties.

The embassy recommends that UK companies should seek legal advice before entering into a written agreement.

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.

Which of the above options is 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 is neither a simple nor a speedy process. The most common commercial entity used by foreign companies is the LLC. 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 commercial trading activities can be undertaken. A foreign company establishing a branch office in one of the Emirates must obtain consent from the Ministry of Economy before a local business licence from the government of the relevant Emirate is issued. 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 Internet City, Dubai Media City and Dubai Healthcare City. A media free zone was launched in Abu Dhabi in October 2008.

The 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 corporate taxes.

Details of the incentives and facilities available, together with registration, minimum capitalisation and other requirements vary between free zones, and specific advice should be taken.

Customs and Regulations

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.

Foodstuff, 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 five per cent. Where permitted, the duty on alcoholic beverages is 50 per cent and on tobacco products is 100 per cent.

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 (see section 4 for contact details).

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

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 web site 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 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 & Industry 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 (Law No. 7 of 2006) 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, Abu Dhabi Law No. 19 of 2005 and Law No. 2 of 2007 altered this position and made available a wider range of property rights to UAE nationals, GCC nationals and expatriates. 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, fire works, 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 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 Staffing

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.

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 the largest man-made port in the world; it currently has 63 deepwater berths and good warehousing facilities. An expansion of the port is underway. 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 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 Broadcasting Organizations
- 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 10 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 order seizure, confiscation and destruction 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 10 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.

4. Business Etiquette, Language and 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, unlike in neighboring Saudi Arabia. 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 <http://www.fco.gov.uk/en/travel-and-living-abroad/>

Language

English is widely spoken throughout the country and where possible translators are available. Whilst it is preferable for written correspondence to be English, Arabic is sometimes preferred within some public sector organisations.

Meetings and Presentations

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 2 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.

For further information on OMIS and a list of exhibitions, please contact the Embassy.

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 Embassy.

5. What are the challenges?

The UAE does not present major challenges to UK companies wishing to develop trade. However, there may be some specific issues which British companies should consider, namely as far as language and terms of payment are concerned.

Getting Paid - Terms of Payment

Most UK banks can provide advice on payment. Generally speaking any of the customary methods of payment used in international commercial transactions can be used when doing business with UAE companies. Irrevocable Letter of Credits (L/C) and cash against documents (CAD) terms are the most common methods of payment.

6. How to Invest in the UAE

The UK is the largest investor in Dubai with US\$4.2 billion, followed by Japan, India, USA and the Netherlands. The Dubai Statistics Centre revealed that the volume of foreign direct investment (FDI) in Dubai increased to US\$11.6 billion in 2006, showing an increase of 13.4% of the previous year.

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 contacts points for any queries can be found on the [FCO](#) website.

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.

Financial Assistance

For medium or long term industrial finance, local companies can approach the Emirates Industrial Bank, set up by the UAE Government with an initial capital of AED500 million. Its main objective is to help develop the private sector. Bill discounting can be arranged with the commercial banks, either foreign or locally owned. Leasing and hire purchase are available from local finance companies. Import and export financing can be arranged through the commercial banks. Margins are often required by the banks. Such margins and the facilities offered will mainly depend on their relationship with their customers

7. Contacts

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:

UK Trade & Investment Enquiry Service

Tel: +44 (0)20 7215 8000

Fax: +44 (0)141 228 3693

Email: enquiries@ukti.gsi.gov.uk

UK Office

Paul Bathgate

UK Trade & Investment

1 Victoria Street

London SW1H 0ET

Email: paul.bathgate@ukti.gsi.gov.uk

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

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

Tel.: +971 4 309 4444 / 309 4404

Fax: + 971 4 309 4302

Office hours:

0730 - 1430 (Local Time)

0330 - 1030 (Greenwich Mean Time)

Open: Sunday to Thursday

[UK Trade & Investment](#) can help you make the most of these opportunities and help you plan your approach to the market. You may find out more about the range of services available to UK companies trading internationally through your local International Trade Team.

We hope that you have found this guide useful. For further information, please contact your International Trade Adviser or one of the UKTI team in the United Arab Emirates.

8. Resources/Useful Links

Business Link: International Trade

Business Link's International Trade pages provide an overview of export basics including licensing, customs procedures, classifying and movement of goods, other regulatory information and export paperwork issues. It also introduces exporters to the UK Trade Tariff.

Essential reading for exporters!

Find out more at:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.lc=en&topicId=1079717544>

Country Information:

BBC Website:

http://news.bbc.co.uk/1/hi/country_profiles/default.stm

FCO 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:

http://www.cilt.org.uk/workplace/employer_support/in_your_area.aspx

Kwintessential culture guides:

<http://www.kwintessential.co.uk/>

Customs & Regulations:

HM Revenue & Customs: www.hmrc.gov.uk

Economic Information:

Economist:

<http://www.economist.com/countries/>

Export Control

Export Control Organisation:

<http://www.bis.gov.uk/exportcontrol>

Export Finance and Insurance:

ECGD: <http://www.ecgd.gov.uk/>

Intellectual Property

Intellectual Property Office:

www.ipo.gov.uk

Market Access

Market Access Database for Tariffs (for non-EU markets only):

<http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm>

SOLVIT – Overcoming Trade Barriers (EU Markets only)

www.bis.gov.uk/EUMarketAccessUnit

Standard and Technical Regulations:

British Standards Institution (BSI):

<http://www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport/>

National Physical Laboratory: <http://www.npl.co.uk/>

Intellectual Property - <http://www.ipo.gov.uk/>

Trade Statistics:

National Statistics Information: <http://www.statistics.gov.uk/hub/index.html>

UK Trade Info: <https://www.uktradeinfo.co.uk/>

Travel Advice:

FCO Travel: <http://www.fco.gov.uk/en/travel-and-living-abroad/>

NHS: <http://www.nhs.uk/nhsengland/Healthcareabroad/>

Travel health: <http://www.travelhealth.co.uk/>