



Doing Business in United Arab Emirates

2008 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In United Arab Emirates

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Market Overview

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The United States and the United Arab Emirates have a strong bilateral relationship, based on a joint commitment to the security and stability of the Gulf region. Our two governments also share many similar concerns on a host of other international issues. Exports in both directions have increased almost every year since the UAE, a federation of seven emirates on the Arabian Gulf, was founded in 1971.

The prosperity of UAE citizens is based in great part on the country's vast oil and gas reserves, most of which lie in the largest emirate and seat of the capital, Abu Dhabi. The UAE has nearly ten percent of the world's proven oil reserves and five percent of proven gas reserves. Other emirates include Dubai, Sharjah, Ras al Khaimah, Fujairah, Ajman, and Umm al Quwain. The country is an active member of the Gulf Cooperative Council (GCC), which includes Saudi Arabia, Kuwait, Oman, Qatar, and Bahrain. Per capita GDP in 2007 was estimated at over US\$23,000.

The UAE, long recognized as the commercial and business hub of the Arabian Gulf, is home to the busiest man-made port in the world, Jebel Ali. This Gulf powerhouse has no corporate taxes (with the exception of banks and foreign oil companies that have concessions in UAE oilfields), no income taxes, and a relatively low import duty of five percent. The UAE is currently the largest export market for US goods in the Arab World, having recently surpassed Saudi Arabia. US goods exports to the UAE rose in 2007, to over US\$11.6 billion, while imports from the UAE were just under US\$1.4 billion. With a US\$170 billion a year economy and excellent infrastructure, the UAE is an ideal location for US companies to conduct business. The presence of over 700 US firms here underlines this fact. To name just a very few: AM General, Citibank, Honeywell, Lockheed Martin, Boeing, General Electric, Raytheon, Northrop Grumman, General Dynamics, KBR, FedEx, Ford, Johnson & Johnson, MSD, ExxonMobil, Microsoft, Motorola, and many more. US companies see the UAE as an excellent place to establish a regional presence because of the can-do, pro-business orientation of the leadership, and the stability of the country.

The UAE, a model for digital readiness in the Middle East, has embraced the Internet age. Mobile phone and PC usage levels are among the highest in the Middle East. The Emirate of Dubai, capitalizing on its strategic trading position between Central Asia, the

Middle East, and Africa, is growing dramatically. This emirate has attracted international investment, companies and visitors with landmark projects such as vast housing developments and the ambitious man-made Palm Islands, which include private residences and hotels. Abu Dhabi has also begun developing several new mega projects of its own, including Sadiyat Island, which will feature the Abu Dhabi Guggenheim Museum, designed by famed American architect Frank Gehry. Dubai's Jebel Ali Free Zone (JAFZ) has over 2,500 companies, including 150 US-owned firms. Other Dubai free zones include Media City, Knowledge Village, Internet City, and Dubai International Financial Center. Borrowing on the success of JAFZ, other emirates have also created free zones.

The UAE is a member of the WTO and a signatory to the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Service (GATS), and the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS).

Market Challenges

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The UAE, although an attractive market for a wide variety of products, can be a difficult place for American firms to do business. It is not a market for the first-time exporter. The legal system protects local entities. Foreign companies find it difficult to legally dismiss a non-performing local agent without protracted litigation, and it is difficult, if not impossible, to sell without a local agent. Payments tend to be slower than in the US and Europe. The US Embassy strongly advises companies wanting to do business in the UAE to seek competent legal counsel while exploring the market and to get to know their prospective client or business partner well prior to entering into an agreement.

Market Opportunities

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Although oil and gas production will remain the backbone of the UAE economy for years to come, the non-oil sector of the economy is growing at a rapid pace. Major growth areas include: aircraft & parts, security and safety equipment; IT equipment and services; medical equipment, services and supplies; architecture, construction, and engineering services; building products; air conditioning and refrigeration equipment; environmental and pollution control equipment; and sporting goods and equipment. Water and power projects continue to offer considerable opportunity due to the UAE's unquenchable thirst for water and electricity.

There is no personal income tax.

US fast food and casual dining restaurants are popular in the UAE, particularly with the younger generation. Many of the ingredients are imported from the United States. Good prospects for U.S. food exports, in descending order include: Vegetable oils, beverage bases, breakfast cereals, poultry parts, fresh fruits (specifically apples and pears), honey, frozen vegetables, snack foods, cheeses, almonds, fruit and vegetable juices, and miscellaneous food products, particularly hot sauces, salad dressings, catsup, mayonnaise, vinegar, iodized salt, ice cream, frozen dough mixes, Tex-Mex foods, and coffee whiteners.

A rapidly developing nation, the UAE has traditionally been, and continues to be, a leading trading center. High product quality, reliability, training, and after-sale service continue to be attractive features for US exports. American goods and services find a ready market here, one that will present many opportunities for US firms for years to come. US companies seeking general export information, assistance, or country-specific commercial information should contact their nearest US Export Assistance Center, the US Department of Commerce's Trade Information Center at 1-800-USA-TRADE (1-800-872-8723), or visit: www.export.gov or: www.buyusa.com.

Agricultural reports are available via the Reports Office, USDA/FAS, Ag Box 1052, Washington, D.C. 20250-1052 and via the FAS Home Page on the Internet at the following URL:
<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5444.htm>

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Using an Agent or Distributor

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The UAE legal system distinguishes between the two forms of commercial agents- the registered and the unregistered commercial agent. Local companies prefer to work as registered agents for the law favors this arrangement. On occasion, local companies will accept to go the unregistered way based on good faith, but almost always prefer exclusivity.

UAE law does not distinguish between an agent and distributor, referring to both as commercial agents. The Ministry of Economy and Commerce handles registration of commercial agents.

The provisions relating to commercial agencies are collectively set out in Federal Law No. 18 of 1981 on the Organization of Commercial Agencies as amended by Federal Law No. 14 of 1988 (the Agency Law) and applies to all registered commercial agents. Federal Law No. 18 of 1993 (Commercial) and Federal Law No. 5 of 1985 (Civil Code) govern unregistered commercial agencies. Federal law is applicable throughout the UAE.

A major breakthrough for international companies operating in the UAE is the recently announced Commercial Agencies Law 13 of 2006 making amendments to Federal Law No. 19 of 1981 for it states that a principal could terminate an agreement with an agent that does not perform upon expiration of its contract. Termination of unlimited duration agency contracts would still need to be processed through the local courts.

Selection of the right agent continues to be an important decision. Till date registered agents may not be terminated, except with sufficient cause as determined by a government committee that has historically ruled in favor of the local agent. In most

cases, compensation to a terminated agent is required even if the committee rules for the foreign firm. Only UAE nationals or companies wholly owned by UAE nationals can register with the Ministry of Economy and Commerce as local agents.

Agency contracts: Terms and conditions vary. Commissions and other forms of compensation typically depend on the amount of work required of the agent and sales volume. Responsibilities and performance measures should be clearly defined. Establish the geographic territory covered (UAE law awards automatic exclusivity to the agent in the geographic area covered by the agreement). An agent must have a presence and be licensed to operate in each emirate, as there is no blanket license for the whole of the UAE. In some instances agents have been appointed on a project basis, with the relationship restricted to the specified project terminating automatically upon reward or completion.

It is recommended that a US company retain the services of a local attorney to ensure its best interests are carefully considered when drawing up an agreement.

U.S. companies have found our Gold Key Service very useful when needing to identify their local representative company,

Establishing an Office

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Regulation of the establishment and conduct of business in the UAE is shared at the federal and emirate levels. In general, foreign companies (except companies from GCC countries) that undertake business activities in the UAE or make their products available in the UAE can establish a presence in any of the following ways: entering into a joint venture with UAE nationals for the establishment of limited liability companies, appointing commercial agents, or setting up branch offices. Except for companies located in the free zones, at least 51 percent of a business establishment must be owned by a UAE national. A business engaged in importing and distributing a product must be either 100 percent UAE-owned agency/distributorship or a 51/49 percent (UAE/foreign) limited liability company. Subsidies for manufacturing firms are available only to those companies with at least 51 percent local ownership.

Franchising

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The UAE is very receptive to franchising. High per capita income, receptivity to new products, tax-free earnings and an upwardly mobile population are indicators of the future growth potential for this market. Local companies have been driven to find new and unique franchise opportunities to meet the needs of this market due to the constant announcements of truly unique projects that are being built in the UAE. Undoubtedly, this is a booming sector across industries for the UAE. Currently, franchises are operating in fast foods; dine-in restaurants; auto leasing; apparel; soft drink bottling; beauty products; hotels; toys; photography; jewelry; vending machines; dry cleaning; furniture; hardware stores; office supplies; natural health products; publications; quick printing; garden care and florists; sporting goods; retail/convenience stores; maid and personal services. Today, the largest segment in this industry is fast food with most major US fast food companies already established. There remains considerable potential for franchises of all kinds.

General contract and commercial law apply to franchise agreements as no special legislation for franchise arrangements are currently in place. A single company or individual usually owns 100% of the franchise operation rights in the UAE. In other cases, the franchisee enters into a joint venture with the franchiser to operate all outlets as "company owned" stores employing local managers

Direct Marketing

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The only time direct marketing can come into play is when you sell to the end user. Under local law the international company would still need to honor the commission payable to its local agent or distributor even if they had no part in the sale. Direct sale to the end-user approach is suitable only for infrequent, low volume exports, as marketing in the UAE is very competitive.

Other than advertising in newspapers and magazines the only other forms of direct marketing in the UAE are by way of limited unsolicited mail, fax and catalog sales campaigns (with local pick-up or delivery arranged). Commercials via TV and satellite channels offer an effective direct marketing approach reaching conservative UAE and expatriate women in the privacy of their homes. This method of marketing will to some extent be impacted by the wide usage of the Internet in the UAE as it opens up an unlimited choice of products. Selling over the net will provide possibilities and accessibility to this market that were not available in the past.

Direct marketing is possible to the food processing sector, particularly in vegetable oils, including corn oil, soybean and sunflower-seed oils, beverage bases, dried pulses and a variety of food ingredients, particularly for the snack food and bakery industries.

Also, the growing Hotel, Restaurant and Institution (HRI) sector, particularly the hotel and the U.S. fast food and casual dining restaurants sectors, provide opportunities for direct marketing.

Finally, the U.S. military stationed in the region could provide opportunities for direct marketing through the U.S. military's designated prime vendor assigned for the UAE

Joint Ventures/Licensing

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Emphasis is given to personal relationships in the Middle East when conducting business. Maintaining a local presence offers distinct advantages. Local business and government officials prefer to deal with someone they know and trust.

In a joint venture profit and loss distribution can be arranged as desired even though UAE majority ownership is mandatory. It is not compulsory to license the joint venture or publish the terms of agreement. The foreign partner can deal with third parties under the name of the local venture.

Banks, insurance, and financial companies must be run as public share holding companies requiring a minimum capitalization of Dhs.10 million (US\$2.725 million). The Chairman and the majority of Directors must be UAE nationals, and a more restrictive distribution of profit is enforced. Foreign banks, insurance and financial companies can establish a presence in the UAE by operating a branch or representative office, which

allows 100% foreign ownership, but, in general, limits business activities to offshore operations.

Licensing of manufacturing processes is a growing market, especially with the UAE's desire to increase the quality and diversity of local production. The total market for industrial licenses remains relatively small due to the limited manufacturing done in the UAE.

The majority of licensing in the UAE is done for the fabricating and/or marketing of trademarked items. Licensees of US sports logos, universities, animated characters, etc., are servicing a very active market with one of the world's highest disposable incomes. Licenses to sell US brand products (an authorized dealer), as distinct from a standard distribution arrangement, or US logos/names/ characters on a non-US product, are becoming very sought after, especially in the apparel market. Licensing effectively meets the current demand, especially among young consumers, for American styles

Selling to the Government

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Government buyers are either federal or emirate governments. Federal purchases are administered through the respective local authority in Abu Dhabi or Dubai. For most civilian purchases, government entities will usually only deal with firms registered in the UAE, or the particular emirate, and will favor local products over imports. Only when goods or services of acceptable quality are not available locally will the procurement authority seek outside sources. It is common for bids not to go out on a public tender, but are sent to select firms that were pre-qualified with the organization in question.

For all types of government procurement and projects, US firms are encouraged to seek a presence in the UAE and get their goods/services pre-qualified for procurement tenders.

Competition in the public sector is very strong. Besides large military procurement projects, governments in the UAE invest heavily in infrastructure projects, such as roads, power generation and distribution systems, desalination facilities, sewage systems, public housing, recreational facilities, hospitals and other medical facilities and services, schools, athletic facilities, refineries and other hydrocarbon facilities, airports, and government buildings. US goods and services enjoy an outstanding reputation for quality, but, with the exception of hydrocarbon-related industries, are under-represented in this market.

Distribution and Sales Channels

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The most commonly used way of selling into the UAE is by appointing a commercial agent. Other methods used, depending on the product or service, include direct sales to the end-user; sales through an informal, non-exclusive re-seller arrangement; establishment of a company presence through a joint venture; or authorization to a local firm via a licensing or franchising arrangement.

US exporters sometimes find it advantageous to appoint different commercial agents or distributors for different emirates. Multiple agencies and distributorships may also be appointed to handle diverse product lines or services. Many UAE companies handle numerous product lines, making it sometimes difficult to promote all products effectively.

Food imports are typically handled by firms specializing in the import and distribution of food products to retailers, wholesalers, and institutional users. However, a number of the major food retailers also import directly and in some cases also act as distributors to other retailers and institutional users.

It is common for companies located in this country to use Dubai as their regional hub using warehousing facilities available at the numerous free zones to service their needs to other markets through the region.

Selling Factors/Techniques

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The commercial tradition of the UAE is that of the middleman or trader acting as a conduit for goods from large manufacturers to South Asia, the Gulf, and East Africa. Today, with Dubai emerging as the hub of the Gulf, the UAE still serves those traditional markets along with those of North, South, West, and Central Africa, and the rest of the Middle East. The business style prevalent is one that puts an emphasis on personal relationships and perceptions of integrity.

Traditional approaches to business are beginning to change. There is a growing emphasis on quality, after-sales service, and maintenance requirements and costs. A new trend of impersonal businessman/consumer has changed some of the business style. However, it does not yet represent the dominant practice. Personal relationships, particularly when UAE nationals are involved, still predominate. Since these relationships take time to nurture, US firms are advised to invest time in the market with preferably a local presence or at least very frequent trips. This is not an activity that can be done long-distance. Face-to-face contact is essential. In addition, US firms should seek a local sponsor, agent, or partner with sufficient access and influence in those circles most relevant to that particular business.

In addition to personal relationships, price remains most often the dominant-buying factor. For US firms selling to traders, which are the dominant business type in the UAE, there is no substitute for price. Government procurement also places heavy emphasis on selection of the low bidder, as long as the lowest price bidder is compliant with all technical specifications.

Even though the UAE is relatively less conservative than some other Gulf States and English is widely spoken, sensitivity to local traditions and Islamic beliefs is essential. The use of Arabic in packaging and advertising is both desirable and effective (and sometimes mandatory) in marketing consumer goods.

US manufacturers and exporters enjoy an excellent reputation for product technology, quality and durability and the US market share is expected to increase. US companies

face tough competition from European and Asian companies in the UAE, who generally have a larger presence in the region and/or offer comparable products and services at very competitive prices. Providing after-sale maintenance services is essential and US companies are advised to establish a presence in the UAE to be able to compete. In general, US companies with a manufacturing presence in the UAE or in any of the GCC countries are most likely to be able to compete in the UAE market, given the relatively low cost of production compared to other places.

Electronic Commerce

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The UAE can still be considered a cash-based country. A few private companies do offer this service but one cannot consider this to be a country very developed in e-commerce. A number of departments of the local government have successfully begun to offer e-services but in large part payment for these services is via pre-paid cards.

eCompany, a wholly owned subsidiary of the national monopoly telecommunication company, Emirates Telecommunication Corporation (or Etisalat as it is commonly known) has been approved by the UAE Cabinet of Ministers to be the sole Certification Authority for the UAE offering PKI based solutions required in an e-commerce environment.

Trade Promotion and Advertising

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Please click on the link below for the information on Trade Promotion and Advertising

http://www.buyusa.gov/uae/en/trade_promotion_advertising.html

Pricing

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For consumer goods, price is the primary buying factor for the middle and lower classes. These market segments are served through small stores and shops in traditional souks, or markets. Retailers in this category operate under razor-thin margins--1% or 2% is common--and rely on volume. At the other end of the scale are the segments of the society with large purchasing power made up of the majority of the UAE nationals and businesses and tourists. For this group, price is not a primary buying factor and retail margins are exceptionally high. These segments are serviced through specialty shops. US exporters must be ready to use pricing aggressively to encourage market acceptance of their products main features.

The average importer markup on food products is about 10-15%. Retail food prices are generally 20-25% above import/wholesale prices.

Price plays a major role in the decision making process on all major government and commercial purchases. Companies bidding on government tenders submit Technical

and Commercial proposals that are reviewed and evaluated separately. Despite the fact that the technical aspect weighs heavily with some of the more performance driven semi-government entities like the Abu Dhabi National Oil Company and the local utility companies, price continues to be a determining factor.

The relatively higher prices of US products and services can be attributed to higher quality and higher transport costs and is also an important factor making Indian, Chinese, Korean, and Japanese suppliers more competitive in this market. European companies are known to offer quality products in certain fields but because of the soaring Euro over the last year, they have been a lesser threat to US exporters.

Sales Service/Customer Support

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The commercial and industrial markets are very competitive. For these markets price is also a key purchase factor, but quality, durability, and after-sales service are increasingly becoming dominant determinants for purchases by government and business. The increasing emphasis on after-sales service favors those products backed by local distributors with adequate part stocks and routine maintenance capabilities. The training of qualified maintenance and repair personnel is a critical marketing factor when catering to the more sophisticated end of the market.

Protecting Your Intellectual Property

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Several general principles are important for effective management of intellectual property rights in UAE. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in UAE than in the U.S. Third, rights must be registered and enforced in UAE, under local laws. Companies may wish to seek advice from local attorneys or IP consultants. The U.S. Commercial Service can often provide a list of local lawyers upon request.

It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in UAE. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist, there is little it can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in UAE require constant attention. Work with legal counsel familiar with UAE laws to

create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IPR and stop counterfeiting. There are a number of these organizations, both UAE or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IPR Resources

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at **www.StopFakes.gov**.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For US small and medium-size companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: **http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html**
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: **www.StopFakes.gov** This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers UAE at: **<http://www.buyusa.gov/egypt/en/ipradvisoryprogram.html>**

IPR Climate in UAE

In the past few years, the UAE government has shown a strong commitment and became the leader in the region in strengthening Intellectual Property Rights (IPR) enforcement in its ongoing bid to attract regional and international investment and trans-

shipment. The UAE is a signatory to the World Trade Organization (WTO) and Paris Convention for the Protection of Industrial Property. The UAE government has passed new IPR laws and stepped up enforcement actions aimed at reducing or eliminating such practices, and bringing its IPR regime up to international standards. In the area of software, the UAE is considered by industry watchers as having one of the best records on copyright protection in the region. In Trademarks, the law provides that owner of the registration shall enjoy exclusive rights to the use of the trade as registered and can prevent others from using an identical or similar mark. The UAE government has also show commitment in the enforcement of pharmaceutical patent rights. (For more details see Chapter 6 "Investment climate".)

Due Diligence

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One of the most important issues to US companies contemplating establishing agency relationships in the UAE is their prospective ability to terminate a registered agency. It is very difficult for US firms to terminate their agreements with local companies. To date this has happened only after the US company has paid considerable amounts of money to buy their way out of an agreement. UAE Law provides the right for local companies to maintain their agencies irrespective of any specific performance criteria that may have been agreed by the parties and the UAE courts have repeatedly affirmed this right. In other words, establishing justified cause for termination of an agreement before the concerned authorities may be impossible, even in cases where the agent has failed to perform. The best protection is serious research and due diligence prior to embarking on an agreement. Further, an agreement should be done only after receiving competent legal advice on how to structure the document. Depending on the agreement, a few of the items that should be specified are the performance measures for the local agent, the length of the contract, and listing of projects covered by the contract.

The US Commercial Service in the UAE can assist companies with performing due diligence through the purchase of an International Company Profile (ICP). The ICP helps U.S. companies evaluate potential business partners by offering a detailed report on U.A.E companies. ICPs provide information related to ownership and management structure, business activities, foreign companies represented, reputation in local market, and a specialist's opinion on the relative strength of a local firm and its reliability.

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Aircraft & Parts

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	2005	2006	2007 (estimated)
Total Market Size	2,300	4,500	4,905
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	2,300	4,500	4,905
Imports from the U.S.			

The above statistics are unofficial estimates in millions of US dollars.

Exchange rates used US\$1 = 3.673 Dirhams.

- Note: Re-exports indicated where total imports exceed market size.
- Growth could vary significantly as against our projected figures.

The UAE has benefited from the general economic boom, whose thriving economy is fuelled by high oil prices and the rapidly growing tourism industry. With the Middle Eastern countries now looking to tourism to help diversify their economies, the region's aviation sector is also growing at a very fast pace. The air transport industry in the Middle East is experiencing the fastest rate of expansion in the world.

At the 10th Dubai Air Show in 2007, Dubai's national carrier Emirates, announced a nearly US\$100 billion in sales and brought the world attention to the Middle East airlines. Airbus reportedly logged 297 orders of narrow and wide-bodies aircraft and Boeing 155 during the five-day show held in Dubai. Longer-term developments also gathered apace during the air show as Dubai Aerospace Enterprise (DAE) and Mubadala, two state owned firms with ambitions to develop service-based aviation industries signed numerous partnerships. Boeing, Northrop Grumman, Lockheed Martin, EADS and CAE anticipate working relationships with the two UAE firms in the future. Mubadala Development Company and Germany's Lufthansa Technical Training intend to set up an aviation training center in Abu Dhabi. Dubai World Central Aviation City will have the world's largest maintenance, repair and overhaul (MRO) center in Jebel Ali. Spatial Aviation Safety Training Academy will build the US\$37 million, 14,000 square meter facility to cater to commercial airlines, private and corporate jet operators and light fixed wing crew. Mubadala Development Company and EADS are in talks to manufacture composite materials used in the modern commercial aircrafts in Abu Dhabi.

The United Arab Emirates has acknowledged the importance of aviation as a vital artery that links it to the rest of the world. Building on centuries of tradition as a trading hub in the path for Africa, South Asia and the Gulf, the modern UAE offers a highly energized business environment coupled with the infrastructure and resources to service the full spectrum of global business needs.

Abu Dhabi and Dubai are in an era when they function as major hubs for airlines from across the globe. Dubai World Central International Airport is a new airport under construction near Jebel Ali. It will be officially known as Al Maktoum International Airport. It will be the main part of Dubai World Central, a planned residential, commercial and logistics complex scheme. Dubai World Central is the world's first truly integrated logistics platform, with all transport modes, logistics and value added services, including manufacturing and assembly, in a single bonded and Free Zone environment. Built for the future, Dubai World Central International Airport has been designed to handle all next-generation aircraft, including the Airbus A 380 super-jumbo. Up to four aircraft will be able to land simultaneously, 24 hours a day, minimizing in-air congestion. The region's biggest airport, Dubai World Central will include six parallel runways, 4.5 km in length, multiple concourses, 16 cargo terminals and 12 million ton capacity.

The growth and transformation of UAE into a major business and tourist hub is also evident by the tremendous increase in passengers, cargo and aircraft movements over the past few years.

Dubai International, the aviation and cargo center of the Middle East and the world's emerging hub, was the world's fastest growing airport in 2007 in terms of international passenger throughput with a growth of 19.31 per cent. The airport handled a total of 34.34 million passengers; well over the projected 33 million for the year.

The record growth is likely to propel Dubai International higher on ACI's (Airports Council International) list of the world's busiest airports (in terms of international passengers). In 2006 Dubai International was ranked 10 on the list with a passenger throughput of 28.78 million.

Emirates Airlines, one of the world's most profitable international airlines, has a fleet of 113 (+194 orders) to 88 destinations in 55 countries. Etihad Airways, the three-year-old

UAE national carrier, currently operates a fleet of 38 (+65 orders) to 44 destinations. The first low cost carrier in the region Air Arabia has a large network to 37 destinations. The emirate of Ras Al Khaimah has recently launched UAE'S fourth national carrier RAK Airways.

Best Prospects/Services

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The most promising sub-sectors within this sector, with the estimated 2007 total market size of each in millions of US dollars:

Aircrafts	2,725
Engines – Aircraft	1,090

Opportunities

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It is difficult to forecast in this sector, because a single contract by Emirates or Etihad Airways for aircraft can alter the statistical estimates.

Resources

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Major trade fair:

Dubai Air Show November 15-19, 2009 - www.fairs-exhibs.com/airshow05/index

Dubai Heli Show November 10 – 13, 2008 – www.dubaihelishow.com

Abu Dhabi International Defense Exhibition & Conference (IDEX) 2009 –February 22-26, 2009, www.idexuae.com

E-mail: minila.mathews@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Oil & Gas-Field Machinery Services

Overview

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	<u>2006</u>	<u>2007</u>	<u>2008 (Estimated)</u>
Total Market Size	3,200	4,000	4,000
Local Production	0	0	0
Exports	180	250	250
Imports	3,020	3,750	3,750
Imports form US	1,360	2,000	2,000

The above statistics are unofficial estimates in millions of US dollars.
Exchange rates used US\$1 = 3.673 Dirhams.

The UAE pumped around 2.6 million barrels of oil per day (b/d) in 2007, somewhat less than its production capacity of 2.9 million b/d, and has plans to raise its daily production capacity to 3.5 million b/d by 2009 and to over 5 million b/d by 2014. The country's proven crude oil reserves stand at 98 billion barrels, or around 8 per cent of the world's total reserves. Abu Dhabi holds 94 per cent of this amount, or about 92.2 billion barrels. Dubai has an estimated 4 billion barrels, followed by Sharjah and Ra's al-Khaimah, with 1.5 billion and 100 million barrels of oil, respectively. The country's gas resources are estimated at 6.5 trillion cubic meters, the fifth largest after Russia, Iran, Qatar and Saudi Arabia.

Dubai produces around 140,000 b/d of oil (6 per cent of the country's production) and substantial quantities of gas from offshore fields (with a major condensate field onshore); Sharjah is the third UAE hydrocarbon producer. On the East Coast, Fujairah is the second largest bunkering port in the world (handling about 1 million tons of fuel from neighboring countries per month). Natural gas has been gaining in importance as a local energy source, particularly with the Dolphin Energy gas pipeline from Qatar coming on-stream, and it is increasingly used by households and local industries, including for power generation and water desalination. Exports of gas have also increased.

Oil and gas production in Abu Dhabi is primarily handled by the Abu Dhabi National Oil Company (ADNOC), or by subsidiaries in which ADNOC is the majority shareholder in partnership with international companies. The sharp rise in oil and gas prices on world markets, which began in 2004, continued through 2006 and into 2008, resulting in higher than anticipated revenues from oil and gas sales. The industry is making significant investments to upgrade drilling, processing and transport facilities so that strong demand can be adequately met. A measure of just how important the UAE's oil production is in terms of world supply is illustrated by the fact that the UAE is the world's sixth largest oil exporter and supplies 26 per cent of Japan's oil imports.

The UAE is pushing ahead with mega projects to lift its oil capacity above five million barrels per day within six years and maintain its position as one of the world's top crude suppliers. ADNOC sources report that a large part of the increase would come from Umm Shaif and Upper and Lower Zakum fields.

A surge in its petrodollar income has encouraged the UAE to step up hydrocarbon projects, which also involve gas, refining and petrochemicals.

Abu Dhabi has already awarded contracts to several foreign companies to develop its oilfields within long-term plans to expand capacity.

Industry sources put spending on the hydrocarbon sector at more than \$20 billion in the next five years. Investments have exceeded \$15bn over the past decade.

Best Prospects/Services

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Major Sub-Sectors	Estimated Market Size
Drilling and Equipment	1,000
Liquid Natural Gas Equipment	800
Storage and Pipeline	200
Chemicals	300
Instrumentation	200
Petrochemical Equipment	200
Services (Oil & Gas)	1,800

Opportunities

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OIL

Lower and Upper Zakum

ADMA-OPCO aims to boost oil output capacity at its Lower Zakum oilfield by 100,000 b/d by 2010. The field produced around 280,000 b/d in 2006. The project will take capacity at the field from a projected 325,000 b/d in 2008 to 425,000 b/d in 2010.

In early 2006 ExxonMobil was formally awarded a 28 per cent equity interest for 20 years in Abu Dhabi's Upper Zakum oil field, the world's fourth-largest oilfield. ADNOC retained a 60 per cent share in the field and Japan Oil Development Company (JODCO) continues to hold the remaining 12 per cent. Upper Zakum contributes significantly to Abu Dhabi's production and has potential for substantial production growth. ExxonMobil, with ADNOC and JODCO, will provide support to the joint operating company ZADCO, which aims to increase production to around 750,000 b/d from a level of around 550,000 b/d in 2006. The US company is establishing an ExxonMobil Technology Centre in Abu Dhabi to apply the industry's most advanced technology to Upper Zakum in areas of reservoir management, well management and production operations. It will also provide support for training and personnel development.

Umm Shaif Oil Production

In late 2006 Abu Dhabi Marine Operating Company (ADMA-OPCO) signed the Engineering, Procurement & Construction (EPC) agreement for the Umm Shaif gas injection facilities (USGIF) project with Hyundai Heavy Industries (HHI) of South Korea. The project will enhance oil production with an average of additional 50,000 b/d by the

beginning of 2010 from the offshore Umm Shaif Field, which was the first UAE oilfield to come into production. This target will be achieved through gas injection of approximately 600million standard cubic feet/day into Arab C and D reservoirs. The new oil separation facilities will handle the anticipated increase in gas/oil ratio (GOR) and produced water from reservoir fluids.

This is a major development project costing around US\$1.6 billion and includes three new platforms and associated subsea pipelines along with cables, new bridges and tie-ins work at Umm Shaif Super Complex (USSC), in addition to major modifications of three existing gas wellhead towers in Umm Shaif Field. The Compression Platform (CP-1), to be located north-east of USSC, is the heaviest with an estimated total weight of 16,000 tons. The topside alone weighs more than 13,000 tons. A bridge platform weighing more than 8000 tons will connect the accommodation and utilities platforms. The third platform, weighing more than 9000 tons, will be located 100 meters away from USSC and will accommodate oil separation facilities. It will be linked to a new water disposal well. The 23 kilometers of sub sea pipelines vary in size from 15 to 75 centimeters in diameter. Planned completion date is mid-2010.

Habshan to Fujairah Pipeline

Work has begun on a strategic project that will pump oil from Habshan, in Abu Dhabi, across the country to the bunkering port of Fujairah, thus by-passing the Straits of Hormuz. The Abu Dhabi based International Petroleum Investment Company awarded the engineering and design contract of the US\$1 billion, 360-kilometre crude pipeline project to Worley Parsons in September 2007. The 48-inch pipeline will have a capacity to pump 1.5 million b/d. The project is due for completion by the second half of 2009. Germany's ILF Consulting Engineers was awarded a contract to manage the project.

Oil Refineries & their Products

Downstream development of refineries, petrochemical plants, and other related industries has created an integrated oil and gas sector. The UAE currently has five refineries with a combined capacity of more than 1.14 million b/d. The progressive build-up of refining capacity since the 1980s has made the UAE a sizeable net exporter of refined products; although their share in the total oil exports remains modest at about 10 per cent, it is on an upward trend. Furthermore, Abu Dhabi has been considering plans to further increase refinery capacity at Ruwais and also to build a new refinery at Fujairah. Four of the existing five UAE refineries are owned by the respective emirates; two are operated by Abu Dhabi Oil Refining Company (Takreer) and owned by ADNOC.

Takreer's refining capacity is now over 500,000 b/d, making it a major regional operator. Other refineries are in Dubai, Sharjah and Fujairah. Owned by Dubai Emirate, the Emirates National Oil Company condensate refinery (ENOC), which has a capacity of 120,000 b/d, began operations in Dubai in May 1999. The Fujairah and Sharjah refineries were not operating in 2006/07.

Petrol or gasoline prices are fixed by the UAE Government and are the same throughout the country. Gasoline of 95 and 98 octane is sold at fixed prices (Dh6.25 and Dh 6.75 a gallon in 2007), whilst all other domestically refined products such as diesel, jet oil, naphtha, bunkering oil, etc are sold at market rates. The 2007 price for diesel was Dh7.8

a gallon. Around 6 million tons of refined products per annum are sold domestically, while twice that quantity is exported.

Environmental Measures

In an effort to limit sulphur levels in the environment, the UAE Government issued directives to restrict sulphur in fuel to only 500 ppm from July 2007. In line with this policy, Emirates General Petroleum Corporation, Emarat, began marketing low sulphur gas oil (also known as diesel fuel or D-2 fuel) through its retail outlets.

ADNOC and its subsidiaries have led the way in terms of environmental protection and 'greener' solutions to industrial projects. Part of this policy has been a constant striving for cleaner fuels. It was with this in mind that Takreer recently installed a new catalytic reformer plant with a capacity of 12,000 b/d and an isomerization plant with a capacity of 19,000 b/d, improving the quality of refined gasoline and increasing capacity. The new units reduce aromatics and benzene content enabling production of higher grade fuels. Sulphur levels have also been lowered further by introduction of a new gas oil hydrotreater of 15,000 b/d capacity and also revamping the existing 22,000 b/d gas oil hydrotreater by changing the catalyst. The 'greener' diesel complies with UAE legislation and with the latest international specifications that are due to come into force in 2010.

Reduce, Recover, Reuse

Takreer recently acquired the cooperation of Japanese companies to enhance flare gas recovery. Agreements were signed by Takreer with the Japan Cooperation Centre, Petroleum (JCCP) and the Toyo Engineering Corporation (TEC). The flare gas recovery project is expected to take 25 months at a total cost of over US\$15 million. Implementation of the projects will reduce the emission of noxious pollutants, particularly combustion emissions such as nitrogen oxides (NO_x), carbon monoxide (CO) and carbon dioxide (CO₂). It also makes financial sense and is in line with the general trend of 'Reduce, Recover and Reuse', which is a catchphrase adopted by refineries worldwide.

GAS

The UAE is pumping billions of dollars into projects to boost its hydrocarbon production, establish more gas-related industries and increase oil extraction from its fields by gas injection. With its proven gas wealth exceeding 6 trillion cubic meters at the beginning of 2007, the UAE is the fifth largest gas power in the world and is one of the top LNG producers. Its sprawling LNG complex on Das Island produces in excess of 8 million tons per year. Increasing quantities of gas are being used to enhance oil recovery by injection into underground reservoirs.

The two Abu Dhabi companies directly involved in natural gas industry are Abu Dhabi Gas Industries Company Ltd (GASCO), onshore, and Abu Dhabi Gas Liquefaction Company Ltd (ADGAS), offshore. GASCO was founded in 1978 to process the associated gas of Abu Dhabi's onshore gas and then pump it to-Ruwais Gas Liquefaction Plant where it is fractionated and exported. ADNOC utilizes part of the GASCO-produced gas locally.

In recent years several major projects have been completed by GASCO. These include Ruwais Digital Control System (2001), Asab Gas Development Phase I (2001, 2000), Ruwais Upgrading Project including Digital Control System(2001),Maqta-Jebel Ali Gas pipeline project (2002), Onshore Gas Development Phase II (2002), Bu Hasa Integrated Control System (2005), and Habshan Ethane Recovery Maximization (2005).

In 2007 GASCO had projects costing more than US\$4 billion under development and scheduled for completion by the end of 2008. These are briefly discussed below.

The Onshore Gas Development Phase III (OGD-III) Project is designed to process 1306 million standard cubic feet per day (mmscf/d) of condensate rich gas (from the Thamama "F" reservoir) at Habshan and to produce 11,800 tons per day (t/d) of NGL (including 3400 t/d ethane) and 130,000 b/d condensate. Residue gas will be re-injected back into the reservoir for pressure maintenance purposes (gas cycling). EPC implementation of this OGD-III project is planned for completion by April 2008.

The Ruwais third NGL Train is designed to process the additional 24,400 t/d of NGL produced from OGD-III, AGD-II (Asab Gas Development – Phase II) and other projects and to produce about 6400 t/d of raw ethane for transfer to the petrochemical plant at Ruwais (Borouge), 6000 t/d each of propane and butane and 5800 t/d of pentane plus products. The project essentially comprises a new NGL fractionation train and new storage tanks for propane, butane and pentane plus. EPC implementation is expected to take place by May 2008.

AGD-II is designed to recover 400 t/d of NGL from the sour condensate-rich gas from the existing Asab Gas Plant (AGP). Residue gas will be re-injected back into the reservoir for pressure maintenance purposes (gas recycling). Main facilities include two trains for gas treatment and two for NGL recovery together with a new NGL pipeline from Asab to Habshan and other required facilities. EPC implementation of the AGD-II Project is scheduled for completion by September 2008.

The Habshan Gas Complex Expansion (HGCE) involves installation of enhanced gas processing facilities at Habshan to process additional associated gas produced by ADCO through their crude oil expansion projects at Bab and Bu Hasa and to introduce operational flexibility between Bu Hasa and Habshan. The project also includes installation of an acid gas enrichment unit (AGEU) for processing acid gas from OGD-III facilities as well as installation of two additional sulphur recovery units (SRU). EPC implementation of the project is due for completion by June 2008.

The Offshore Associated Gas Project (OAG) envisages transporting the excess offshore associated gas from Das Island through a 200- kilometer-long, 30-inch diameter offshore/onshore pipeline and to process it at Habshan. It will establish a strategic link between the offshore and onshore facilities. The project is being implemented through three separate EPC packages: one for the Das Island facilities, one for the offshore pipeline, and one for the Habshan facilities and onshore pipeline.

In addition to the above major developments, GASCO is preparing a master plan for the company and is involved with the Bu Hasa upgrade project, the Asab and Bab integrated control systems, the Bu Hasa–Habshan gas pipeline, gas supply to Al Ain Air College,

replacement of NGL pipelines, a new lean gas station at Bu Hasa and development of non-process buildings at Habshan.

GASCO's fellow company involved with Abu Dhabi's gas resources ADGAS is the Gulf pioneer in the field of gas liquefaction. Its plant on Das Island is unique worldwide in its ability to process both associated gas, which is a by-product of oil extraction operations, and natural gas extracted as a free product from gas reservoirs. ADGAS Plant's feedgas, both associated and non-associated gas, comes from Abu Dhabi's offshore fields. The company's plant comprises three process trains with an average annual production of 8 million tons of liquefied natural gas, liquefied petroleum gas, pentane and liquid sulphur.

In early 2007 ADGAS awarded Technip a lump-sum turnkey contract worth approximately US\$610 million for gas compression plants and associated facilities to be located at Das Island. The plant's facilities, which include compressor and booster stations, fuel gas treatment and gas dehydration units, will treat 211 mmscf/d of associated gases produced by offshore fields in Abu Dhabi.

Meanwhile, Abu Dhabi is using its abundant sour gas stocks to meet fast-growing domestic gas demand from power stations, homes and industries. With this in mind ADNOC planned a development of a major project estimated at over US\$10 billion to tap into the sour gas resources at the Shah field. Announcement on the chosen partner is expected in May 2008. The project is expected to deliver a minimum of 500 cf/d of gas, with future development of another major sour gas reservoir, at Bab, also under long term consideration.

Dolphin Gas Project

Dolphin Energy's major strategic initiative involves the production and processing of natural gas from Qatar's North Field, and transportation of the dry gas by sub sea pipeline across joint UAE Qatari waters to the UAE. The project began full operations in 2007, with gas flowing through its pipeline from the Qatar gas field to the UAE. A development and production-sharing agreement was signed in 2001 between the UAE Offsets Group and the State of Qatar, under which, initially, up to 2 billion standard cubic feet of natural gas were to be supplied from Qatar to the UAE daily. Dolphin's main customers are Abu Dhabi Water and Electricity Authority (ADWEA), the Federal Water and Electricity Company, the Oman Oil Company, and the Dubai Supply Authority. Dolphin's main shareholder is the Abu Dhabi government, with 51 per cent ownership, and two foreign partners, Total and Occidental Petroleum, each with 24.5 per cent of the equity.

The company's first initiative, the Al Ain to Fujairah pipeline, came on-stream in January 2004. The pipeline supplies the Fujairah Water and Power Plant on the UAE's East Coast, initially with natural gas from Oman, and subsequently with Dolphin gas from Qatar. In May 2005, Dolphin began to supply natural gas to Ra's al-Khaimah. The gas is delivered via a tie-in near Qidfa between Dolphin's Al-Ain – Fujairah pipeline and the existing Emarat gas pipeline network. In early September 2007 the company signed a gas sales agreement with Oman Oil Company (OOC) to deliver an average 200 million standard cubic feet of gas per day (mmscf/d) to OOC from early 2008.

Dana Gas

Dana Gas is the first regional private-sector natural gas company in the Middle East, established with over 300 founder shareholders from across the Gulf Cooperation Council (GCC) region, and some 425,000 investors from over 100 nationalities worldwide who submitted applications of over US\$78 billion over ten days in the company's regional IPO in late 2005. Headquartered in Sharjah, the company is listed on the Abu Dhabi Stock Market (ADSM) and possesses a network of offices in Saudi Arabia, Egypt, the UK, and Canada, with further offices opening throughout the Middle East. Dana has assets and projects in gas exploration and production, processing, transportation and marketing in several countries, and aims to play a major role in the rapidly growing natural gas business throughout the Middle East–North Africa (MENA) region across the entire natural gas value-chain. It plans to expand its activities in all elements of the value-chain, including upstream exploration and production; through the midstream transmission and distribution of gas, including LNG trading; and downstream into gas-related industries and petrochemicals.

In addition to working on implementation of existing projects in the UAE, Dana Gas recently acquired Centurion Energy, a Canadian company with interests in Egypt, for US\$950 million, marking its strategic entry into exploration and production and providing it with substantial oil reserves and further exploration potential of 26,300 square kilometers. It had immediate plans to drill 15 new wells in Egypt and announced its first successful oil strike at its Al Baraka-1 exploration well drilled in Komombo Concession in Upper Egypt in early September 2007.

The company also formed a new joint venture with Emarat to build, own and operate a 48-inch common-user gas pipeline with capacity of 1 billion cubic feet per day, to serve customers in the UAE. It also completed an acquisition to lead a consortium for development of the Gulf of Suez Gas Liquids Plant in partnership with the state-owned Egyptian Natural Gas Holding Company (EGAS) with processing capacity of 150 mmscf/d of natural gas and production of approximately 120,000 t/y of propane and butane in liquid form. The year also saw Dana Gas enter into strategic alliances with a number of companies from the region and internationally, including an alliance with Single Buoy Mooring (SBM) to develop a network of floating LNG receiving terminals, starting with a US\$200 million project in Pakistan.

RAK Petroleum

Established on 27 September 2005, and partly owned by the Ras al-Khaimah Government through RAKGAS, RAK Petroleum acquired in early 2007 the majority of the exploration and production assets of UAE-based Indago Petroleum. Another planned acquisition, of Gulf Keystone Petroleum, a firm with UAE links and with assets in Algeria, was not completed, following a failure to reach agreement with Algerian authorities. Shortly after the breakdown in GKP talks, RAK Petroleum announced that it had US\$300 to US\$800 million earmarked for acquisitions and was hunting for oil and gas assets in the Arab region and neighboring countries. One area of interest is believed to be East Africa.

Prior to being bought out by RAK Petroleum, Indago Petroleum entered into a joint petroleum concession agreement with the Ra's al-Khaimah government over the offshore Saleh field and relinquished the Ra's al-Khaimah onshore license. The Saleh concession area encompasses a field located 42 kilometers offshore and is a multi-well, multi-platform development that has been producing since 1984. After peaking at approximately 70 mmscf/d gas rate and 13,000 b/d condensate rate in 1986 the production has declined as a result of pressure depletion and encroaching water. Saleh production now currently averages approximately 100 b/d of condensate and small amounts of gas. The gas/condensate product is treated at the onshore processing plant in Ra's al-Khaimah operated by RAKGAS, which also processes production from the Indago-operated Bukha field, where significant new gas and condensate reserves were discovered in early 2007.

ALTERNATIVE ENERGY

Interest from both the government and the private sector in Abu Dhabi in sustainable energy has led to the establishment of Abu Dhabi Future Energy Company (ADFEC), which is investing several billion dollars in new projects in the next few years. The company is working with international partners on a range of projects, including ones to produce a clean bio-fuel; development and installation of photovoltaic systems in the region; carbon capture and storage (CCS) for enhanced oil recovery in Abu Dhabi, and other important environmental initiatives described elsewhere in this book.

ADFEC drives the MASDAR Initiative, a multi-billion dollar, multifaceted response to the need for a global focus on the development of advanced energies and sustainability-related technologies. MASDAR Special Free Zone (SFZ) will promote synergy between academic resources, research facilities, industry, the financial community, entrepreneurs and family businesses.

The UAE sees renewable energy sources as complimentary to traditional hydrocarbons, given the rapid growth in overall world energy demand. To help meet this demand, Abu Dhabi is leveraging its substantial resources and expertise in the world's energy markets to develop the technologies of the future.

Supported by partners that include many major energy and technology bodies such as BP, Shell, Occidental Petroleum, Total, Mitsubishi, Mitsui, GE, and Rolls-Royce, the MASDAR Initiative will focus on the development and commercialization of advanced innovative technologies in renewable energy, energy efficiency, carbon management and monetization, efficient water usage and desalination.

The new entity will operate in close cooperation with ADNOC, ADWEA, the Environmental Agency–Abu Dhabi (EAD), the Abu Dhabi Education Council and other relevant government departments. The project is expected to start by 2009 and begin to show results by 2015.

Sources at the Abu Dhabi National Oil Company (ADNOC) - <http://www.adnoc.ae> (also provides links to all ADNOC subsidiaries)

<http://www.datamediasystems.net> (subscription service that offers a comprehensive and updated list of projects in the energy and power sectors)

Sources at UAE Ministry of Energy: Tel: 971-2-612-6500 Fax: 971-2-627-2291 Email: mopmr@uae.gov.ae

Abu Dhabi Future Energy Company - <http://www.masdaruae.com/>

Pollution Control Equipment

Overview

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	2005	2006	2007 (estimated)
Total Market Size	335	402	462
Total Local Production	0	0	0
Total Re-Exports	10	18	20
Total Imports	345	420	482
Imports from the U.S.	145	170	195

The above statistics are unofficial estimates in millions of US dollars.

Exchange rate US\$1 = 3.673

- Note: Re-exports indicated where total imports exceed market size

In recent years, the UAE has taken significant steps to protect the environment. These include: the establishment of the Federal Environmental Agency (FEA) in 1993; the creation of the Environmental Agency for Abu Dhabi (EAD) in 1996, the establishment and the full implementation of the UAE Federal Environmental Law 24 of 1999, the adoption of programs by municipalities for better environmental practices, the creation of separate entities by the major industrial institutions for the protection of the environment, the treatment and disposal of solid and medical waste, the treatment of wastewater, air pollution and several other initiatives.

Considering the vast commercial and industrial developments and a population increase of approximately 10%. The UAE is also one of the fastest growing electricity industries in the world. Electricity generation doubled between 1995 and 2003, reaching 50 terawatt/hour (TWh). The per capita electricity generation, in excess of 12000 kilowatt-hour (kWh) is higher than the OECD average. Natural gas fuels over 99 percent of total electricity generation, the remainder being based on oil. Electricity generation in the UAE will continue to increase rapidly over the current decade, at 5.6 percent per year on average. Moreover, the UAE is the Middle East and North Africa's second-largest producer of desalinated water. Fuel requirements for desalination are expected to raise from 9 million tonnes of oil equivalent (Mtoe) in 2003 to 16 Mtoe, or nearly one-fifth of total primary energy demand in 2030.

All of the above puts more demand on the countries resources, thus requiring the government to invested several billions of US dollars by the turn of the decade in environmental and pollution control projects. These projects are linked to the oil and gas industries, conservation of water and power generation, waste management, land management, air pollution, and renewable energy.

Waste Water Treatment

The UAE production of water is approximately 510 million gallons per day of which 80 percent is desalinated seawater. An estimated US\$5 billion will be spent on improving water resources in the coming years because the need for water in general and desalinated water in particular, will triple to 713 million gallons per day by the year 2015.

Nearly all of the wastewater in the Emirate of Abu Dhabi is treated and re-used. The Emirate of Abu Dhabi has formed Abu Dhabi Sewerage Services Company (ADSSC) with assets valued at US\$2.45 billion was founded in 2005. ADSSC will be building four treatment plants to handle increasing volumes of waste from development. ADSSC recently announced the award of two contracts. One contract, a joint venture of the UK's Biwater Group, Kuwait's Mohamed Abdulmohsin Kharafi & Sons and the secibd ti local Al-Qudra Holding for two plants. This group will develop the 300,000-cubic-metre-a-day (cm/d) Al-Wathba plant in Abu Dhabi and the 65,000-cm/d Al-Saad facility in Al-Ain, under a build-own-operate-transfer contract. A French/Belgian joint venture of Veolia and Besix has been selected for a further two plants at Al-Wathba and Al-Saad, with the same capacity. Both groups will take a 40 per cent stake in project companies, which will then sign 25-year agreements with the government to develop the plants. Abu Dhabi Water & Electricity Authority will hold the remaining 60 per cent of the project firms indirectly. Australia's Cardno is advising Adwea on the technical aspects of the privatization program for its wastewater treatment plants. US law firm Dewey Ballantine and French bank BNP Paribas are advising on the legal and financial aspects respectively.

An award is also pending for a program to supervise ADSSC's US \$1.1billion strategic investment program to upgrade Abu Dhabi's sewers. The main component of the program is a 45-kilometre sewer tunnel, from the northern part of Abu Dhabi Island to the mainland. The tunnel will relieve pressure on the existing system serving Abu Dhabi Island and will allow for the eventual removal of existing pumping stations. It is hoped the scheme will reduce operating costs. Other works planned as part of the program involve upgrading treatment plants at Mafraq and Zakher, and the rehabilitation and upgrading of major trunk sewers and pumping stations. The entire scheme is expected to take seven years to complete.

Residents of Abu Dhabi may soon have to pay sewerage charges in addition to their water and electricity bills to offset the subsidy coming from the government.

The Drainage and Irrigation Department of Dubai Municipality has a sewage treatment plant in the Aweer area with a capacity for treating 330,000 gallons of sewage water per day used for irrigation of municipal parks and landscapes. The flow of effluent into this sewage treatment plant is increasing by up to 25 percent a year. It is now handling almost twice its original design capacity. The burden is also being increased by effluent trucked to Al-Awir from labor camps accommodating construction workers. According to Dubai Municipality, no less than 3,000 trucks carrying untreated sewage arrive in Al-Awir

daily. Dubai is building membrane-based water treatment plants to cover the shortage. Residents of Dubai are paying sewerage charges.

The Emirate of Sharjah has awarded a US\$540,000 turn-key contract for the construction of a sewage treatment plant at the housing complex within the Hamriyah Free Zone in Sharjah. This plant will be equipped to treat all sewage and wastewater within the complex at a capacity of up to 500 c/m of waste per day. The treated water will be later used for irrigation and landscaping. Residents of Sharjah are paying sewage charges.

The emirate of Ajman has constructed US\$140.2 million sewerage, through a BOT contract with Ajman Sewerage (Pvt) Co. The plant is comprised of a main 49,000cm/day wastewater treatment plant on the outskirts of the city, 22 individual and for the most part underground pumping stations, and a 250 km pipeline network to connect properties to the system. Ajman population will be required to pay connection fees to the company for cost recovery.

Two years ago The Emirates of Fujairah awarded to Tanqia (a local project developer largely owned by Infrastructure Capital Group and Mubadala Development Company) a \$150 million contract to build and operate a sewage treatment plant (STP) and associated network under a 33-year concession. The Fujairah government, which will be paying the developer a fee for collecting and treating the wastewater, will be charging the population of Fujairah a sewage fee. Tanqia appointed a German consortium of Bilfinger & Berger and Passavant-Roediger to undertake the plant and network construction and will operate the project. Phase I includes a central STP of 16,000 cm/d built to serve 44,000 residents in the concession area, 16 pumping stations and installation of a 95 kilometers of network. Phase 2 calls for the secondary network to be extended by 81 kilometers and a further 11 pumping stations. On completion, 72,000, or 90 per cent of the concession area's population will be served. A further 8,000 people will be linked to the network during the subsequent operating period. By 2013, the plant's capacity will be raised by another 8,000 cm/d and by the same amount again in 2027, effectively doubling the plant's start-up capacity.

Municipal Solid Waste

The UAE generates approximately 561,000 tons per day of solid waste, which includes household, commercial, industrial, animal, agricultural, and medical waste.

In 2004, the Municipal Solid Waste (MSW) collected in the Emirate of Abu Dhabi amounted to about 670,000 tones. Abu Dhabi has privatized solid waste treatment and disposal services. In late 2006 it awarded a 10-year contract worth \$135 million for the design, construction and operation of a municipal solid waste management services for the whole of the Emirate to be completed in a period of 36 months. The contractor entered into a 10 years agreement with the Abu Dhabi Municipality to include a MSW composting facility at the Al Dhafra site, a new sanitary landfill beside the existing Landfill at the Al Dhafra site, and a new inert waste landfill area at the Al Dhafra site. Also included in the agreement are five transfer stations for MSW in the Western Region on the sites of existing dumpsites, a new sanitary landfill beside the site of the existing landfill of Ruwais, a green waste composting facility at the Ruwais site, upgrade of the green waste composting facilities at Liwa and Ghayathi. Transportation of waste between the different sites, in particular the transfer stations and the transfer and sorting facility to the sanitary landfills is also included in the agreement. A government

committee made up of Abu Dhabi Municipalities & Agriculture, Mubadala Development Company and the Environmental Department is overseeing the program. The committee's consultant is Germany's Fichtner. The Abu Dhabi Municipality contracted collection and transfer of MSW to private firms.

In 2006, Dubaj government launched Tadweer, a solid waste sorting and recycling facility, it was created as a private sector venture with Dubai Municipality as a strategic partner. Tadweer is a US\$136 million recycling facility that will treat 4,000 tones of MSW per day. Tadweer is considering recycling MSW into renewable energy using new innovative techniques to supplement the government's increasing energy needs, mainly electricity.

Private waste collection companies accounted for 49% of the General Waste collected in Dubai in 2003 and 53% in 2004. They are also involved in collection of construction & demolition (C&D) waste and are the sole collection service providers for hazardous waste and medical waste. Organized collection of recyclable material by private companies commenced in the early 1990s.

In 2005, the Emirate of Fujairah Municipality collected approximately 50,000 tons of MSW of which 30%-40% was sent to the Fujairah Fertilizers Factory to be processed into compost and the rest dumped into landfills. The Fertilizer Factory is a government owned facility established with the aid of an Italian company in 1986. The Fujairah Government announced plans for a new solid waste composting plant at their STP's site. The facility will use solid waste and sludge generated in the STP to produce high-quality fertilizer. The sludge will be treated with digesters developed by Passavant-Roediger to convert the organic mass into methane gas, water and stabilized sludge. The methane generated will in turn produce power for the plant, whose primary electricity source will be the Federal Electricity & Water Authority (FEWA).

Ras Al Khaimah generated 208,050 tons of solid waste in 2004, of which 325 tons are MSW and the rest is C&D Waste, green waste and tires. Ras Al Khaimah developed the first integrated waste management program for solid waste disposal in UAE and in the entire region, which is based on US EPA standards. Collected waste is transferred to a material recovery facility where all MSW is sorted for recycling and the remaining is sent to landfill in bales. It now only takes 5 truckloads of baled waste where previously the trucks took at least fifty trips to the landfill, reducing the pollution from the waste collection vehicles. The landfill has a gas recovery system, which has been operational since 2000-2001 and meets all US EPA stringent compliance requirements. The green waste, wood waste and the C&D waste go to inert waste landfill. There are future plans to start recycling green waste; wood waste and C&D waste.

In 2006 waste generated in the Emirate of Sharjah was 3000 tons from municipal solid waste [MSW] (generated from household sources); 16,000 tons from construction and demolition waste (CDW); and 1000 tons from industrial waste. Waste is delivered to Al Saja'a waste management site which is operated by Emirates Environmental Technology (EET) Co. LLC, and The Sharjah Environmental Company (Bee'ah). Al Saja'a's total capacity is approximately 25 million cubic meters. The volume of waste arriving at the site from the Emirate of Sharjah grows by around 14 percent every year.

The Emirate of Umm Al-Qaiwain has signed a contract with a private company to build a garbage disposal enclosure of an international standard. The project will be built on a 400m x 600m area and should be complete soon.

Abu Dhabi National Oil Co and its group of companies are addressing vital environmental issues under their new Health Safety and Environment (HSE) policy and objectives. These include elimination of hydrocarbon flaring, abolition of continuous venting of hydrocarbon disposal, optimization of land use and energy resources, and re-injection of produced water and other effluents. HSE also examines ways to minimize the use of oil-based muds and the disposal of drilling muds and cuttings, so as not to contaminate the environment. It also looks at reducing and controlling solid and other wastes, including treatment and disposal as per international standards. Most importantly, HSE not only plans the clean up of oil and chemical spills, but also works to prevent them.

Medical Waste

Approximately 21.5 tons per day of medical waste, including infectious and non-infectious wastes, are generated in the UAE. This figure is expected to increase to more than 35 tons per day by 2015 due to the population growth and the subsequent increase in the number of medical and healthcare facilities, not only in the urban areas but in rural areas as well. It is worth mentioning that several new government and private hospitals are in the pipeline.

A Royal Decree was issued in 2002 on medical waste from medical facilities in the UAE. The decree calls for a total ban on the disposal of medical waste in containers not designed for this purpose. It stipulates that all health centers should separate their medical waste from other waste material, and then dispose it in specially designed containers supplied by the municipality

Medical waste in the UAE is simple as it is mainly generated by hospitals, clinics, pharmacies, drug manufacturing facilities and laboratories

In Abu Dhabi there are currently only two private companies that collect, transfer and treat medical waste by non-incineration techniques. The performance of these companies has been below international standards and their replacement is imminent. The Government in Abu Dhabi is investigating the possibility to tender a BOT contract for contractors to handle medical waste from the collection stage to treatment and disposal based on international standards using new approved techniques.

In Dubai there are three private companies that collect waste from private medical facilities and transfer the waste to Jebel Ali for incineration at Municipality Facilities. Ministry of Health and Dubai Department of Medical Services collect and transfer their own medical waste to the Jebel Ali Facility for disposal. Recently, Dubai Municipality signed a deal with a local group to build the UAE's first vertical medical incinerator plant for the safe treatment of medical waste. The incinerator will be located in Jebel Ali Free Zone area and will have a treatment capacity of 20 tons per day.

In The Emirate of Sharjah, handling of medical waste is still not 100% regulated. Sharjah Environmental Company, a limited liability company that handles all of the Emirate's solid waste, handles medical waste. The company's treatment/recycling

facility will begin operating by the beginning of 2008, but currently the medical waste is being incinerated at a municipality facility.

Medical waste in Ajman, Umm Al Quwain, Al Fujairah and Ras Al Khaimah Emirates is collected and transferred by private companies to Municipality incinerators. Ministry of Health (MOH) hospitals in these Emirates transfer their own medical waste to municipal incinerators for disposal.

The government has placed certain rules and procedures for medical waste management, although they are not endorsed as a federal law. These rules and procedures require all health installation to dispose any medical waste in containers prepared for this purpose, to segregate their medical waste from any other wastes, to sort their medical waste according to the 6 groups mentioned above, and to pack waste in packages or containers made for this purpose. Companies in charge of medical waste transportation should be qualified and licensed operators and should pack, transport and store medical waste according to internationally approved standards. Licenses for medical facilities are not renewed until they provide copies of valid contracts for the collections of their medical waste with licensed medical waste transport companies.

Air Pollution

The main source of air pollution in the UAE is the oil and gas industry, followed by the power and transportation sectors. Also the UAE has a relatively high, naturally occurring level of particulate matter in the air. In the Emirate of Abu Dhabi, Environment Agency of Abu Dhabi (EAD) is about to complete the third phase of a four-phases, emirate-wide, air quality monitoring and management project. So far, it has collected baseline data, analyzed emissions and dispersion patterns, determined optimal number and locations of monitoring stations, and are in the process of establishing the monitoring network. Abu Dhabi National Oil Company (ADNOC) is in the process of installing six ambient air quality-monitoring stations at selected locations, and also installing on-line stack monitoring devices for selected emission sources.

EAD controls air emissions through pollution permits and inspection of industries, projects and activities. A model project to introduce compressed natural gas (CNG) into Abu Dhabi Emirate is being implemented by ADNOC under the supervision of a technical committee formed by the Executive Council and headed by EAD. Unleaded gasoline was introduced in the UAE in 2003, and leaded petrol was phased out

The UAE is well known for the construction of building towers. Buildings that are 15-20 years old are knocked down and replaced by new, taller ones. Dust resulting from the demolition of old buildings is enormous. However, the used iron bars are recycled by smelters in order to be re-used while cement fragments are crushed and treated for re-use in landfill operations.

The Federal Environment Agency and the General Secretariat of Municipalities spend millions of dollars annually on environmental feasibility studies, awareness campaigns and development of human resources for carrying out environmental missions.

Article 4 of the UAE Federal Environmental Law #24, mandates that the implementation of any project in the UAE requires an Environmental Impact Assessment (EIA) This is

done to ensure that the project does not adversely affect the environment. An application for an environmental permit has to be submitted for any proposed project by the project proponent/owner to the (EAD), which will decide whether the project needs a comprehensive EIA, a limited EIA or no EIA. Once it is decided that an EIA is needed, the project proponent (or his consultant) has to prepare the EIA scope of work. The latter will be reviewed by EAD, which approves the project based on the review of the EIA study report. EAD will also oversee the implementation of the EIA recommendation. Only pre-qualified consultants by EAD should carry out EIAs.

Environmental protection equipment and supplies that are locally produced are limited in the UAE. However, water pipes, fertilizers, cement, paper products, nylon bags, valves, and a few other items are locally produced. US manufacturers and exporters enjoy an excellent reputation for product technology, quality and durability and US market share is expected to increase. US companies face tough competition from the Europeans in the UAE, who generally have offices here and travel frequently to the region. Providing after-sale maintenance services is essential and US companies are advised to establish a presence in the UAE to be able to compete. In general, US companies with a manufacturing presence in the UAE and the GCC are most likely to be able to compete in the UAE market, given the relatively low cost of production. The UAE enjoys a free trade market system. An over-the-board custom duty of five percent applies to all imports with the exception of a few items. There are no restrictions on foreign exchange and money transfer operations.

Best Prospects/Services

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The most promising sub-sectors within this sector, with the estimated 2006 Total Market Size of each in millions of US dollars:

Wastewater	266
Solid Waste	138
Medical waste	40
Air pollution	18

Resources

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- UAE Federal Environmental Agency: <http://www.fed.gov.ae/>
- Environmental Agency – Abu Dhabi: <http://www.ead.ae/>
- Abu Dhabi Municipality: <http://www.adm.gov.ae/>
- Dubai Municipality: <http://www.dm.gov.ae/main.html>
- Sharjah Municipality: <http://www.shjmun.gov.ae/>
- Ras Al Khaimah Municipality: <http://www.rakmunicipality/>
- Local market contacts

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Medical Equipment

Overview

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	2005	2006	2007 (estimated)
Total Market Size	217	235	352
Total Local Production	11	12	25
Total Exports	7	8	15
Total Imports	235	255	392
Total Imports from the US	85	97	125

The above statistics are unofficial estimates in millions of US dollars.

Exchange rate US\$1 = 3.673

Note: Re-exports indicated where total imports exceed market size.

The UAE has seen remarkable progress in health care and comprehensive health programs have been adopted to meet the needs of UAE society. The UAE has a comprehensive, government-funded health service and a developing private health sector. Health care infrastructure has kept pace with other health care developments to ensure that adequate services are provided in the emirates. Both the Government and private sector expansion and upgrading are ongoing. The average annual growth during the next three years is estimated at 25 percent, due to the expansion in the number of hospitals and an increase in private health care facilities. The UAE's explosive population growth has benefited many sectors of the economy and the medical equipment industry is no exception. According to a government report, the UAE population is expected to surge to 6.6 million by 2010 if current growth rates are maintained.

In 1979 the UAE had only seven hospitals, currently there are 74 hospitals with a total of 8,950 beds and well over 110 well-equipped modern primary health centers (PHC) and 12 Mother & Child Health Care Centers. The MOH runs 15 hospitals with 2100 beds and 76 PHCs, General Authority of Health Services (GAHS) runs 12 hospitals with 1805 beds and 46 PHCs, Department of Health and Medical Services (DOHMS) runs four hospitals with 1524 beds and 20 PHCs. The Department of Defense runs three hospitals and Abu Dhabi National Oil Company (ADNOC) runs one hospital with 36 beds. The private owns the remaining hospitals including the two Iranian and maternity hospitals in Dubai and Fujairah. According to the MOH, in the UAE there are 1281 private clinics, 200 of which are dental clinics.

In 2001, The Health Authority-Abu Dhabi (HAAD) was established by a royal decree with a mandate to manage all the Ministry of Health hospitals and PHCs within the Emirate of Abu Dhabi. The aim of the HAAD is to upgrade and operate all of the Emirate of Abu Dhabi hospitals according to accredited international standards. It is said that HAAD has had an open budget over the past years, of which a major portion is spent on upgrading

current hospitals. On December 2007 HAAD launched SEHA, an independent, public stock company to oversee the operations of eight public hospital systems totaling 14 facilities, 2472 licensed beds, more than 55 primary health clinics and 14,350 employees in the Emirate of Abu Dhabi. SEHA (through HAAD) has an agreement with:

- Johns Hopkins Medical (JHM) for the management and operations of Tawam Hospital for the next 10 years whereby JHM will employ its medical expertise in the field of health services in the UAE. JHM will also be managing Al Rahba hospital, a 140 beds hospital 40 km away from the city of Abu Dhabi.
- Cleveland Clinic to manage Sheikh Khalifa Medical City (SKMC), a network of healthcare facilities in Abu Dhabi consisting of 700 beds Sheikh Khalifa Hospital, a 150-bed Behavior Sciences Pavilion and a 100-bed Abu Dhabi Rehabilitation Center, in addition to more than 12 specialized outpatient clinics and nine primary healthcare centers around the city of Abu Dhabi.
- Bangkok-based Bumrungrad International Limited (BIL) to manage Al Mafrag Hospital, a 460 plus beds hospital.
- University of Vienna for the management of the central hospital in Al-Ain. The hospital has 425 beds and treats 250,000 patients a year.

In June of 2006 the National Health Insurance Scheme was implemented based on a presidential decree, making it compulsory for employers and business owners in Abu Dhabi to provide health insurance for their expatriates employees and their families. In May of 2006, the National Health Insurance Company (Daman) in partnership with Munich RE Group was created to provide affordable health insurance schemes to all residents of Abu Dhabi.

The Ministry of Health (MOH) has federal responsibilities over the healthcare services in the UAE including managing the Northern Emirates healthcare system, excluding Dubai Emirate. Approximately five percent of the MOH budget is spent on medical machines, tools, and supplies. Currently MOH operates 13 hospitals with 2100 beds and 61 PHCs located throughout the Northern Emirates. MOH has started the construction of a 500-bed referral hospital, which will service the population of the Northern Emirates. The Ministry has an "International Doctors Visits Program" to bring doctors and surgeons with various specialties into the UAE with an annual budget of approximately US \$1.1 million. Under this program, an average of 65-75 doctors from the UK and US, as well as Germany and France visit the UAE each year and provide medical care to an average of 60 to 90 patients each. The number of surgical procedures depends on the specialty, but averages between 6 to 10 procedures per week. The MOH also announced that expatriates in the emirates of Dubai, Sharjah, Ajman, Umm Al-Qaiwain, Ras al-Khaimah and Fujairah will be covered by a mandatory health insurance system from early 2008 as part of a proposed federal insurance law. The draft law proposed by the health ministry is currently being reviewed by the Legislations Committee and it will soon be sent to the Cabinet for approval.

Dubai Department of Healthcare and Medical Services (DOHMS) was established in 1972 by the Ruler of Dubai to provide healthcare services in the Emirate of Dubai. DOHMS manages four hospitals, with 1504 beds and 20 PHCs & peripheral clinics distributed throughout the Emirate of Dubai. On June 2007 the Dubai Health Authority (DHA) was created following a Royal Decree mandating better healthcare services and facilities within the Emirate of Dubai to the benefit of all UAE nationals, residents and visitors. DHA implementation will be undertaken in phases and will take around four

years to complete. In the meantime the Department of Health and Medical Services (DOHMS) will continue to provide medical services. The DHA transition team is working closely with the Health Insurance Committee (HIC) on future financing arrangements for a national health insurance scheme for the emirate of Dubai.

The private sector is also developing steadily to become an important partner in providing comprehensive healthcare to the people in the UAE. Currently, there are more than 25 privately owned hospitals with 1000 plus beds and several more are coming up. The American Hospital, New Medical Center, Al Zahra Hospital, Welcare Hospital, Belhoul Apollo Hospital, Zulekha Hospital, Emirates Hospital, Al Noor Hospital, and others are some of the established private hospitals. Apart from the large private hospitals, patients also have the option to visit private polyclinics that house several specialties under one roof. Gulf Diagnostic Center and Dubai London Clinic are leading private polyclinic with about 50,000 registered patients. Moreover, there are 1019 privately owned clinics, covering all specialties.

Recent developments indicate that the private sector is likely to expand and play a bigger role in the healthcare industry, particularly because of the new health insurance schemes and the goal of the UAE government now to treat highly complex operations within the country, rather than sending patients abroad for treatment.

On November 5, 2002, Dubai launched the Dubai Healthcare City (DHC) project. This new project will create a global healthcare center in Dubai. The total cost of this project is estimated at US\$1.8 billion and is expected to be completed and fully operational by 2010. DHC will include medical education and a research center, specifically addressing postgraduate schools and on the job education and clinical research. It will include a leading and innovative business center leveraging the integration of technology and healthcare services (e.g. Tele-Health, E-enabled services). The DHC project consists of three medical clusters: 1) The University Medical Complex which includes a University Hospital, a Medical School, a Nursing School, and a Life Sciences Research Center; 2) The Medical Cluster which includes Day Clinics, a Specialized Diagnostic Laboratory, and a Rehabilitation Center; and 3) The Wellness Cluster which includes, Check-up Clinics and Sports Medicine. Phase I of the project has been completed and sold out. Ninety per cent of the planning for phase II, which is four times more than phase I, is completed and investment opportunities in this phase will be put on offer shortly. Total investments in phases I and II has been projected at US\$2.9 billion.

In 2007, the UAE market for medical equipment and supplies was estimated at US\$352 million, with US imports accounting for 35 percent of the total. With the recent increase in the Euro exchange rate, the demand for US medical equipment in the local market has increased noticeably. Major US imports are diagnostic, therapeutic and patient monitoring equipment, which are perceived to be high technology and state of the art. US medical equipment and supplies, as well as healthcare technology and services are considered to be highly reliable and are preferred. The US commands a major market share with regard to imaging and monitoring equipment, ventilators, and life support and operating theater equipment. Local production accounts for only 7 percent of the market for medical equipment and supplies. Only 4 percent of imports and locally produced medical supplies are re-exported. Aside from the US, the UAE imports medical equipment and pharmaceuticals from France, Germany, Italy, UK, Italy, Sweden, and Japan. Medical equipment carries a five percent import duty.

Best Prospects/Services

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The most promising sub-sectors within the healthcare sector, with the estimated 2006 Total Market Size of each in millions of US dollars:

Diagnostic equipment	77
Therapy & Rehabilitation equipment	61
Disposables	55
Monitoring Equipment	50
Medical Aids	33
Surgical	21
Other	55

Opportunities

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The following is an indicative, but not a comprehensive list, of opportunities available in the UAE in the healthcare sector:

Emaar Healthcare Group a subsidiary of Emaar Properties (a joint stock company listed on the Dubai Financial Market) announced that it has plans to build healthcare clinics in its existing Dubai developments including Arabian Ranches, The Meadows and The Greens. The company is also building a 60,000 square metre medical centre in the Burj Dubai development close to Dubai Mall. Omar Al-Shummar, executive director of Emaar healthcare said that they are looking for hospital operators who will be their strategic partners to build the facilities themselves. The healthcare division of the UAE's Emaar Properties is seeking to establish strategic partnerships to deliver 100 new hospitals, 500 health clinics and \$5,000 million in turnover over the next 10 years.

- The MOH has announced a new tender (closing date Feb 2008) for the construction of the Sheikh Khalifa specialist hospital in Ras Al-Khaimah. Public Works Ministry, Offices of the Executive Committee for Developing Rural Areas will oversee the construction of the hospital, which is a 500 bed hospital serving the rural areas of the Northern Emirates.
- Istithmar, a local investment house, has entered a joint venture agreement with Thailand-based Bumrungrad International to set up a 125-bed hospital on Shaikh Zayed highway, adjacent to Jumeirah Lake Towers. Total project costs are estimated at \$81.7 million and completion is due by mid 2008. Bumrungrad will operate the facility. Istithmar is also investing \$27.5 million in the parent company, Bumrungrad Hospital Public Company, and has signed a memorandum of understanding with Bumrungrad International to make a direct investment in the subsidiary, which is expanding in Asia.
- Al Naboodah Laing O'Rourke, a local company, has been awarded a \$572 million contract to build a teaching hospital at Dubai Healthcare City scheduled to open in 2011. The contract is structured as a partnering agreement that will see the contractor and client sharing responsibility for the delivery of the project. The 400-bed teaching hospital will be known as the Mohammed bin Rashid Al-Maktoum Academic Medical Centre, the 400-bed hospital is scheduled to open in 2011.

Mubadala Healthcare, a division of Mubadala Development Company that is specifically dedicated to investment in high value and economically sustainable projects that enhance the private healthcare infrastructure of Abu Dhabi and the UAE, has the following project in its pipeline:

- Cleveland Clinic Abu Dhabi (CCAD), a 360 bed (scalable to 490), multi-specialty facility located on Al Suwa Island, across from the Abu Dhabi Mall. The hospital managed by the Cleveland Clinic, will be an extension of the Cleveland Clinic model, providing a spectrum of specialty services that are designed to cater to the healthcare needs of Abu Dhabi and the region. It will provide a number of career opportunities, and the medical professionals will receive ongoing training directly from Cleveland Clinic.
- Sports City Medical & Diagnostic Center, a multi-specialty center providing a range of medical specialties as well as advanced diagnostic imaging; located at Zayed Sports City in Abu Dhabi and due to open in mid 2009. The center will include a 45 bed facility which will offer specialist reconstructive surgery and will be the first facility in the region to have a tissue bank.
- Molecular Imaging Center, a specialized molecular imaging facility including PET-CT and Cyclotron, located on the Tawam Hospital Campus, Al-Ain city; due to open in early 2009.
- Minhaal, the first dual-language online resource providing accurate and up-to-date medical information in both English and Arabic; launched in January 2008; www.minhaal.com.
- The National Reference Lab, a fully automated reference laboratory providing services to public and private health providers in Abu Dhabi and the UAE; due to open in late 2008.
- United Eastern Medical Services, Abu Dhabi's privately owned healthcare development & investment company, has signed an agreement with HKS, Inc. to provide architectural services for its new state-of-the-art 160-bed women and children's hospital to be build in Abu Dhabi.
- The Lifeline Hospital Group announced two hospitals the Workers Village in Mussafah and Al Raha in the Emirate of Abu Dhabi. The total investment of the two hospitals is \$50 million. The construction of the 80-bed Lifecare Al Raha is scheduled to be completed in July 2008. The 100-bed Lifecare Mussafah in Workers Village is expected to be ready by February 2009.
- The Health Authority of Abu Dhabi has a plans to replace the existing 425 beds Al Ain hospital in Al Ain City, which currently treats 250,000 patients a year. It will be built on a plot adjacent to the existing hospital and is expected to open by mid 2011.

Resources

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- Ministry of Health: www.moh.gov.ae
- Dubai Health Authority: www.dohms.gov.ae

- Health Authority- Abu Dhabi: www.haad.ae/
- Arab Health Exhibition & Conference: www.arabhealthonline.com
- Local market contacts

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Architecture/Construction/Engineering

Overview

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	2005	2006	2007 (estimated)
Total Market Size	369	440	519
Total Sales by local firms	77	92	108
Total Sales by foreign firms	292	348	410
Total Sales by US owned firms	90	102	120

The above statistics are unofficial estimates in millions of US dollars.
 Exchange rates used US\$1= 3.673 Dirhams.

The UAE has one of the most buoyant and dynamic construction industries in the world. Construction is the third largest sector of the economy, after oil and trade. The construction sector has been a primary beneficiary of the oil boom and surge in investment. The number of new and ongoing large-scale projects leads the sector to see robust growth for several years to come. Many of the new projects are in the services sector, including the expansion and refurbishment of the country's airports and the construction of new hotels and commercial buildings.

The three main emirates of construction activity in the UAE are Abu Dhabi, Dubai and Ras Al Khaimah, all of which have distinct infrastructure spending programs. The UAE real estate sector and construction sector are expected to post a growth rate of up to 24 per cent and 22 per cent by 2010 respectively.

The construction industry in the UAE is witnessing massive activity in the form of investments from private, public and government-based organizations. Major projects are being undertaken in areas related to airport and infrastructure development. Growth in tourism has led a large number of real estate developers, both local and foreign, investing in hotels, resorts and commercial projects such as parks and attractive spots for tourists.

The major ongoing projects in Dubai are the development of the metro rail system, Burj Dubai, the man-made Palm Islands. And in Abu Dhabi they are Saadiyat Island and the Al-Raha Beach.

The Abu Dhabi construction market is one of the most dynamic markets in the region, with clear indications of continued growth. Projects worth US\$10.16bn are already in various phases of completion, while US\$5.17bn has been invested for airport development, US\$3.45bn for road infrastructure projects currently being taken up.

Some of the mega infrastructure projects for Abu Dhabi are:

- Saadiyat Island – US\$27 billion
- The Al Raha Beach Development – US\$14.68 billion
- Shams Abu Dhabi project: – US\$6.8 billion
- The Abu Dhabi Airport Expansion – US\$6.77 billion
- The Mohammed Bin Zayed city – US\$1.36 billion
- The newly announced port and industrial zone at Taweelah – US\$2.17 billion

Some of the mega infrastructure projects for Dubai are:

- Bawadi –US\$54.4 billion
- The Waterfront Project –US\$50 billion
- Dubai Marina –US\$10 billion
- Dubai Festival City –US\$ 1.8 billion
- The Burj Dubai Development – US\$20 billion
- Dubailand – US\$5 billion
- International City – US\$2.5 billion
- Dubai Healthcare City –US\$1.8 billion

A recent government report outlined that over 1,800 projects, worth around US\$27 billion, are currently being carried on in the Gulf region. A succession of multi-billion-dollar projects has transformed Dubai and Abu Dhabi into modern and well-serviced centers of corporate activity.

The introduction of freehold property ownership by non-UAE and non-GCC residents has helped this industry grow. The UAE's geographic location makes it a prime candidate for investment. Investors look towards real estate as investment vehicles. The UAE has no constraints on architectural vision and the pace of construction is very fast.

The potential of the UAE's construction sector is being recognized globally. All major projects require international construction project management firms to supervise work execution. US companies enjoy an excellent reputation for such services. There are no regulatory /demand issues affecting the market for ACE services.

Best Prospects/Services

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The most promising sub-sectors within this sector, with the estimated 2007 total market size of each in millions of US dollars:

Civil engineering services	150
Petrochemical Engineering Services	98
Hotel A/C/E/services	67
Airport & port development	70

Resources

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Dubai Municipality - www.dm.gov.ae
Department of Economic Development - www.dubaied.gov.ae
UAE Contractor's Association - www.uaecontractors.com
Dubai Customs - www.dxbcustoms.gov.ae
Dubai Chamber of Commerce - www.dcci.ae
Gulf News - <http://www.gulfnews.com/home/index.html>

Major trade fair:

Cityscape – October 6-9, 2008 - <http://www.cityscape-online.com>
To be held in Dubai, U.A.E.
BIG 5 – November 23-27, 2008 - www.dmgdubai.com
To be held in Dubai, U.A.E.

E-mail: minila.mathews@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Computers / Peripherals

Overview

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	2005	2006	2007 (estimated)
Total Market Size	350	385	393
Total Local Production	0	0	0
Total Exports	117	128	131
Total Imports	467	514	524
Imports from the U.S.	42	46	47

The above statistics are unofficial estimates in millions of US dollars.
Exchange rate US\$1 = 3.673 dirhams.
Note: Re-exports indicated where total imports exceed market size.

Private and public sector entities try to keep pace with current technology and communication methods by using computer equipment in-line with what the current market offers. Computers of US origin are seen as attractive buys for those wanting quality products, as the margin of pricing is negligible when compared to a locally assembled machine. US manufacturers are looked upon as market leaders and will maintain their edge to the extent that they continue to be able to introduce state-of-the-art technology and products at competitive prices. A factor that has grown this market is the e-enablement of local government offices. The sole local ISP has also been trying to increase the number of users for Internet access. Growing awareness of the value of accessing the internet has augmented the home PC market, which is expected to further increase. Local governments are placing great emphasis on Information Technology (IT) being made available in public schools. Computer assembly plants in the Jebel Al Free Zone (JAFZA) assemble Acer and Supra brands. Such products, when brought into the UAE from JAFZA are considered imports.

The estimated recorded market share of 9% in 2006 for US computer imports into the UAE does not reflect the true picture, as US computer branded products are also imported from factories located outside of the US. Major competitors are China, Germany, UK, Japan, Taiwan and the Netherlands. There are no import restrictions for the computer industry. Effective January 1, 2003, customs duty became five percent. US companies need to obtain USG approval before exporting certain high-end sophisticated computer equipment to the UAE.

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Personal Computers	43
PC Notebooks	39
Networking Solutions	37
Computer Monitors	30
Multimedia Products/Upgrades	27
Modems	16
File Servers	15
Client Server Systems	13

Opportunities

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The UAE Federal government approved for a second telecommunications company to offer services in the UAE to start on February 11, 2007. Our late President, His Highness Sheikh Zayed bin Sultan Al Nahyyan, made the initial announcement, providing for a second telecommunication company to operate in the UAE in April 2004 via Federal Decree No.3. This decree abrogated the exclusive operation of the telecommunication sector by Etisalat, the sole service provider for the UAE.

The duopoly in the telecom sector in the UAE will offer opportunities for companies offering products to telecom operators. It was hoped the duopoly would introduce competitive pricing in the telecommunication sector. To date little price competition has been seen in the market.

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Emirates Telecommunication Corporation (Etisalat) – <http://etisalat.ae>
(The organization that pre-approves hardware/software that is used in-country for all telecommunication service.)

Comtrust – <http://www.eCompany.ae>
(Comtrust, the Digital certificate provider, which is part of eCompany, a fully owned subsidiary of Etisalat)

The Institute of Electrical & Electronics Engineers – <http://www.emirates.org/ieeee/>
(Computer Society, UAE Chapter)

Major trade fair:

MECOM – MAY 26-28, 2008 – www.mecomexpo.com
To be held in Abu Dhabi, U.A.E.

GITEX - October 19-23, 2008 - www.gitex.com
To be held in Dubai, U.A.E.

E-mail: anne.desouza@mail.doc.gov for additional information from the U.S.
Commercial Service for the UAE.

Air Conditioning & Refrigeration Equipment

Overview

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	2005	2006	2007 (estimated)
Total Market Size	393	491	565
Total Local Production	50	63	72
Total Exports	77	96	110
Total Imports	420	525	603
Imports from the U.S.	89	111	127

The above statistics are unofficial estimates in millions of US dollars.

Exchange rates used US\$1 = 3.673 Dirhams.

Note: Re-exports indicated where total imports exceed market size.

The combination of extensive construction activity, high population growth and harsh climatic conditions make the United Arab Emirates (UAE) an excellent market for air-conditioning and refrigeration equipment. Peak temperatures over 115 degrees F and high humidity across the region make cooling a necessity almost all year round, not a luxury. The current market trend is changing towards building new high-rise buildings and large-scale luxury hotels and residential apartments.

There are currently several new institutional development projects under construction. These new projects will generate a higher demand for air-conditioning systems in the UAE.

The market demand for complex centrally packaged air-cooled water chillers is constantly growing. The growth in size of the UAE air-conditioning industry has resulted in the establishment of major local manufacturers of central air-conditioning equipment.

The UAE market is very receptive to US central air conditioning equipment, because of their reputation for high quality, safety, brand recognition, and low maintenance requirements. The vast real estate growth foreseen in Dubai and Abu Dhabi in particular indicates further growth of demand on cooling systems, the latest of which is the district cooling system which is widely used throughout the UAE.

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2006 total market size of each in millions of US dollars:

Window Air Conditioning		100
Mini Split Air Conditioning		85
Central Air Conditioning		70
District Cooling		70
Cold Storage Equipment	60	

Opportunities

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The market demand for air-conditioning equipment in the UAE. is dependent on the construction industry. Market sources reported that the current boom in the construction sector is a direct result of the high return on investment and the introduction of freehold property ownership by non-UAE and non-GCC residents. These two factors provided a major boost to the property development industry that began in 2003.

Resources

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Major trade fair:

BIG 5 – November 23-27, 2008 - www.dmgdubai.com

To be held in Dubai, UAE.

E-mail: minila.mathews@mail.doc.gov for additional information from the U.S.

Commercial Service for the UAE.

Building Products

Overview

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	2005	2006	2007 (estimated)
Total Market Size	1498	1800	2070
Total Local Production	96	100	115
Total Exports	154	157	180
Total Imports	1556	1867	2147
Imports from the U.S.	68	85	97

The above statistics are unofficial estimates in millions of US dollars.

Exchange rates used US\$1 = 3.673 Dirhams.

Note: Re-exports indicated where total imports exceed market size.

The surge in construction activities in the UAE and across the region has brought about an unprecedented demand for building material products.

The construction industry is one of the most active sectors of the UAE economy. The construction and tourism industries are the two major sectors of the local economy that will continue to generate high demand for building products.

The level of construction activity in the country largely influences the UAE import market of building products. Local market demand for building products is growing rapidly as public and private sectors are offering tenders for the construction of diversified commercial, residential, and institutional buildings. Projects include construction of new

high-rise commercial/residential buildings, houses, hotels, beach resorts, hospitals, schools, roads, public parks, shopping malls, and a major airports expansion. The UAE building products industry continues to offer good export opportunities to U.S. suppliers. Local importers and distributors of building products indicated that U.S. manufacturers/suppliers have an excellent reputation for supplying quality-engineered products and foresee an increase in the U.S. market share. The primary reason for this expected growth is due to the satisfaction among end-users with the quality of U.S. building products.

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2007 total market size of each in millions of US dollars:

Steel and Iron Bars	1123
Wood & Wood Products	304
Hardware Products	195
Ceramic Products	103
Plumbing Products	74
Architectural Glass	66

Opportunities

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The several projects announced by each of the emirates in the UAE, is expected to cause a ripple effect for the demand for building products.

Proposed projects for the next five years, will cover residential, commercial and government projects and include expansion of Dubai and Abu Dhabi International Airports (US\$6 billion), three Palm Islands (US\$3 billion), Dubai Festival City (US\$1.8 billion), Dubai Port Expansion programs (US\$1.3 billion), Jumeirah Beach Residence (US\$1.4 billion), Dubai Healthcare City (US\$1.8 billion) Emaar Development Properties (US\$7 billion), Dubai Metro Project (US\$ 3.39 billion) and Bawadi (US\$54.4 billion).

Resources

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Major trade fair:

BIG 5 – November 23-27, 2008 - www.dmgdubai.com

To be held in Dubai, U.A.E.

E-mail: minila.mathews@mail.doc.gov for additional information from the U.S.

Commercial Service for the UAE.

Sporting Goods/Recreation Equipment

Overview

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	2005	2006	2007(estimated)
Total Market Size	145	174	200
Total Local Production	0	0	0
Total Exports	62	71	81
Total Imports	207	240	276
Imports from the U.S.	26	30	34

The above statistics are unofficial estimates in millions of US dollars.

Exchange rate US\$1 = 3.673 dirhams.

Note: Re-exports indicated where total imports exceed market size.

The UAE has a population of 4.5 million of which 85 percent are expatriates. With tax-free income and one of the world's highest per capita incomes, the country's leisure retail outlets will increase dramatically. Inbound tourism, which is actively supported by the Government and the move towards a five-day week by the Government, would also increase the time spent by both locals and expatriates on leisure and sporting activities. Moreover the extensive involvement of the Ministry of Youth & Sports in every conceivable sport and leisure activity would lead to an increase in activity in this sector of industry

The Middle East sporting goods & stadium equipment market alone is today worth US\$2billion, with a share of 2.5% of the global market. Its incremental growth rate of 23% each year has been attracting a number of importers to the region. The Middle East has been billed as one of the world's fastest growing regions for travel and tourism. Dubai alone has forecasted a target of 15 million visitors by 2010, making the Middle East a prime destination for the Sports, Fitness/Health and Leisure Industry.

Today, both government and private companies have begun putting infrastructure in place to turn UAE into a viable travel destination by building and operating theme parks, indoor family entertainment centers, edutainment centers, hotels, etc. The Ski dome in the Mall of the Emirates in Dubai attracts the local population and also tourists from across the globe.

The announcement of Warner Brothers to expand its entertainment empire to Abu Dhabi, by opening a theme park in the wealthy Gulf emirate aims to make it an international center for art and culture. A hotel, several multiplex cinemas and a joint film and computer game development fund will also be created under the deal struck between Warner Brothers, the Abu Dhabi Media Company and real estate developers Aldar. Work on the theme park and hotel is expected to begin in 2009, while the cinemas are due to open in the first quarter of 2010.

US-based Universal Studios will operate Universal City situated at Dubailand. With a theme park based on scenes from famous movies such as Jurassic Park and King

Kong, the entire Universal City project will cost over \$2 billion and cover an area of more than 20 million square feet. It will include more than 4,000 hotel rooms and 100 restaurants and retail stores. Completion is scheduled for 2010.

DreamWorks is an innovative leader in the leisure and entertainment industries. DreamWorks Animation SKG has signed an AED 1.8 billion (500million US Dollars) agreement with Dubailand to develop its first unique theme park. The theme park will be developed over a 5 million sq ft area in Dubailand and will open by 2012.

The annual Dubai Desert Classic Tournament held at the state-of-the-art Emirates Golf Club, featuring the world's top professional golfers, has placed UAE on the Golf world map, turning Dubai into a favorite golfing destination for professionals and amateurs alike. The announcement by Tiger Woods and Sergio Garcia to design and develop their own golf courses, the completed golf course designed by Ernie Els and the golf courses designed by Greg Norman and Vijay Singh, which are underway, will add impetus to the golf industry.

The Dubai Duty Free Tennis Open attracts the world's top ranking male and female tennis players, as part of the ATP tour. This event has given the UAE recognition in professional tennis circles. The Dubai World Cup, termed as the world's richest horse racing event, has brought the country coveted Group One status. The event is now on par with the world's best horse racing events. Featuring 16 of the Best Sevens nations in the world, the Dubai Rugby Sevens has grown into a magical sporting event that attracts fans from around the globe. Sponsored by the Emirates Airlines, this is an event held annually.

The shallow waters of the Gulf provide the ideal environment for water sports. As a result the most sophisticated forms of Powerboat racing as well as Snorkeling and Scuba diving can be enjoyed here.

Motor sports are gaining popularity; the racing and rally events held in the Emirates are the UAE International Rally and the Dubai International Rally.

Scores of other sports - from Football, Cricket, Chess, Rugby, Shooting, Polo, Basketball, Volleyball, Badminton to Pigeon Racing, Ice Skating, Formula One Indoor, Go-Carting, Sailing, Sand surfing, Water sports and Motor sports enjoy increasing popularity and participation leading to increase in demand for Sporting Equipment.

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2007 total market size of each in millions of US dollars:

Fitness Equipment	40
Amusement Park/Outdoor Playground Equipment	31
Video Games	16
Golf Equipment	7
Racquet Sports and Accessories	6
Soft Playgrounds	3
Fishing Equipment	3
Hunting/Shooting Equipment	1

Opportunities

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The Middle East will gain a stronger foothold in the international leisure and entertainment market with real estate projects worth an estimated US\$80 billion in the next ten years.

A number of luxury hotels are planned in the country. All hotels are equipped with spas, Jacuzzi and swimming pools. With UAE being promoted as an ideal tourist destination, the demand for these items will continue to rise and US firms can look at opportunities in this segment of market.

Freehold property sold in the country comes equipped with a fitness center to attract prospective buyers. This could lead to the increase in demand for these products and new franchises in the country.

Construction for the Academies area at Dubai Sports City, which includes the Manchester United Soccer Schools facility and the ICC Global Cricket Academy facilities along with other Academies area components, has begun. The Academies area, which is located in Dubai Sports City, will also include the Field Hockey stadium, WorldHockey Academy, a rugby training facility, a 2,500 sq meter gymnasium, an Olympic length swimming pool, as well as the Bradenton Preparatory Academy. It will also house two hotels accommodating up to 524 people.

Construction of the Academies area and the Bradenton Preparatory Academy are scheduled for completion in April 2008.

Dubai is interested and will be bidding to become the destination for the 17th Asian Games to be held in 2014 and the World Olympic Games in 2020.

Resources

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Ministry of Health <http://www.moh.gov.ae>

(Prior approval for some types of nutrients needs to be got from the UAE. Ministry of Health before sale within the country.)

Dubai Sports City (DSC) – <http://www.dubaisportscity.ae>
Gulf News - <http://www.gulfnews.com/home/index.html>

Major trade fair:

There are no major trade fair of any consequence at this time.

E-mail: minila.mathews@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

The United States Department of Agriculture and the Regional Agricultural Trade Office in Dubai reports on agricultural issues and statistics for member countries of the Gulf Cooperation Council except for the Kingdom of Saudi Arabia. Agricultural research reports and statistics can be found on the U.S. Department of Agriculture (FAS) web sites as follows: (statistics) http://www.fas.usda.gov/scriptsw/bico/bico_frm.asp and (market research) http://www.fas.usda.gov/scriptsw/attacherep/attache_lout.asp.

U.S. exports of food products to the United Arab Emirates have increased significantly in recent years. A growing population coupled with an expanding food processing sector and rapidly growing travel industry have helped to fuel the increase. The Agricultural Trade Office routinely receives inquiries from local food importers seeking to expand their range of U.S. food products. Best prospects are centered on consumer-oriented foods such as beef, poultry, snack foods, fresh fruits, and tree nuts. Depending on market conditions, UAE-based processors also import bulk commodities such as wheat, corn, and soybeans. U.S. exports of forest products are also increasing in response to increasing commercial and residential construction in the UAE.

For additional information please contact the Foreign Agricultural Service in Dubai at atodubai@fas.usda.gov.

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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Effective January 1, 2003, the UAE acceded to the Gulf Cooperation Council (GCC) Customs Union that equalizes the duties paid upon entry of an item to any member state, regardless of the country of destination within the GCC. For example, an item imported into the UAE destined for the Saudi market is subject to the five percent duty once it enters the UAE market. In theory, the trader need not pay customs duties again to take the item across the border into Saudi Arabia.

The GCC has recently reviewed the list of goods that are exempt from Customs duties and that list is available on the Dubai Customs web site at www.dxbcustoms.gov.ae.

The Customs duty for most items is calculated on CIF value at the rate of five percent. Alcoholic products are assessed a 50 percent duty, while tobacco products are assessed a 100 percent customs duty. Many essential items, including staple foodstuffs and pharmaceuticals are given duty free status. CIF value will normally be calculated by reference to the commercial invoices covering the related shipment, but Customs is not bound to accept the figures shown therein and may set an estimated value on the goods, which shall be final, as far as duty is concerned.

Trade Barriers

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The United Arab Emirates (UAE) maintains a free exchange and liberal trading system. The Gulf Cooperation Council (GCC), consisting of the UAE, Saudi Arabia, Kuwait, Bahrain, Qatar and Oman, has been discussing a common external tariff for some years. As a result of these efforts, on January 1, 2003, the GCC states agreed to harmonize their import duties to five percent.

In advance of the GCC Customs Union agreement, the UAE created the UAE Customs Authority. The Customs Authority's main priority is to create a customs union within the UAE to unify Customs rules, regulations, procedures and documentation.

Only firms with the appropriate trade license can engage in importation. Documentation requirements follow international standards and delays in custom clearance have been infrequent. The competition for business between the port facilities of the different emirates has kept user rates at a minimum and put a premium on services. There are no duties on exports. For religious and security reasons, there are various restrictions on the import of alcohol, tobacco, firearms, and pork products.

The UAE maintains non-tariff barriers to trade and investment in the form of restrictive agency/sponsorship/distributorship requirements and restrictive shelf-life requirements for foodstuffs. Since June 1996, the UAE Federal Government elected not to register new food agency agreements. Food agency agreements prior to June 1996 are still operational.

In order to do business in the UAE outside of one of the free zones, a foreign business must have a UAE national sponsor, agent, or distributor. Once chosen, sponsors, agents, or distributors have exclusive rights for non-food products only. Agency law does not pertain to food products. Agents and distributors cannot be easily replaced without their agreement. The UAE requires a company to be registered in order to be invited to receive government tender documents. Government tendering is not conducted according to generally accepted international standards. Re-tendering is the norm, often as many as three or four times. To bid on federal projects, a supplier or contractor must either be a UAE national or a company in which UAE nationals own at least 51 percent of the share capital. Federal tenders must be accompanied by a bid bond in the form of an unconditional bank guarantee for five percent of the value of the bid. However, these rules do not apply to major project awards or defense contracts, where there is no local company that can provide the goods or services required. The UAE has no formal requirement that a portion of any government tender be subcontracted to local firms, but local companies clearly enjoy a competitive advantage.

As part and parcel of its development into a regional trading center, the UAE government has made the protection of intellectual property a priority in recent years. New copyright, trademark and patent laws, passed in 2002, provide high levels of protection for U.S. intellectual property. The UAE is party to the Paris Convention for the Protection of Industrial Property, and a member of the World Intellectual Property Organization (WIPO) and World Trade Organization (WTO).

Import Requirements and Documentation

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The consignee/agent should obtain a delivery order from the Shipping Agent and submit original standard trade documentation, including certificates of origin, bills of lading, commercial invoice, export declaration and various government/embassy attestations. These documents must be presented for all imports and exports. Various free guides to doing business in the UAE are available from accounting and law firms located in the UAE. Additionally, the US Embassy Agricultural Trade Office has published a Food Exporters Guide for doing business in the GCC-5. (Bahrain, Kuwait, Oman, Qatar and UAE).

Effective January 1, 2003, the UAE acceded to the GCC Customs Union that equalizes the duties paid upon entry of an item to any member state, regardless of the country of destination within the GCC. For example, an item imported into the UAE destined for the Saudi market is subject to the 5 percent duty once it enters the UAE proper. In theory, the trader need not pay customs duties again to take the item across the border into Saudi Arabia.

There have been some problems in the transition period and the GCC is working to resolve these problems. Some items that were previously exempt from duty in Abu Dhabi emirate, for example, are no longer exempt under the new national/regional tariff scheme. The GCC has recently undertaken to review the exemption list, which is available on the Dubai Customs web site at www.dxbcustoms.gov.ae. There has also been uneven implementation in the Gulf region.

The Customs duty for most items is calculated on CIF value at the rate of five percent. Imports of liquor are subject to a 70 percent customs duty on their CIF value while imports of tobacco products face a 100 percent on their CIF value. Many essential items, including staple foodstuffs and pharmaceuticals are allowed duty free status. CIF value will normally be calculated by reference to the commercial invoices covering the relative shipment, but Customs is not bound to accept the figures shown therein and may set an estimated value on the goods, which shall be final, as far as duty is concerned.

All imported meats - beef and poultry products, require a health certificate issued by the country of export and a "Halal" slaughter certificate issued by an approved Islamic center in that country.

Restricted Imports: Alcoholic beverages, tobacco products, pork products.

Prohibited Imports: Irradiated food products.

U.S. Export Controls

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All goods exported to or re-exported from the UAE must have proper documentation issued by the Ministry of Economy and Commerce and the various Chambers of Commerce in the respective individual emirates. US firms seeking to export goods from the US to the UAE should consult the appropriate US export control agencies regarding the need for an export license for the UAE. The UAE has a thriving transshipment and re-export business. US firms should also consult the proper US authorities regarding the need to obtain re-export authorization for items to be re-exported from the UAE to other countries, as well as exercising caution that US goods are not re-exported to prohibited countries without the proper permission. The commercial section of the embassy in Abu has a commercial officer specifically to assist US firms in compliance with US export controls.

Temporary Entry

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As a general rule, imports of goods into the UAE for the purpose of re-export within six months are exempt from customs duty. However, a deposit or submission of a bank

guarantee in lieu of duty is required by Customs. The deposit or bank guarantee is refunded/released by the local Custom authority on proof of re-export. Goods remaining in the UAE after six months are liable for customs duty.

Goods may be imported duty free and stored in any of several free zones in the UAE. Goods that enter the UAE from these free zones must pay the duty noted previously. There is no provision for duty free entry of parts or components intended for the manufacture of goods to subsequently be exported. As duties are already so low, this has not been a major impediment to manufacturing industries in the UAE.

Labeling and Marking Requirements

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Food labels must include product and brand names, production and expiry dates, country of origin, name and address of the manufacturer, net weight in metric units, and a list of ingredients and additives in descending order of importance. All fats and oils used as ingredients must be specifically identified on the label. Labels must be in Arabic only or Arabic/English. Arabic stickers are accepted. Note: the production and expiry dates must be printed on the original manufactured installed label.

Shelf life Standards: the UAE enforces a shelf-life standard for 100 food products. The manufacturer established shelf life is accepted for other food products. The manufacturer must print production and expiry dates on the original label or container. Dates cannot be added after the fact via a sticker. The U.S. supplier should work closely with the importer to ensure compliance with local shelf-life requirements.

Prohibited and Restricted Imports

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All kind of illicit drugs (hashish, cocaine, heroin, etc.) are prohibited in the UAE, as is forged currency and pornography. Publications, videos, photographs, oil paintings, cards, books, magazines and sculptures that do not adhere to religious morals and those that aim to cause corruption and disorder are also banned. The UAE is serious about enforcing intellectual property rights and prohibits the importation of counterfeit goods that infringe on these commercial rights.

Irradiated food products are prohibited, while imports of alcohol and pork products are strictly regulated

Customs Regulations and Contact Information

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Dubai Customs: www.dxbcustoms.gov.ae

Abu Dhabi Customs: www.auhcustoms.gov.ae

Sharjah Customs: www.sharjahcustoms.gov.ae

Fujairah Customs: <http://www.fujairahfreezone.com>

Standards

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Overview

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The UAE recently established a new standards organization responsible for formulating and enforcing UAE/GCC standards. This organization, the Emirates Authority for Standardization and Metrology (ESMA), is now an independent entity from the Federal Ministry of Finance and Industry. However, the national and emirate governments, as well as professional associations, are constantly reviewing standards requirements. This is particularly true for the construction industry. Currently, government agencies and private firms stipulate the standards on a project-by-project basis. This allows for a wide range of acceptable product performance, makes health and safety monitoring difficult, and permits the use of low quality products and manipulation of tender specifications. ISO 9000 certification was first introduced and granted to a UAE company in 1993. Since then, more have received the certification, and the EU is funding a standards center in the UAE to implement ISO 9000 certification.

Standards Organizations

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ESMA is headquartered in Abu Dhabi, the capital of the UAE, and maintains a branch office in Dubai. ESMA has recently formed four major divisions/departments within its organization including standards, accreditation, conformity and metrology. Lists of standards are available at ESMA's head office in Abu Dhabi and branch office in Dubai.

Following is the contact address of ESMA's head office and the various divisions within the organization:

Emirates Authority for Standardization and Metrology (ESMA)
P.O. Box 2166
Abu Dhabi, UAE
Phone: +971 2 671 1110
Fax: +971 2 671 5999
Email: uaetbt@esma.ae
Contact: Mr. Walid Bin Falah Al Mansouri, Director General

Emirates Standardization Department
P.O. Box 2166
Dubai, UAE
Phone: +971 2 676 3743
Fax: +971 2 671 5999
Email: uaetbt@esma.ae

Contact: Mr. Ali Omar, Director

Emirates National Accreditation system (ENAS)
P.O. Box 48666
Dubai, UAE
Phone: +971 4 295 1737
Fax: +971 4 294 4428
Email: accreditation@esma.ae
Contact: Mr. Abdula Hamid Alwan, Director

Emirates Conformity & Assessment Scheme
P.O. Box 48666
Dubai, UAE
Phone: +971 4 295 1626
Fax: +971 4 294 4428
Email: basim@esma.ae
Contact: Eng. Basim Zayer

Emirates Metrology Department
P.O. Box 48666
Dubai, UAE
Phone: +971 4 294 4434
Fax: +971 4 294 4428
Email: salam@esma.ae
Contact: Mrs. Salam Mohamed Al Heyari, Metrology Specialist

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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ESMA's conformity department is responsible for implementing specialized programs such as Quality and Conformity Marks, Conformity Certification according to Internationally approved methods. Conformity assures compliance to either national or internationally approved standards. Compliant products are issued with Certificates. These Certificates increase the level of trustworthiness in national products, and accordingly raise their ability to compete in the foreign markets.

The Conformity department builds databases for products and companies that deal with conforming products. In addition, conformity personnel participate in conferences, organizations, authorities, committees and meetings for activities related to conformity.

The Conformity Department consists of three main sections: local conformity section, international conformity section and inspection.

Product Certification

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ESMA practices its authority and responsibility to ensure safety, health, economical and environmental protection by ensuring that services and consumer commodities are of quality and in conformity with the National standards. Whenever National or Gulf Standards are not available, ESMA uses international or foreign standards suitable to the UAE environment and conditions, in terms of health and safety requirements.

The Emirates Authority for Standardization & Metrology (ESMA) implemented the Emirates Conformity Assessment Scheme (ECAS), as a system combining conformity assessment and certification for products in the local market. In addition, exporters of regulated products may choose to obtain a certificate of conformity for their exported shipments.

Certificates of Conformity are issued for products that comply with National or Gulf Standards. Whenever these standards are unavailable, other approved standards such as international, or foreign can alternatively be used. Special attention will be paid to the UAE special national requirements whenever they exist.

Accreditation

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Test reports from any accredited or approved laboratory shall be submitted to ESMA. These reports shall be reviewed and the compliance level to standards is assessed.

If all the essential requirements are not fulfilled, the applicant will be informed of the relevant standards and/or the steps needed to meet these essential requirements. These steps could include type testing or modification of the product according to the observed discrepancy.

Laboratories:

The Authority supervises and manages the scheme in addition to monitoring the laboratories performance to support all the Scheme's requirements.

The Approved Laboratories are those:

Accredited by national recognized organizations

Approved by the Authority based on evaluating their capabilities

Accredited by the National Accreditation Body

Other laboratories nominated by the manufacturers

Publication of Technical Regulations

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Currently, ECAS applies to five product categories (toys; automotive car batteries; paints; automotive lubricating oils; and synthetic detergents – household synthetic powdered detergents for household use). The list is not intended to be comprehensive and more products may be added at a future date. The addition of more products is

based on assessment of consumer exposure to hazards as well as the extent to which such products comply with the national standards on a voluntary basis.

Products added to the regulated products list will be advertised at least two months prior to implementation, in order to allow sufficient time to assess such products and demonstrate compliance.

The ECAS procedures and guidelines provide comprehensive information on the requirements of the Emirates Conformity Assessment Scheme (ECAS). It explains the steps required for compliance and how Certificates of Conformity can be obtained. These guidelines also contain the requirements related to the self-declaration and registration processes.

Regulated Products under this Scheme are listed on ESMA's web site. Any clarifications can be obtained by contacting the authority. The Authority can provide comprehensive details on the scope of products regulated under the Scheme.

The Authority can be contacted for any clarification concerning regulated products. In addition, the Authority can issue a formal Clarification Letter to illuminate whether the product is regulated or not. This letter is valid for a period of one year from its date of issue to prove the status of the products, subject to no alterations or changes to the regulated products list.

Labeling and Marking

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The Emirates Authority for standardization and metrology is currently developing packaging and product labeling standards. Please visit ESMA web site or contact the Conformity Department directly at the following address:

Conformity Department
Emirates Authority for Standardization & Metrology
P.O. Box: 48666
Dubai - United Arab Emirates
Telephone: + 971 4 295 1626
Fax: + 971 4 295 1898
E-mail on: conformity@esma.ae
Web site: <http://www.esma.ae>

Contacts

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E-mail: minila.mathews@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Trade Agreements

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The UAE is a member of the Gulf Cooperation Council (GCC). In 1981, the GCC issued the Unified Economic Agreement, a plan for complete economic integration among the six member states (Saudi Arabia, Kuwait, UAE, Bahrain, Qatar and Oman). As no time schedule for implementation was adopted in the original agreement, the agreement has

been supported in principal only. However, over the next 6-8 years, provisions of this agreement will be implemented. For example, The harmonized food schedule was implemented and by 2010, a unified currency is scheduled to be in place.

Under the agreement, all agricultural, animal, industrial, and natural resource products from member states are exempt from duties and other charges when traded among member states. To qualify as a GCC national product, the value added in a GCC member state must not be less than 40 percent of the final value and produced in a factory with at least 51 percent local ownership and licensed by the respective Ministry of Finance and Industry. A duly authenticated certificate of origin must accompany all intra-GCC shipments claiming this exemption.

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The website for the US Embassy in Abu Dhabi is <http://uae.usembassy.gov/>

The website for the US Consulate in Dubai: <http://dubai.usconsulate.gov/>

The website for the Department of State, where you can find travel advisories, is www.state.gov.

Emirates Authority for Standardization and Metrology (ESMA): <http://www.esma.ae/>

Web site for Etisalat (Telecommunications Department of UAE): <http://www.etisalat.ae/>.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas: <http://www.unitedstatesvisas.gov/>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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The U.S. and UAE began negotiating a Free Trade Agreement in March 2005. In early 2007, the U.S. and UAE announced that they would not be able to complete FTA negotiations under the existing time frame for trade promotion authority, but that both sides remain committed to completing FTA negotiations at a later date. The UAE is involved in GCC negotiations with the European Union, China, and other countries on free trade agreements.

Investment laws and regulations are evolving in the UAE and are expected to become more conducive to foreign investment. At present, the regulatory and legal framework favors local over foreign investors. There is no national treatment for investors in the UAE, and foreign ownership of land and stocks is restricted. The Emirates of Dubai and Abu Dhabi have opened up some areas for freehold and leasehold property investments respectively. Freehold projects are also under way in the Emirate of Ras al Khaimah.

The UAE government is opening up its trade sectors in line with its WTO obligations. The UAEG already has taken steps to cut red tape for foreign investors, and now exempts investors from obtaining a Ministry of Labor card in addition to an Immigration Department visa. Investors no longer need to appear in person to inquire about the status of business applications in Abu Dhabi. A new automated service, offered in Arabic and English, allows investors to receive information about their business licenses over the phone. The Embassy is aware of a few investment/payment disputes between U.S. companies and UAE entities.

The UAEG's accession to the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards became effective in November 2006. An arbitration award issued in the UAE will now be enforceable in all 138 states that have acceded to the Convention, and any award issued in another member state will be directly enforceable in the UAE. The Convention supersedes all incompatible legislation and rulings in the UAE, and should be welcomed by many businesses that consider arbitration the most advantageous form of dispute resolution. The Embassy does not yet have any experience with U.S. firms attempting to use arbitration under the UN convention.

There is no personal income tax in the UAE. Foreign banks pay 20 percent tax on their profits. Foreign oil companies with equity in concessions pay taxes and royalties on their proceeds. There are no consumption taxes, and the GCC states formally implemented a single import tariff of 5 percent on most goods January 1, 2003. Companies located in multiple "free zones" in Dubai are exempt from the tariff on imports and re-exports that do not leave the zones. The exceptions to the 5 percent tariff in the UAE are a fifty percent tariff for alcohol, a one hundred percent tariff for tobacco, and duty exemptions for 53 food and agricultural items. Dubai imposes a rental housing tax on expatriates equaling five percent of the rental charges. The UAE has said that it is considering passing a VAT averaging 7-12% on the federal level and has asked for assistance from the IMF. The import tariffs are collected and retained by each Emirate.

Regulation of the establishment and conduct of business in the UAE is shared at the federal and emirate levels. There are four major laws affecting foreign investment in the UAE: the Federal Companies Law, the Commercial Agencies Law, the Federal Industry Law, and the Government Tenders Law. These laws, especially the Federal Companies Law, are seen as the largest obstacles to foreign direct investment in the UAE.

The Federal Companies Law applies to all commercial companies established in the UAE and to branch offices of foreign companies operating in the UAE. Companies established in the UAE are required to have a minimum of 51 percent UAE national ownership. However, profits may be apportioned differently. Branch offices of foreign companies are required to have a national agent unless the foreign company has established its office pursuant to an agreement with the federal or an emirate government. All general partnership interest must be owned by UAE nationals. Foreign shareholders may hold up to a 49 percent interest in limited liability companies. Foreign investors may purchase 79 of the 128 issues on the UAE stock markets, Abu Dhabi Securities Market (ADSM) and Dubai Financial Market (DFM). Under UAE law, foreign investors are allowed to own up to 49 percent of a company. However, company by-laws in many cases prohibit foreign ownership.

In August 2007, the UAE issued Federal Law No. 10 (2007) which amended listing requirements for family-owned companies. Family-owned businesses can now list on the UAE's two stock markets by listing a minimum stake of 30 percent of the company. Founders can now maintain a 70 percent stake. This law amends the general rule of the Federal Companies Law, which stipulated that the maximum stake that the founders of a public company could hold in a publicly listed company was 45 percent.

Dispute resolution continues to be a problem due to foreign investors' concerns that pursuing international arbitration may jeopardize the investor's business activities in the UAE and a reluctance to take disputes to the domestic court system.

In April 2006, the UAE Cabinet amended the law regarding ownership of insurance companies. The amended article states that 75 percent of insurance companies must be owned by a UAE national or 100 percent by UAE national legal persons, i.e., a UAE corporation.

The Commercial Agencies Law requires that foreign principals distribute their products in the UAE only through exclusive commercial agents that are either UAE nationals or companies wholly owned by UAE nationals. The foreign principal can appoint one agent for the entire UAE or for a particular emirate or group of emirates. On June 18, 2006, the UAE announced substantial changes to the Commercial Agencies Law. These amendments include: 1) requiring mutual consent to renew an agency agreement, 2) limiting an agency contract to a fixed time period, 3) allowing either party to file for damages, 4) eliminating the Ministry of Economy's Commercial Agencies Commission (which handles agency disputes), and 5) allowing the import of "liberalized goods" without the agent's approval. In an effort to curb price manipulation and allow unrestricted imports of basic food products, the UAE eliminated trading agency requirements for basic food products in August 2006. The food products covered by the Decision include milk, frozen vegetables, baby formula, chicken, cooking oil, noodles, rice, flour, fish products, tea, coffee, cheese, pastries and diapers. For some food products deemed non-essential, agency agreements in existence prior to this period are still recognized. The restrictive laws currently governing agency relationships are under discussion in the proposed United States-UAE Free Trade Agreement.

The UAE Ministry of Economy has publicly discussed creating a foreign direct investment law and amending the Companies Law to provide for greater foreign ownership of companies in certain sectors. Some of the sectors that may be liberalized are education, health, professional services and computer-related services.

The Federal Industry Law stipulates that industrial projects must have 51 percent UAE national ownership. The law also requires that projects either be managed by a UAE national or have a board of directors with a majority of UAE nationals. Exemptions from the law are provided for projects related to extraction and refining of oil, natural gas, and other raw materials. Additionally, projects with a small capital investment or special projects governed by special laws or agreements are exempt from the industry law.

The Government Tenders Law stipulates that a supplier, contractor, or tenderer with respect to federal projects must either be a UAE national or a company in which UAE nationals own at least 51 percent of the share capital or foreign entities represented by a UAE distributor or agent. Foreign companies wishing to bid for a federal project must, therefore, enter into a joint venture or agency arrangement with a UAE national or company. Federal tenders must accompany a bid bond in the form of an unconditional bank bond guarantee for 5 percent of the value of the bid. If goods and services are not available locally then UAE federal government entities often tender internationally.

The UAE restricts foreign ownership of land, with rules varying from Emirate to Emirate. In May 2002, the Emirate of Dubai announced that it would permit so-called free hold real estate ownership for non-GCC nationals by giving permission to three companies to develop and sell freehold properties on government-designated pieces of land. The Emirate of Dubai codified its freehold and leasehold law on March 14, 2006. The law

allows non-GCC foreigners to freehold or leasehold rights only in designated areas of Dubai and does not give property owners permanent residence visas or an automatic right to work in the Emirate. The Emirate of Ras Al Khaimah also offers freehold land to offshore companies in designated areas. Individuals can establish a company in the Ras-al-Khaimah Free Zone for the purpose of purchasing a freehold for use by the company's owner. However, because specific laws regarding "freehold" ownership remain to be codified and procedures for title documentation and conveyance remain to be established, potential buyers are unsure whether they will have an absolute "freehold" title that means the same as it does in Europe or the U.S. In 2005, the Emirate of Abu Dhabi announced that it would also allow "lease hold" real estate ownership for non-UAE nationals in certain designated areas. The law was published in the Abu Dhabi Gazette in September 2005. Non-GCC nationals can own buildings in the Emirate of Abu Dhabi in certain investment areas, but cannot own the land. The law states that non-UAE nationals shall have the right to own surface property, but not the land itself in investment areas. Foreigners shall have the right to arrange all their surface properties and to derive benefits from them based on a 50-year surface ownership agreement that can be renewed for the same period subject to the agreement of the two parties. The law grants mortgage rights to anyone with the right to benefit from the property for a period of more than ten years, even without the permission of the owner. However, the owner of the property shall not mortgage it unless he gets approval from the person who has the right of benefit of the property.

In June 2007, Tatweer, a member of Dubai Holdings, signed a partnership agreement with Dubai Land Department under which Tatweer was the first user of the new initial title registration system developed by the Government of Dubai Land Department, the Emirate's land registry and real estate transactions exchange. The system allows registration of title deeds/master plans, mortgaged property and deferred sale. The agreement centralizes all land sales in Dubai through a general property registration system, and all agreed sale deeds would be authenticated by the Land Department.

Oil and Gas will continue to be a major sector for foreign investment in 2008. The UAE continues to invest in increasing its oil production capacity and the Emirate of Abu Dhabi announced in 2006 a major plan to develop its sour gas reserves. In addition, the UAE plans to add new oil refining capacity in Abu Dhabi and possibly to build a new refinery in Fujairah. In October 2007, the Abu Dhabi Company for Onshore Oil Operation (ADCO), which produces about 50% of Abu Dhabi's oil production, announced that it had completed several projects to raise production capacity. On July 10, 2007, Dolphin Energy, the first cross-border natural gas network in the GCC, announced that it started to pipe natural gas from Qatar to UAE customers. Up to 2 billion standard cubic feet per day of refined methane gas will be compressed for transport to the UAE through the company's 48 inch sub sea export pipeline. This line runs some 364 kilometers from Qatar to Dolphin's Receiving Facilities at Taweelah in Abu Dhabi. From Taweelah, the gas will be distributed by landline to Dolphin customers.

As part of the effort to continue to improve output and seek foreign technological and managerial expertise, the state-run Abu Dhabi National Oil Company (ADNOC) signed an Agreement with ExxonMobil for a 28% stake in the Upper Zakum offshore oil field on a 20 year concession in March 2006. No regulatory/demand issues affect the market.

We are optimistic that opportunities for foreign investment in the public utilities sector will increase as well. In March 1998 the Abu Dhabi Water and Electricity Authority (ADWEA)

awarded a contract for the UAE's first independent water and power project (IWPP), with an estimated value of \$750 million, to an American firm. The firm was selected as part of an Anglo-American consortium to manage the emirate's third IWPP in 2001. The Abu Dhabi government has announced that power generation (including electric power and desalinated water production) and transmission will be privatized, while power distribution will remain under the control of Abu Dhabi authorities. The estimated commercial value of planned power and water sector development projects in Abu Dhabi is \$5 billion. ADWEA's forecasts for 2007 to 2020 put the growth in its base peak electricity demand at an average of 8.1 per cent a year.

In 2004, the UAE enacted legislation to end the monopoly of Etisalat (the official UAE telecommunications company). In May 2005, the UAE approved the establishment of one new telecom company, largely government owned to compete with Etisalat. The UAE gave a \$1.1 billion license to Emirates Integrated Telecommunication Company (EITC), which operates under the trade name "du." In February 2007, du began mobile phone operation, with a half million subscribers as of July 2007. Du provides fixed line services through an arrangement with Etisalat. The UAE government owns 40 percent of du. Mubadala Development Company, which is owned by the Emirate of Abu Dhabi, and TECOM Investment, which is owned by the Dubai government through Dubai Holdings each own 20 percent and private investors own the remaining 20 percent. Local press reports quoted Mohammad Al-Ghanem, Director General of the Telecommunications Regulatory Authority, as saying the duopoly will exist in the telecom sector until 2015 when the market will be further liberalized.

Defense contractors with an eye for investment in the UAE must negotiate directly with the UAE Offsets Group (UOG), and invest an amount that will generate a profit equal to 60 percent of their contract in the UAE. UOG investment projects generally must show the required profit after seven years. The contractor may not own more than 49 percent of the project, and UAE nationals must hold the remaining 51 percent. There are currently more than 30 offset ventures; offset projects cover the full spectrum of economic activity, including, among other things, advertising, fish farming, air conditioning, language centers, shipbuilding, aircraft maintenance, leasing, medical services, and even polo grounds. One of the largest offset ventures is the Oasis International leasing company--a British Aerospace offsets venture.

In November 2004, the UAE announced its intent to open up the insurance sector to new foreign insurance companies. Any new companies entering the market are required to meet high level international rating criteria and must complete a viability study to prove that it will be offering new products to the market. About half of the insurance companies in the UAE are foreign. New entries of foreign insurance companies were frozen since 1999, but officials from the Insurance Section of the UAE Ministry of Economy have stated that the Ministry of Economy had licensed three subsidiary foreign insurance companies in 2007. Currently, there is only one American subsidiary insurance company operating in the UAE.

Conversion and Transfer Policies

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There are no restrictions or delays on the import or export of either the UAE Dirham or foreign currencies by foreigners or UAE nationals, with the exception of Israeli currency

and the currencies of those countries subject to United Nations sanctions. The UAEG passed comprehensive anti-money laundering legislation following the attacks of September 11, 2001, that imposes strict documentary requirements on large wire transfers. Travelers entering the UAE must declare currency amounts of more than 40,000 Dirhams (approximately \$10,800) as part of these measures.

Since February 2002, the Dirham has been officially fixed to the U.S. Dollar. The exchange rate is 3.67 UAE Dirhams per one U.S. Dollar. Every bank transaction in U.S. dollars is subject to a 1% fee.

In 2007, there had been continuous public discussion about the impact of the UAE Dirham peg to the dollar on inflation and its appropriateness given the difference in the economic cycles of the two countries. Although the Dirham has come under pressure to appreciate, UAE officials continue to say the UAE will leave its dollar peg unchanged in near future and any revision should be a regional consensus at the GCC level.

Expropriation and Compensation

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Foreign investors have not been involved in any expropriations in the UAE in recent years. There are no set rules governing compensation if expropriations were to occur, and individual emirates probably would treat this differently. In practice, authorities in the UAE would not expropriate unless there was a compelling developmental or public interest need to do so, and in such cases compensation would likely be generous.

Dispute Settlement

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The Embassy is aware of a few substantial investment disputes during the past few years involving U.S. or other foreign investors, and government and/or local businesses. There have also been several contractor/payment disputes, with the government as well as local businesses. Disputes generally are resolved by arbitration, by the parties themselves, or by recourse to the legal system. Dispute resolution can be difficult and uncertain, however.

Arbitration may commence by petition to the UAE federal courts on the basis of mutual consent (a written arbitration agreement), independently (by nomination of arbitrators), or through a referral to an appointing authority without recourse to judicial proceedings. Enforcing arbitration judgments rendered in the UAE can be difficult as they require court certification, and judicial proceedings may continue for several years. Some companies are reportedly unwilling to resort to arbitration out of concern that it would affect their future business opportunities in the UAE.

The UAEG's 2006 accession to the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards may have an impact on the ease of enforcing arbitral awards, but the time frame since it has been passed is still too short for Embassy to have any insight into the extent of any changes.

Companies interested in developing large projects in Dubai are routinely required to have investors lined up to finance the project prior to its being awarded to them, and may be required to furnish detailed information about those investors to assure the Dubai emirate government that funding is indeed locked in.

The UAE constitution established a federal court system while acknowledging the right of the individual emirates to opt out, which Abu Dhabi, Dubai and Ras Al-Khaimah have. However, some issues must be heard in the Federal court system such as security matters, conflicts between the emirates, constitutionality of a federal law, trial of ministers and senior officials and jurisdictional issues.

There is no independent judiciary in the UAE. The Ministry of Justice appoints judges to the federal courts, while judges in Abu Dhabi, Dubai and Ras Al-Khaimah are appointed by the respective rulers of those emirates. The majority of which are non-Emirati. Each emirate applies federal law in its own court system that consists of courts of first instance, courts of appeal and a Supreme Court. The court of first instance consists of civil, criminal, and Sharia (Islamic law) courts. Sharia law is applicable to both Muslims and non-Muslims, but is focused primarily on family, inheritance and personal status matters. Courts will interpret statutory law and Sharia law in deciding cases. Commercial disputes involving foreign parties tend to come before the civil courts in the federal system; a panel of three judges ordinarily hears commercial disputes. All cases involving banks and financial institutions are required to be heard by civil courts. In Abu Dhabi, all non-arbitration commercial disputes are first brought to the Abu Dhabi Conciliation Department. If the parties are unable to reach a settlement, they can begin legal proceedings in the court of first instance.

In November 2006, the UAE signed on to the UN Convention for Arbitration, which requires UAE courts to enforce trade dispute arbitration decisions made in foreign countries.

The Code of Civil Procedure contains comprehensive rules in connection with the various types of preventive and provisional remedies prior to litigation and the issuance of judgments, including the attachment of property, confiscation of the defendant's passport and prohibitions on travel, as well as the detention of the defendant in certain instances. However, the courts must certify all arbitration decisions, and though they do not review substantive claims, they can invalidate decisions based on procedural considerations. Parties can also appeal certification decisions thus prolonging enforcement indefinitely.

In 1993 the Abu Dhabi Chamber of Commerce and Industry formed the Abu Dhabi Commercial Conciliation and Arbitration Center in an effort to accelerate commercial dispute resolution. The Center has jurisdiction to conciliate or arbitrate commercial disputes. The Centers executive regulations govern the conciliation and arbitration procedure. Though referral by the parties to the Dispute Center ostensibly requires them to accept the finality of the Center's decision, the courts must still certify the decision and enforcement can be delayed. The Center conducts proceedings in Arabic or any other agreed upon language.

The Dubai Chamber of Commerce and Industry has promulgated similar commercial conciliation and arbitration rules that permit parties to have conciliation or arbitration proceedings under the auspices of the Chamber. In 2004, the Dubai International

Arbitration Center was made independent of the Chamber. The Arbitration Center aims to bring international standards of arbitration to business in Dubai. The UAE is a member of the International Center for the Settlement of Investment Disputes.

Performance Requirements and Incentives

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As listed elsewhere in this report, the regulatory and legal framework in the UAE favors local over foreign investors. There is no national treatment for investors in the UAE. The UAE maintains non-tariff barriers to investment in the form of restrictive agency, sponsorship, and distributorship requirements. In order to do business in the UAE outside one of the free zones, a foreign business in most cases must have a UAE national sponsor, agent or distributor. Once chosen, sponsors, agents, or distributors have exclusive rights. Government tendering is not conducted according to generally accepted international standards, and re-tendering is the norm. To bid on federal projects, a supplier or contractor must be either a UAE national or a company in which UAE nationals own at least 51 percent of the capital or have a local agent or distributor. Federal tenders must be accompanied by a bid bond in the form of an unconditional bank guarantee for 5 percent of the value of the bid. UAE federal government entities can tender internationally since foreign companies sometimes are the only suppliers of specialized goods or services that are not widely available.

Incentives are given to foreign investors in the free zones. Outside the free zones, no incentives are given, although the ability to purchase property as freehold in certain favored projects in Dubai and promises that foreign owners of such property would be granted residence permits as long as they remained in possession of title would appear to be incentives aimed at attracting foreign investment.

Visas, residence permits, and work permits are required of all foreigners in the UAE except nationals from GCC countries. Americans are eligible to receive 10-year, multiple entry visas, which authorize stays of up to six months per entry, with the possibility of a six-month extension. U.S. citizens may obtain visas for business and tourism at the airport upon arrival. These visas do not permit employment in the UAE.

Right to Private Ownership and Establishment

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Except as detailed elsewhere in this report, there are no restrictions on the right of private entities to establish and own business enterprises and engage in all forms of remunerative activity.

Protection of Property Rights

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In September 2005, the Emirate of Abu Dhabi passed a law allowing Emiratis to hold title on properties in the Emirate and opened up some foreign leasehold rights to surface property in certain designated areas. Most construction, commercial and residential, is

financed by a specialized agency of the government of Abu Dhabi, and commercial banks finance the remainder. Their collateral traditionally has been access to the rent stream of the building or the personal guarantee of the developer.

Foreign and national banks have increased their activity in the mortgage market, expanding their services to foreigners as well as nationals due to the recent boom in freehold property. Foreign banks have entered the market on a smaller scale; the local Mashreq Bank and Dubai Islamic Bank are most heavily involved in new mortgage business, with banks such as Standard Chartered and HSBC providing mortgages on a case-by-case basis to established customers.

The UAE Government continues to lead the region in protecting intellectual property rights (IPR). Anecdotal and statistical evidence confirms that the UAEG is enforcing copyright, trademark, and patent laws passed in 2002 to protect U.S. intellectual property, and continues to demonstrate its commitment to the 2002 agreement providing TRIPS-plus levels of protection to U.S. pharmaceuticals. In December 2007, the Under Secretary for Planning Affairs at the UAE Ministry of Economy announced that the Ministry of Economy would set up a sector for intellectual property rights protection in January 2008. Although the UAE is the leader in the region at enforcing intellectual property rights and the Emirate of Dubai is very pro-active in enforcement, many stakeholders believe that the UAEG could do more to fight piracy in the other emirates and to deal with the problems of transshipping of counterfeit goods.

The copyright law, enacted in July 2002, grants protections to authors of creative works and expands the categories of protected works to include computer programs, software, databases, and other digital works. Efforts to combat computer software piracy in the UAE have been successful. According to industry estimates, the rate of software piracy in the UAE is the lowest in the Middle East and North Africa, estimated to be 34 percent. The UAE is recognized as the regional leader in fighting computer software piracy. In 2007, the UAE launched several campaigns against piracy and seized thousands of pirated auto spare parts, perfumes, air fresheners, electrical devices, sport equipment, medicines, movies and music discs. In 2007, UAE destroyed thousands of pirated goods. The UAE's Trademark Law, also issued in July 2002, confirms that the UAE will follow the International Classification System and that one trademark can be registered in a number of classes. The new law provides that the owner of the registration shall enjoy exclusive rights to the use of the trademark as registered and can prevent others from using an identical or similar mark on similar, identical or related products and services if it causes confusion among consumers.

Transparency of Regulatory System

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The fundamental instrument by which all of the emirates regulate business activity is the requirement that any place of business must acquire and maintain a proper license. The procedures for obtaining a license vary from emirate to emirate, but are straightforward and publicly available.

A license is not required unless a place of business is set up in the UAE. In other words, foreign businesses exporting to the UAE but without a regular or continuing business presence in the UAE do not need a license. Licenses available include trade licenses, industrial licenses, service licenses, professional licenses, and construction licenses.

Several federal regulations govern business activities in the UAE outside free trade zones. Activities within the free zones are governed by special bylaws.

The UAE federal commercial code, promulgated in 1993, devotes an entire chapter to bankruptcy: the first comprehensive legislation in the UAE on the subject. Monetary judgments in bankruptcy cases are made in the local currency, and UAE courts enforce the judgments of foreign courts if there is reciprocity based on bilateral or international treaties. In the judgment of western legal experts, the commercial code chapter on bankruptcy governs the procedures and effects of bankruptcy in the UAE, but does not provide a mechanism for the orderly evaluation and distribution of assets of a bankrupt entity.

Following a banking crisis caused by accumulating bad debts after the oil boom in the mid-1980s, the Central Bank stopped giving licenses to new foreign banks. However, in September 2003, the UAE Central Bank announced that it would allow the operation of more banks from other countries on a reciprocal basis. The Central Bank is also considering allowing foreign banks operating in the UAE to set up new branches provided that they undertake to employ UAE nationals. These new branches will allow foreign banks to provide a wider range of banking services. In October 2005, the Central Bank said that national banks conditionally agreed to have new foreign bank branches open in the country. In November 2007, Governor of the UAE Central Bank stated that the Central Bank is currently studying the possibility of issuing licenses for three Gulf banks. He also pointed out that the three banks are still being set up.

Citibank is the only U.S. bank in the UAE that offers full banking services. There are a number of U.S. financial institutions with either representative offices in the UAE or that have established a presence in the Dubai International Financial Center (a financial free zone). The largest banks in terms of assets include the Emirates NBD (the new name after Emirates Bank International and National Bank of Dubai merged), National Bank of Abu Dhabi, Mashreq Bank, and Abu Dhabi Commercial Bank.

The Central Bank prohibits lending an amount greater than 7 percent of a bank's capital base to any single customer. Foreign banks with branches in the UAE are not permitted to calculate loans as a percentage of their global capital, which may however be used to calculate the capital adequacy ratio. In a revision to the rule, the Central Bank in 1993 said it would exclude from the requirement non-funded exposures, such as letters of credit and guarantees. The Central Bank also announced implementation of internationally recognized and accepted accounting principles.

The UAEG implemented a body of anti-money laundering legislation at the end of 2001, which included stringent reporting requirements for wire transfers exceeding \$545 and currency importation reporting requirements of amounts exceeding approximately \$10,800. The law imposes stiff criminal penalties (jail time and fines) for money laundering and also provides safe harbor provisions for those who report such crimes. Banks and other financial institutions are required to follow strict "know your customers" guidelines; all financial transactions more than \$54,000, regardless of their nature, must

be reported to the UAE Central Bank. Banks and other financial institutions supervised by the Central Bank (exchange houses, investment companies, and brokerages) are required to maintain records on all transactions for at least five years.

In 2004, the UAE strengthened its legal authority to combat terrorism and terrorist financing by passing Federal Law Number 1 of 2004 on Combating Terror Crimes on July 29, 2004. (Law No. 1/2004). Law No. 1/2004 specifically criminalizes the funding of terrorist activities or terrorist organizations. Law No. 1/2004 provides for asset seizure and confiscation.

In 2006, the UAE also enacted Law No. 2 of 2006 -- the Cyber crimes law -- which has articles dealing with money laundering and terrorist finance. Article 19 of the law makes it a crime for anyone to use the Internet to transfer money or property traceable to criminal proceeds, or to conceal the true sources of such assets. Violations are punishable by a term of imprisonment of up to 7 years and a fine ranging from \$8,174 to \$54,495. Article 21 of the law outlaws the use of the Internet to finance terrorist activities, promote terrorist ideology, disseminate information on explosives or facilitate contact with terrorist leaders. Any violation of Article 21 is punishable by a term of imprisonment of up to 5 years.

The UAE Central Bank established the Anti-Money Laundering and Suspicious Cases Unit (AMLSCU) in 1998 to perform the functions of a financial intelligence unit (FIU). The AMLSCU joined the prestigious Egmont Group of FIUs -- the first Arab country to do so at the Group's June 2002 conference in Monaco.

Abu Dhabi and Dubai each have a stock exchange. 39 out of 66 stocks on the Abu Dhabi stock exchange and 40 out of 62 stocks on the Dubai stock exchange are open to foreign investment. Ministry of Economy and Planning rules allow foreign investment up to 49 percent in companies on the stock market; however, company by-laws in many cases prohibit or limit foreign ownership.

Political Violence

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There have been no instances in recent memory involving politically motivated damage to projects, or insurgencies that have impacted the investment environment.

Corruption

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There is no evidence that corruption of public officials is a systemic problem; however, the former head of Dubai Customs and Port Authority -- along with five other customs officials -- was tried, convicted, and sentenced in April 2001 to 27 years in prison on charges of corruption and embezzlement. He was pardoned four months later by the Dubai government and released. In December 2005, Federal Law No. 34 for 2005 was issued which amended a range of articles in the Penal Code. The law stipulates that a public servant convicted of embezzlement shall be subject to imprisonment for a minimum of five years if the crime is connected to counterfeiting. Article 237 imposes a minimum term of one year for accepting a bribe, while anyone convicted of attempting to bribe a public servant may be imprisoned for up to five years.

American firms are bound by the Foreign Corrupt Practices Act, a copy of which may be obtained from the Commercial Section of the U.S. Embassy. In August 2005, the UAE signed the UN Anticorruption Convention and ratified it in February 2006.

Bilateral Investment Agreements

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On March 15, 2004, the United States signed a Trade and Investment Framework Agreement (TIFA) with the United Arab Emirates to provide a formal framework for dialogue on economic reform and trade liberalization. TIFAs promote the establishment of legal protection for investors, improvements in intellectual property right protection, more transparent and efficient customs procedures, and greater transparency in government and commercial regulations. Through this process, the United States Government (USG) can identify potential partners for further trade cooperation, such as free trade agreements (FTA).

The United States began negotiating a Free Trade Agreement with the UAE in March 2005. In early 2007, the United States and the UAE announced that they would not be able to complete FTA negotiations under the existing time frame for trade promotion authority, but that both sides remain committed to completing FTA negotiations at a later date.

OPIC and Other Investment Insurance Programs

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The UAE has been suspended from U.S. OPIC insurance programs since 1995 because of the UAEG's lack of compliance with internationally recognized worker rights standards, particularly laborers' rights to association and collective bargaining. The ILO reported in April 2003, however, that the UAE had started to address these concerns. The UAE is in the process of drafting a labor law.

Private and Public sector workers currently address grievances and negotiate disputes of matters of interest with employers through formal and informal mechanisms (including strikes, even though the law does not technically sanction them). Under UAE law, workers are not allowed to associate freely for the advancement of common goals and interests. The UAEG prohibits strikes by those employed in the public sector on the grounds of national security considerations. However, in 2007 (like previous years) there were several wildcat strikes (covered extensively in the media) mainly due to non-payment of wages and benefits. While the Ministry of Labor often sides with the striking workers, the Ministry has taken stiff measures against strike instigators and workers who commit violent acts during a strike. Measures include cancellation of labor cards/visas, deportation and permanent work bans, and cancellation of end-of-service benefits.

Labor

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Population in the UAE is approximately 4.10 million, according to 2005 census results, which were released in July 2006; it was 4.23 million in 2006, and post estimates population approximately 4.3 million in 2007. In December 2005, the UAE began a door-to-door census. Results of the census included both the foreign and local population in the UAE. More than 80 percent of residents are foreigners, and approximately 98 percent of private sector workers in the UAE are non-UAE nationals. Emiratization of the UAE workforce remains a national objective, although mandated

hiring of nationals has been limited to only a few sectors, such as banking, which has a 4% quota, insurance, which has a 5% quota and trade, which has a 2% quota for companies employing 50 workers or more as well as quotas in the federal government. In addition, in 2006, the UAEG also added Emiratization requirements that all secretaries and Public Relations Officers must also be Emirati. In 2007, the UAE Labor Minister announced that the Ministry of Labor had conducted an Emiratization Revision Plan in collaboration with the private sector and would submit it to the UAE Cabinet for approval. The Emiratization Revision Plan adopts qualitative Emiratization policies and includes incentives to boost Emiratization, and punishment measures against private firms that do not maintain the required quota.

Foreign-Trade Zones/Free Ports

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Free Zones in the UAE are home to more than 17,000 companies with a total investment estimated at more than \$21 billion. Presently, 38 free trade zones operate in the UAE, with more in the development stage. Overall, these free zones form a vital component of the local economy, and serve as major re-export centers to the Gulf region.

Since UAE tariffs are low and not levied against many imports, the chief attraction of the free zones is the waiver of the requirement for majority local ownership. In the free zones, foreigners may own up to 100 percent of the equity in an enterprise. All free zones provide 100 percent import and export tax exemption, 100 percent exemption from commercial levies, 100 percent repatriation of capital and profits, multi-year leases, easy access to sea and airports, buildings for lease, energy connections (often at subsidized prices), and assistance in labor recruitment. In addition, the free zone authorities provide significant support services, such as sponsorship, worker housing, dining facilities, recruitment, and security.

By far the largest and most successful of the free zones is the Jebel Ali Free Zone (JAFZA) in Dubai, located 20km south of Dubai city adjacent to the Jebel Ali Port. Over 6000 companies representing 80 countries have set up shop in the JAFZA, including numerous Fortune 500 firms.

The JAFZA managing authority authorizes three types of licenses: a general license, a specific license, and a national industrial license. The licenses are valid while a company holds a current lease from the free zone authority and are renewable annually as long as the lease is in force. The special license is issued to companies incorporated, or otherwise legally established, within the free zone or outside the UAE. In such cases, no other license is required, and the ownership of the company may be 100 percent foreign. The license is issued for any activity permitted by the free zone authority, including manufacturing. A company with a special license can only operate in the JAFZA or outside the UAE, but business can be undertaken and sales made in the UAE through or to a company holding a valid Dubai Economic Department license. However, a company with a special license can purchase goods or services from within the UAE.

A variety of innovative free zones in Dubai have been established since 2000, most notably the TECOM (Technology, Electronic Commerce and Media) free zone. TECOM houses both Internet City and Media City, two subdivisions which cater, respectively, to

the IT and media sectors. TECOM offers a high bandwidth and state-of-the-art IT infrastructure. Current tenants of TECOM include prominent names such as Oracle, Reuters, CNN, BBC, Hewlett Packard, Cisco Systems and Microsoft. Other Dubai free zones include Dubai Health Care City, specializing in medical products and services, the Mohammed Bin Rashid Technology Park, which aims to promote scientific research and development, and to transfer technology throughout the region and the Dubai Aid City, which hosts local, regional and international relief aid donors, suppliers and organizations. Internet usage in the free zones is not censored as it is in the non-free trade zones.

Foreign Direct Investment Statistics

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The United Nations Conferences on Trade and Development (UNCTAD) reports that inward FDI flow for the UAE dropped from \$12 billion in 2005 to \$8.38 billion in 2006. The report has listed UAE in the 24th place worldwide and in the third place of Arab countries in attracting foreign direct investment. Total U.S. foreign direct investment in the UAE was \$4.5 billion in 2006.

The Abu Dhabi Chamber of Commerce and Industry notes that the leading sectors for investment in the UAE are (in order of magnitude of investment): oil and gas field machinery and services, power and water, computer/peripherals, medical equipment and supplies, airport development and ground equipment, telecommunications, and franchising.

There are no restrictions or incentives with regard to the export of capital and outward direct investment, and UAE investment abroad is significant. It is conservatively estimated that the Abu Dhabi Investment Authority (ADIA) manages an approximate USD \$500 billion (estimates range upward) in government assets in overseas markets -- mostly in the United States, Europe, and Asia. In November 2007, ADIA acquired 4.9 percent of Citigroup, to become its biggest shareholder. Other Emirate level investment authorities primarily from Abu Dhabi and Dubai are also actively investing overseas.

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<http://usembassy.state.gov/uae/>

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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How Do I Get Paid (Methods of Payment)

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A growing and attractive market for a wide variety of products, the UAE can be a difficult place for American firms to do business. Payments tend to be slower than in the US and Europe. Commercial Letters of Credit are extensively used as a mean of payment in overseas trade. The most commonly used type of L/C, include: Sight, Deferred Payment, and Revolving L/Cs.

Government tenders are accompanied by a bid bond in the form of an unconditional bank guarantee for five percent of the value of the bid. However, these rules do not apply to major project awards or defense contracts, where there is no local company that can provide the goods or services required.

How Does the Banking System Operate

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According to United Arab Emirates (UAE) Central Bank data, the UAE banking sector grew on average by about 18 percent in 2004. Banks in the UAE fall in four broad categories: commercial banks, merchant or investment banks, Islamic Banks, and industrial banks. There are 21 locally incorporated banks with 312 branches and pay offices in the UAE and 43 branches abroad, 26 foreign banks with 110 branches, one restricted license bank, two investment banks, and 49 representative offices. The UAE Central Bank no longer issues licenses for new foreign banks to establish branches in the UAE. Local banks are exempted from any type of taxation whereas foreign banks pay a 20 percent tax on their profit.

The UAE Central Bank prohibits lending an amount greater than seven percent of a bank's capital base to any single customer. The bank defines a customer as an individual, a company, or a group of companies under common ownership, and capital base as local capital. Foreign banks with branches in the UAE are not permitted to calculate loans as a percentage of their global capital (which may however be used to calculate the capital adequacy ratio). In a revision to the rule in 1993, the Central Bank decided to exclude non-funded exposures, such as letters of credit and guarantees from the requirement. The Central Bank has also announced implementation of internationally recognized and accepted accounting principles, in the form of International Accounting Standard (IAS) number 30 on disclosure.

The current economic boom in U.A.E. has had a significant impact on the UAE Banking sector. Over the last year, the banking sector has grown at a faster rate than the rest of the non-oil economy, in terms of most indicators like deposits, loans, assets and profits. The consumer and retail banking in the country is undergoing a major transformation, with banking services and products reaching a far greater penetration in the economy. Islamic banking has expanded considerably in recent years, with conventional banks offering such services, besides the dedicated Islamic banks.

Almost all banks have shown enormous growth in profitability during the last year. The top five U.A.E. banks, National Bank of Abu Dhabi, National Bank of Dubai, Abu Dhabi Commercial Bank, Emirates Bank and Mashreq Bank, saw an average growth in profitability of around 50% in 2004 over 2003. Leading the profitability was ADCB with a massive 98% increase in profits.

Strong economic growth, high oil prices and revenues led the growth in the banking business. Demand for property and real estate has been a major cause of growth, which has fuelled a large demand for borrowing. At the same time retail banking has been on the increase because of a growing population as well as increased consumer demand for banking services, which has led traditionally corporate focused banks to provide more consumer products.

The increase in Islamic banking has been a major phenomenon in the U.A.E. banking industry in recent times. The number of dedicated Islamic banks in the country has now risen to four. A major part of the spurt has come from conventional banks which have recently stepped up their offers for such banking and financial services. Industry estimates put the share of Islamic banking at around 20% of the total banking business, but with a much higher share in retail banking. Evidently a strong demand has existed, but it is for the banks to offer such financial services, which they are doing now. Dubai Islamic Bank saw its profit grow by 97%, and Abu Dhabi Islamic Bank by 22% in 2003-04.

The trade and building sectors receive a major share of bank loans. Banks lend to the services, trade, and building sectors due to the scarcity of major investment scope in other productive sectors. The oil sector is the province of the government and is beyond the reach of the banks.

The Dubai Financial Market (DFM), officially opened in March 2000, preceded the Abu Dhabi Securities Market (ADSM) in November 2000. The ADSM opened with 13 listed stocks, and by late 2005 had 40 listings. Falling interest rates on bank deposits have produced a surge of interest in the DFM and ADSM, with total capitalization of the 76 firms listed on the two exchanges reaching over \$125 billion by end of 2005.

A third financial center, the Dubai International Financial Center (DIFC) was officially launched in February 2002. While the World Bank expressed interest in the project, the initiative will be competing in a tough environment. With the launch of the three new financial markets, the UAE Central Bank has drawn up plans to establish the country's first credit rating agency. The government hopes that such a regulatory step will help attract back some of the US\$400 billion that the IMF estimates is invested abroad by UAE investors.

Foreign-Exchange Controls

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Since the UAE Dirham is tied to the US dollar, interest rates in the UAE tend to parallel those in the US. The authorities believe that the exchange rate of 3.671 to the dollar, unchanged since 1980, promotes stability and confidence in the currency and mitigates against capital flight.

U.S. Banks and Local Correspondent Banks

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Citibank is the only US bank in the UAE that offers full banking services. Bank of America and First Union have representative offices in Dubai. Bank of New York has a representative office in Abu Dhabi. A number of UAE banks either have branches in the U.S. or correspond with certain American banks to cater to the needs of their local and international clientele.

Project Financing

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The development in the GCC of projects seeking financing is growing ever broader. From power and desalination complexes through petrochemical plants, gas development, and transportation projects, the role of the private sector in large-scale projects is becoming more varied and important. GCC project financing picked up dramatically in 2001 and stayed strong through 2003 and 2004 with over US\$4 billion in project financing arranged in the last twelve months. Major international and local banks are behind these projects advising and arranging for the major part of the financing, exceeding 75 percent on some of the independent water and power projects. The proportion of financing and the transaction leadership is steadily shifting towards local and regional banks, including in some cases, Islamic banks.

In mid-May 2003, the government of Dubai officially launched a US\$408 million bond issue on the Dubai Financial Market (DFM). The bond issue was a first in the UAE with the purpose of financing a variety of ongoing and new projects that Dubai has undertaken as part of its growth strategy. The bond issue was arranged and underwritten by a pool of local and international banks.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

SBA's Office of International Trade: www.sba.gov/oit

USDA Commodity Credit Corporation: www.fsa.usda.gov/cc/default.htm

Abu Dhabi Securities Market: www.adsm.ae

Dubai Financial Market: www.dfm.ae

Dubai International Financial Center: www.difc.ae

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Business Customs

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Men and women work together in United Arab Emirates (UAE) offices. UAE nationals wear traditional national dress and women usually dress conservatively and modestly. Western women traveling to the UAE for business should dress conservatively, in pant- or skirt suits or dresses with sleeves.

As in many Middle Eastern countries, meetings can run late and projects may experience postponements and extensions. US business visitors, however, are expected to be punctual for all appointments. It is most important to respond to fax and other communications promptly.

In a meeting, the host will offer tea or coffee upon arrival. It is rude to refuse this beverage. Formal greetings can take several minutes. It is considered impolite to begin addressing business topics without taking several minutes for small talk. Courtesy is more emphasized in the UAE than in typical US business meetings. Never ask about a man's wife. Business cards and gifts should be offered with the right, not left, hand.

Travel Advisory

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There is no specific travel advisory in effect for the UAE. Business travel to the UAE has been untouched by the violence regarding the Palestine-Israel conflict. A general worldwide advisory concerning terrorism is in effect and travelers should contact the US Department of State's Office of Citizen Services or the nearest US Embassy or Consulate for an update.

The website for the US Embassy in Abu Dhabi is <http://usembassy.state.gov/uae/>

US visitors can obtain a 60-day tourist visa at any point of entry. This visa can be renewed for another 30 days at a fee of 500 Dhs. These visas do not permit employment in the UAE.

An AIDS test is mandatory for obtaining a residence permit, which is a requirement for all expatriates and their dependents living in the UAE. The test must be conducted in the UAE by the Preventive Medicine Unit of the UAE Ministry of Health, or at Al Noor Hospital in Abu Dhabi. (The cost would be higher in Al Noor Hospital).

For further information regarding travel or immigration to the UAE, travelers may contact the UAE Embassy, Suite 700, 1255 22nd Street NW, Washington, DC 20037, Tel (202) 243-2400, Fax (202) 243-2432.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

There are two telecommunication providers in the UAE – Etisalat and Du.

Etisalat has been the telecommunications service provider in the UAE since 1976 and is the number one mobile operator in the UAE. For three decades, since the birth of the UAE, it has played a key role in driving and supporting the nation's prosperity and is on track to be a top 20 Global Telco by 2010. It provides mobile services for over 5 million customers. Penetration of Etisalat's mobile phone service in the UAE is 142%, over 6.1m subscribers. At the end of August 2007, fixed line services reached 1.3m lines and internet dial-up subscribers reached 480,000 and 250,000 AL Shamil Broadband subscribers.

Etisalat offers fixed line services over its Next Generation Network, and provides mobile users with a range of services and applications such as GPRS, 3G, BlackBerry and MobileCam. Etisalat provides broadband internet access to the entire UAE and is currently working on rolling out triple play services, which will incorporate high-speed Internet, TV and fixed line offerings all via one cable. In addition to voice and data networks Etisalat also has many other offerings including the E-Vision cable TV network.

At the end of June 2007, Etisalat has a total of 28 million subscribers over its international operations. The Middle East magazine has ranked Etisalat first in the United Arab Emirates and fourth in the Middle East among the top 100 companies, based on its financial performance and capital growth.

For more information check their web site at <http://www.etisalat.ae/>

Established in December 2005, Emirates Integrated Telecommunications Company's (Du) launch by the end of 2006 officially broke the 30 year monopoly that Etisalat held over the country's telecom market. Du became the UAE's second telecom operator by winning the license for a fixed and mobile telephony network for an upfront license fee of AED124.5 million (USD33.9 million).

Du offers telecommunication services that include fixed, data and mobile telephony services. Du already offers a fixed line telephony services to more than 19,000 residential and business customers in the Dubai Internet City, Dubai Media City, Dubai International Financial Centre (DIFC), Emirates Hills and Dubai Marina through a fiber optic network. Du expects to gain 30% share of the UAE's telecom subscribers within three years of operations despite already high penetration levels in the country. Du also offers Satellite broadcasting services to a number of regional and international media companies. Du plans to extend its fixed line network to other areas of the UAE and launch a nationwide GSM and 3G mobile network and also build a WiMAX network in the UAE, an emerging wireless broadband technology.

For information on Du UAE check their web site at <http://www.du.ae/>

Transportation

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Taxis are common and inexpensive. In Abu Dhabi, fares rarely exceed Dhs14 (US \$3.50). Luxury radio taxis are available from the major hotels for triple the rate of street taxis. In Dubai, not all taxis are metered, but fares should not exceed Dhs30 (US \$8) unless traveling to the outer suburbs. The fare from the World Trade Center to the Jebel Ali Free Trade Zone is about Dhs105-110 (US \$30-36).

Language

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The language of business is English and Arabic. Most taxi drivers understand sufficient English to get you where you want to go.

Health

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Public health services in Abu Dhabi and Dubai are adequate, i.e., major trauma cases can be stabilized. Major hospitals have modern equipment and non-Western trained personnel to operate them. Most western expatriates use private medical facilities and carry private health insurance

Local Time, Business Hours, and Holidays

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Local Time: GMT+4 hrs

Government offices open at 7:30 am Sunday through Thursday, closing at 2 p.m. for the day. Local businesses often close from 1:00 p.m. until 4:30 or 5:00 p.m. and then re-open for several hours. Visitors should plan appointments around these timings, as UAE businesspeople may not adjust their schedules in order to meet during their closing time. Private UAE companies close Friday and Saturday afternoon. Business meetings are rarely, if ever, held on Friday or Saturday afternoon, which UAE nationals value as family time.

US Embassy Holidays 2008

New Year's Day	Jan 1, 2008	Tuesday	USA
*Islamic New Year	Jan 10, 2008	Thursday	UAE
Martin Luther King	Jan 20, 2008	Sunday	USA
President's Day	Feb 17, 2008	Sunday	USA
*The Prophet's Birthday	Mar 20, 2008	Thursday	UAE
Memorial Day	May 25, 2008	Sunday	USA
Independence Day	Jul 3, 2008	Thursday	USA
*The Prophet's Ascension Day	Jul 30, 2008	Wednesday	UAE
Labor Day	Aug 31, 2008	Sunday	USA
*Eid Al Fitr	Oct 2-4, 2008	Thur - Sat	UAE
Columbus Day	Oct 12, 2008	Sunday	USA
Veterans Day	Nov 11, 2008	Tuesday	USA
Thanksgiving Day	Nov 27, 2008	Thursday	USA
*UAE National Day	Dec 2, 2008	Tuesday	UAE
*Eid Al Adha	Dec 9-11, 2008	Tues – Thurs	UAE
Christmas	Dec 25, 2008	Thursday	USA
*Islamic New Year	Dec 29, 2008	Monday	UAE

* Denotes UAE religious holidays. Dates for religious holidays are dependent upon the sighting of the moon and are likely to vary from the above estimated dates.

Temporary Entry of Materials and Personal Belongings

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As a general rule, imports of goods into the UAE for the purpose of re-export within six months are exempt from customs duty. However, a deposit or submission of a bank guarantee in lieu of duty is required by Customs. The deposit or bank guarantee is refunded/released by the local Custom authority on proof of re-export. Goods remaining in the UAE after six months are liable for customs duty.

Goods may be imported duty free and stored in any of several free zones in the UAE. Goods, which enter the UAE from these free zones, must pay the duty noted previously. There is no provision for duty free entry of parts or components intended for the

manufacture of goods to subsequently be exported. As duties are already so low, this has not been a major impediment to manufacturing industries in the UAE.

Web Resources

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The website for the US Embassy in Abu Dhabi is <http://uae.usembassy.gov/>

The website for the US Consulate in Dubai is <http://dubai.usconsulate.gov/>

The website for the Department of State, where you can find travel advisories, is www.state.gov.

Emirates Authority for Standardization and Metrology (ESMA)

<http://www.esma.ae/welcome.html>

Website for Etisalat (Telecommunications Department of UAE): <http://www.etisalat.ae/>.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

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Chapter 9: Contacts, Market Research, and Trade Events

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- [Trade Events](#)

Contacts

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US Government Trade Related Contacts in the UAE

Senior Commercial Officer: Christian Reed
US Embassy, Commercial Section
P.O. Box 4009, Abu Dhabi
Tel: (971-2) 414-2665
Fax: (971-2) 414-2228
E-mail: abu.dhabi.office.box@mail.doc.gov
Website: www.buyusa.gov/uae

Principal Commercial Officer: Patrick Wall
US Consulate General, Commercial Section
P.O. Box 9343, Dubai
Tel: (971-4) 311-6171
Fax: (971-4) 311-6140
E-mail: dubai.office.box@mail.doc.gov
Website: www.buyusa.gov/uae

Commercial Officer: Nasir Khan
US Embassy, Commercial Section
P.O. Box 4009, Abu Dhabi
Tel: (971-2) 414-2562
Fax: (971-2) 414-2228
E-mail: abu.dhabi.office.box@mail.doc.gov
Website: www.buyusa.gov/uae

US Consulate General, Agriculture Trade Office
Regional Director: David Williams
P.O. Box 9343, Dubai
Tel: (971-4) 311-6183
Fax: (971-4) 311-6189
E-mail: atodubai@emirates.net.ae
Website: <http://www.usembabu.gov.ae/atodubai.htm>
Office covers: Bahrain, Kuwait, Oman, Qatar and UAE

US Government Trade Related Contacts in Washington, D.C.

UAE Desk Officer: Tyler Hoffman
International Trade Administration

US Department of Commerce
14th St. & Constitution Avenue, N.W.
Washington, D.C. 20230-0001
Tel: (202) 482-3742
Fax: (202) 482-0878
Email: tyler_hoffman@ita.doc.gov,

Africa, Near East and South Asia Regional Office (ANESA)
Foreign Commercial Service
Director: Gregory Loose
US Department of Commerce
14th St. & Constitution Avenue, N.W.
Washington, D.C. 20230-0001
Tel: (202) 482-4836
Fax: (202) 482-5179

Trade Information Center (TIC)
US Department of Commerce
Washington, D.C. 20230-0001
Tel: 1-800-USA-TRADE
Website: <http://www.export.gov/exportbasics/ticredirect.asp>
email: tic@ita.doc.gov

Trade Assistance and Promotion Office (TAPO)
Foreign Agricultural Service (FAS)
US Department of Agriculture
Box 1052
Washington, D.C. 20250-1052
Tel: 202-720-7420
Fax: 202-690-4374
Website: www.fas.usda.gov

UAE Embassy in US

Embassy of the United Arab Emirates
1255 22nd Street, N.W., Suite 700
Washington, D.C. 20037
Tel: 202-243-2400
Fax: 202-243-2432
Website: <http://www.uae-embassy.org>

UAE Consulate General in New York
Tel: + 1 212 371 0480
Fax: + 1 212 371 4923

US Based Multipliers relevant for UAE

National US Arab Chamber of Commerce
1100 New York Ave., N.W.
East Tower, Suite 550
Washington, D.C. 20005

6/1/2008

Tel: 202-289-5920
Fax: 202-289-5938
Website: <http://www.nusacc.org/>
Email: info@nusacc.org

American Business Council of the Gulf Countries (ABCGC)
52 Court Street
Plymouth MA 02360
Ph:(508) 732-8920
Fax. (508) 732-8919
<http://www.abcgc.us>

Government of Dubai Department of Tourism & Commerce Marketing
25 West 45th Street, Suite# 405
New York, NY 10036
Contact: Ms. Alba Hotchkiss
Tel: 212-575-2262
Fax: 212-719-5763
E-mail: dtcm_usa@dubaitourism.ae

Major UAE Trade Associations/Chambers of Commerce

The American Business Council of Dubai and Northern Emirates
P.O. Box 37068, Dubai, UAE
Tel: 971-4-340-7566; Fax: 971-4-340 -7565
Email: amchamdx@emirates.net.ae
Website: www.abcdubai.com

The American Business Group of Abu Dhabi
P.O. Box 43710, Abu Dhabi, UAE
Tel: 971-2-671-1141; Fax: 971-2-671-1017
Email: abgroup@emirates.net.ae
Website: www.abg-ad.com

Federation Chamber of Commerce & Industry
P.O. Box 3014, Abu Dhabi, UAE
Tel: 971-2- 621-4144; Fax: 971-2-633-9210
Email: fcciauh@emirates.net.ae
<http://www.fcci.gov.ae/>

Abu Dhabi Chamber of Commerce & Industry
P.O. Box 662, Abu Dhabi, UAE
Tel: 971-2-621-4000, Fax: 971-2-621-5867
Email: services@adcci.gov.ae
Website: www.adcci-uae.com

Dubai Chamber of Commerce & Industry
P.O. Box 1457, Dubai, UAE
Tel: 971-4-228-0000; Fax: 971-4-221-1646
Email: info.center@dcci.gov.ae

Website: www.dubaichamber.ae

Sharjah Chamber of Commerce & Industry
P.O. Box 580, Sharjah, UAE
Tel: 971-6-554-1444; Fax: 971-6-554-1119
Website: www.sharjah.gov.ae
Email: scci@sharjah.gov.ae

Ajman Chamber of Commerce & Industry
P.O. Box 662, Ajman, UAE
Tel. 971-6-742-2177
Fax. 971-6-742-7591
Website: <http://www.ajcci.co.ae>
Email: ajmchmbr@emirates.net.ae

Fujairah Chamber of Commerce, Industry & Agriculture
P.O. Box 738, Fujairah, UAE
Tel. 971-9-222-2400
Fax. 971-9-222-1464
Website: <http://fujairahchamber-uae.com>
Email: fujccia@emirates.net.ae

Ras Al Khaimah Chamber of Commerce, Industry & Agriculture
P.O. Box 87, Ras Al Khaimah, UAE
Tel. 971-7-233-3511
Fax. 971-7-233-0233
Website: <http://www.rakchamber.com>
Email: rakchmbr@emirates.net.ae

Umm Al Quwain Chamber of Commerce & Industry
P.O. Box 436, Umm Al Quwain, UAE
Tel. 971-6-765-1111
Fax. 971-6-765-5055
Email: uaqcci@emirates.net.ae

UAE Federal Ministries

Ministry of Culture, Youth and Community Development
P.O. Box 17, Abu Dhabi, UAE
Tel. 971-2-445-3000, Fax. 971-2-445-2504

Ministry of Defense
P.O. Box 2838, Dubai, UAE
Tel. 971-4-353 2330, Fax. 971-4- 353 1974

Ministry of Education
P.O. Box 295, Abu Dhabi, UAE
Tel. 971-4-621 3800, Fax 971-2-6313778
<http://www.moe.gov.ae>

Ministry of Economy
P.O. Box 901 Abu Dhabi, UAE
Tel. 971-2-626 5000, Fax. 971-2- 626 9942
Email: economy@emirates.net.ae
Website: www.economy.gov.ae

Ministry of Environment & Water
P.O. Box 213
Abu Dhabi, UAE
Tel. 971-2-449 5111
Fax. 971-2-449 5154
Email: archives@maoew.gov.ae
Website: <http://www.moew.gov.ae>

Ministry of Energy
P.O. Box 59, Abu Dhabi, UAE
Tel: 971-2-667-1999, Fax: 971-2-6664573
Email: mopmr@uae.gov.ae

Ministry of Finance & Industry
P.O. Box 433, Abu Dhabi, UAE
Tel. 971-2-672-600, Fax. 971-2-6768414
Website: <http://www.uae.gov.ae/mofi>
Email: fedfinem@emirates.net.ae

Ministry of Foreign Affairs
P.O. Box. 1
Abu Dhabi, UAE
Tel. 971-2-444 4488, Fax 971-2-444 9100
Email: mofa@uae.gov.ae

Ministry of Higher Education and Scientific Research
P.O. Box 45253
Abu Dhabi, UAE
Tel. 971-2-642 8000
Fax. 971-2-642 7262
Email: mohe@uae.gov.ae
Website: <http://www.uae.gov.ae/mohe>

Ministry of Health
P.O. Box 848, Abu Dhabi, UAE
Tel: 971-2-633-0000, Fax: 971-2-621-5422
Website: <http://www.moh.gov.ae>
Email: postmaster@moh.gov.ae

General Information Authority
P.O. Box 3870
Abu Dhabi, UAE
Tel. 971-2-665 2110

Fax. 971-2-666 8650
Email: emdxb@emirates.net.ae
website: <http://www.gia.gov.ae/giawebsite/english/index.asp>

Ministry of Interior
P.O. Box 398
Abu Dhabi, UAE
Tel. 971-2-441 4666
Fax. 971-2-441 4938
Email: moi@uae.gov.ae

Ministry of Justice
P.O. Box 260, Abu Dhabi, UAE
Tel. 971-2-6814000, Fax. 971-2-681 4224

Ministry of Labour
P.O. Box 809, Abu Dhabi, UAE
Tel. 971-2- 667 1700, Fax. 971-2- 666 5889
Website: <http://www.mol.gov.ae/>

Ministry of Public Works
P.O. Box 878, Abu Dhabi, UAE
Tel. 971-2-665 1778, Fax. 971-2-666 5598
Email: mpwh@uae.gov.ae
Website: <http://www.mpw.ae/>

Ministry of State for Cabinet Affairs
P.O. Box 2350, Abu Dhabi, UAE
Tel. 971-2- 626 8100, Fax, 971-2- 626 8033
Email: csb@csb.ae
Website: <http://www.csb.gov.ae>

UAE Armed Forces General Headquarters (GHQ)
P.O. Box 3755, Abu Dhabi, UAE
Tel: 971-2-441-4999, Fax: 971-2-441-4103

UAE Armed Forces Directorate of General Purchasing
GHQ, P.O. Box 2501, Abu Dhabi, UAE
Tel: 971-2-441-5300, Fax: 971-2-441-5687

Important Government Authorities in Abu Dhabi

Abu Dhabi Department of Transport(DOT)
P.O. Box 20, Abu Dhabi, UAE
Tel:971-2-505 3311, Fax. 971-2-575 7285
Email: info@dot.abudhabi.ae

Department of Municipal Affairs(DMA)
P.O. Box 3, Abu Dhabi, UAE

Tel. 971-2-678 5555
Fax. 971-2-677 7755
Email: info@ma.abudhabi.ae
Website: <http://www.dma.abudhabi.ae>

Abu Dhabi Council for Economic Development(ADCED)
P.O. Box 126666, Abu Dhabi, UAE
Tel: 971-2-691 3300, Fax. 971-2-691 3400
Email: info@adced.ae

Customs Department
P.O. Box 255, Abu Dhabi, UAE
Tel: 971-2-673-0700, Fax: 971-2-673-1150
Website: <http://www.auhcustoms.gov.ae/>

Abu Dhabi Tourism Authority(ADTA)
P.O. Box 94000, Abu Dhabi, UAE
Tel. 971-2-444 0444, Fax. 971-2-444 0400
Email: info@adta.ae
<http://www.abudhabitourism.ae>

Department of Planning & Economy(DPE)
P.O. Box 12, Abu Dhabi, UAE
Tel: 971-2-672-7200, Fax 971-2-672 7749
Email: info@adeconomy.ae

Abu Dhabi Water & Electricity Authority
P.O. Box 422, Abu Dhabi, UAE
Tel. 971-2-694-3333, Fax. 971-2-694-3491
Website: <http://www.adwea.gov.ae/>

Abu Dhabi Investment Authority
P.O. Box 3600
Abu Dhabi, UAE
Tel. 971-2-626 6500
Fax. 971-2-627 4605

Environment Agency – Abu Dhabi
P.O. Box 4553
Abu Dhabi, UAE
Tel. 971-2- 681 7171
Fax. 971-2-681 008
Website: <http://www.ead.ae>

Important Government Authorities in Dubai & Northern Emirates

Dubai

Dubai Civil Aviation Department
P.O. Box 2525, Dubai, UAE

6/1/2008

Tel: 971-4-206-2525, Fax: 971-4-224-4074
Website <http://www.dubaiairport.com>

The Dubai Department of Economic Development
P.O. Box 13223, Dubai, UAE
Tel: 971-4-222-9922, Fax: 971-4-222-5577
Website: <http://www.dubaied.gov.ae>

Dubai Port Customs & Free Zone Corporation
P.O. Box 63, Dubai, UAE
Tel: 971-4- 345-5555, Fax: 971-4- 345-0460
Website: <http://www.dxbcustoms.gov.ae>

Dubai Ports World
P.O. Box 17000, Dubai, UAE
Tel: 971-4-881 5000, Fax: 971-4-881-7777
Website: <http://www.dpworld.ae>

Dubai Municipality
P.O. Box 67, Dubai, UAE
Tel: 971-4-221-5555, Fax: 971-4-224-6666
Website: <http://www.dm.gov.ae>

Department of Tourism and Commerce Marketing(DTCM)
P.O. Box 594, Dubai, UAE
Tel. 971-4-223-0000, Fax. 971-4-223-0022
Website: <http://dubaitourism.co.ae>

Jebel Ali Free Zone Authority
P.O. Box 17000, Dubai, UAE
Tel. 971-4-8815000, Fax. 971-4-881-6093
Website: www.jafza.ae

Dubai Electricity & Water Authority
P.O. Box 564, Dubai, UAE
Tel. 971-4-324-4444, Fax. 971-4-324-8111
Website: <http://www.dewa.gov.ae>

Dubai Holding
P.O. Box 66000, Dubai, UAE
Tel. 971-4-330 0300, Fax. 9714-362 2019
Website: <http://www.dubaiholding.com>

Dubai Internet City
P.O. Box 73000, Dubai, UAE
Tel. 971-4-391-1111, Fax. 971-4-391-1110
Website: <http://www.dubaiinternetcity.com>

Dubai Airport Free Zone
P.O.Box 491,Dubai, U.A.E
Tel: 971-4-2995555,Fax: 971-4-95500

Email:invest@dafza.gov.ae
Website:www.dafza.gov.ae

Dubai Cars & Automotive Zone
P. O. Box No 17000 Dubai, UAE
Tel: 971-4-3335000
Fax: 971-4-3335777
Website: www.ducamz.co.ae

Dubai Media City
P.O. Box 53777, Dubai, UAE
Tel. 971-4-391-4555, Fax. 971-4-391-4070
Website: <http://www.dubaimediacity.com>

The Gold & Diamond Park
P.O.Box. 37370
Tel.971-4-3477576
Fax:971-4-3473206
E-mail:enquiry@emaar.co.ae
Website: www.goldanddiamondpark.com

Dubai Broadcast Media Zone
P.O. Box 72280
Dubai, UAE
Tel. 971-4- 3914895
Fax. 971-4- 3914888
E-mail: info@broadcastmediazone.com
website: www.broadcstmediazone.com

Sharjah

The Sharjah Commerce & Tourism Development Authority
P.O. Box 26661, Sharjah, UAE
Tel. 971-6-556-6777, Fax. 971-6-556-3000
Website: <http://www.sharjahtourism.ae>

Sharjah Chamber of Commerce and Industry
P.O. Box 22, Sharjah, UAE
Tel. 971-6-568-8888, Fax. 971-6-568-1119
Website: <http://www.sharjah.gov.ae/>

Civil Aviation Department
P.O. Box 8, Sharjah, UAE
Tel. 971-6-558-1313, Fax. 971-6-558-0880
Website: <http://www.sharjahairport.ae>

Sharjah Ports
P.O. Box 510, Sharjah, UAE
Tel. 971-6-528-1666, Fax. 971-2-528-1425
Website: <http://www.sharjahseaports.gov.ae>

Economic Department
P.O. Box 829, Sharjah, UAE
Tel. 971-6-573-4444, Fax, 971-6-573-4111
Website: www.sedd.gov.ae

Sharjah Municipality
P.O. Box 22, Sharjah, UAE
Tel. 971-6-561 2333
Fax. 971-6- 562 6455
Website: <http://www.shjmun.gov.ae/v2/english/index.asp>

Sharjah Electricity & Water
P.O. Box 135, Sharjah, UAE
Tel. 971-6-528-8888, Fax. 971-6-528-8000
Website: <http://www.sewa.gov.ae>

Sharjah Airport International Free Zone (SAIF Zone)
P.O. Box 8000, Sharjah, UAE
Tel. 971-6-557-0000, Fax. 871-6-557-1010
Website: <http://www.saif-zone.com>

Sharjah Hamriya Free Zone Authority
P.O. Box 1377, Sharjah, UAE
Tel. 971-6-526-3333, Fax. 971-6-526-3444
Website: <http://www.hamriyahfz.com>

Customs Department
P.O. Box 1651, Sharjah, UAE
Tel. 971-6-528-2216, Fax. 971-6-528-1425
Website: <http://www.sharjahcustoms.gov.ae>

Ajman

Economic Department
P.O. Box 870, Ajman, UAE
Tel. 971-6-744-6244, Fax. 971-6-745-7555

Ajman Municipality
P.O. Box 3, Ajman, UAE
Tel. 971-6-742-2230, Fax. 971-6-742-2330
<http://www.am.gov.ae>

Ajman Port & Customs
P.O. Box 388, Ajman, UAE
Tel. 971-6-747-0111, Fax. 971-6-747-0333
Website: <http://www.ajmanport.gov.ae>

Ajman Free Zone Authority
P.O. Box 932, Ajman, UAE
Tel. 971-6-742-5444, Fax. 971-6-742-9222

Website: <http://www.ajmanfreezone.gov.ae>

Fujairah

Fujairah Free Zone Authority
P.O. Box 1133, Fujairah, UAE
Tel. 971-9-222-8000, Fax. 971-9-222-8888
Website: <http://www.fujairahfreezone.com>

Fujairah Municipality
P.O. Box 7, Fujairah, UAE
Tel. 971-9-222-7000, Fax. 971-9-222-2231
Website: <http://www.fujairah.gov.ae>

Department of Industry & Economy
P.O. Box 1, Fujairah, UAE
Tel. 971-9-222-2111, Fax. 971-9-222-3399

Civil Aviation Department
P.O. Box 977, Fujairah, UAE
Tel. 971-9-222-6222, Fax. 971-9-222-7279
Website: <http://www.fujairah-airport.com>

Port of Fujairah
P.O. Box. 787, Fujairah, UAE
Tel. 971-9-222-8800, Fax. 971-2- 2228811
Website: <http://www.fujairahport.com>

Ras Al Khaimah

Ras Al Khaimah Free Trade Zone
P.O. Box 10055, Ras Al Khaimah, UAE
Tel. 971-7-228-0889, Fax. 971-2-228-0482
Website: <http://www.rakiftz.com>

Ras Al Khaimah Municipality
P.O. Box 4, Ras Al Khaimah, UAE
Tel. 971-7-233-2422, Fax. 971-233-0899
Website: <http://rakmunicipality.rak.ae/>

Ras Al Khaimah Port & Customs Dept.
P.O. Box 8, Ras Al Khaimah, UAE
Tel. 971-7-233-3613, Fax. 971-7-233-7666
<http://www.saqrport.com>

Umm Al Quwain

Umm Al Quwain Port
P.O. Box 279, Umm Al Quwain, UAE

Tel. 971-6-765-5882
Fax. 971-6-765-1552

Umm Al Quwain Municipality
P.O. Box 12, Umm Al Quwain, UAE
Tel. 971-6-765-6145, Fax. 971-6-765-5138

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

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Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

Please click on the link below for information on upcoming trade events.

<http://www.buyusa.gov/uae/en/19.html>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

http://www.buyusa.gov/uae/en/service_for_us_companies.html

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

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