



Overseas Market Information

United Arab Emirates (UAE) (...continued from previous issue)

Investing in UAE

FDI in figures

UAE is the primary recipient of direct foreign investments on the Arabian Peninsula. The main investors in the UAE are Great Britain, Japan and India. After reaching a record high in 2008, then failing in 2009, FDI flows stagnated in 2010 and 2011. FDI stocks are concentrated in hydrocarbons and water and electricity production. The advantages of the Emirates are the country's easy access to oil resources, low energy costs, willingness to diversify the economy and high purchasing power. The absence of direct tax on companies (excluding banks, oil companies and telecom operators) and people, of exchange controls and any limitations on repatriation of capital, as well as the existence of a banking sector that is both solid and profitable and a large pool of expatriate workforce constitute its undeniable benefits. The country's main weakness is the small size of its domestic market.

Country Comparison For the Protection of Investors

	UAE	Middle East & North Africa	USA	Germany
Index of Transaction Transparency*	4.0	6.3	7.0	5.0
Index of Manager's Responsibility**	7.0	4.6	9.0	5.0
Index of Shareholders' Power***	2.0	3.4	9.0	5.0
Index of Investor Protection****	4.3	4.8	8.3	5.0

(Source : Doing Business - Last Available Data)

Note : *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

Foreign Direct Investment	2009	2010	2011
FDI Inward Flow (million USD)	4,003	3,948	-
FDI Stock (million USD)	72,227	76,175	-
Performance Index*, Ranking on 181 Economies	41	62	87

Foreign Direct Investment	2009	2010	2011
Potential Index**, Ranking on 177 Economies	-	-	19
Number of Greenfield Investments***	232	214	257
FDI Inwards (in % of GFCF****)	4.6	6.8	9.5
FDI Stock (in % of GDP)	26.7	26.1	23.7

(Source : UNCTAD - Last Available Data.)

Note : * The UNCTAD Inward FDI Performance Index is Based on a Ratio of the Country's Share in Global FDI Inflows and its Share in Global GDP. ** The UNCTAD Inward FDI Potential Index is Based on 12 Economic and Structural Variables Such as GDP, Foreign Trade, FDI, Infrastructures, Energy Use, R&D, Education, Country Risk. *** Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up. **** Gross Fixed Capital Formation (GFCF) Measures the Value of Additions to Fixed Assets Purchased By Business, Government and Households Less Disposals of Fixed Assets Sold Off or Scrapped.

Why you should choose to invest in UAE

Strong points

The strengths of the country are :

- Not directly taxing corporations (apart from oil, banking and insurance sectors) and individuals;
- absence of exchange control or of any constraint relating to repatriation of funds;
- a solid and profitable banking sector and favourable regulations for foreign investments;
- The geographical situation of the country makes it a potential platform to influence the whole of the Gulf, Iran, Asia and Middle-East;
- Lastly, the country has a cheap foreign labour force, very good transport and production infrastructures (financed by hydrocarbon income) and an access to low cost energy.

Weak points

There are legal obstacles for foreign investments. Effectively, the interdiction (except for free zone) of more than 49% of shareholding of a local company for a foreign investor constitutes a significant hindrance. Moreover, the obligation for recourse to a local service agent for the branches and representative offices of foreign companies represents a limit.



Government measures to motivate or restrict FDI

The government announced a certain number of measures, for example removal of the obligation of the capital holding of 51% by a national or even the opening of banking and insurance sectors for foreign investors. Till now not much progress has been made. However you can notice the flexibility of rules of access to real estate property for foreigners in Emirates of Dubai, Sharjah and Abu Dhabi.

Visa Information

Visas & passport for travel to the UAE

1. General Information

All Indians with Indian passports valid for more than six months can enter the UAE.

2. Visa on Diplomatic and Official Passports

The Embassy issues visas on Diplomatic and Official Passports only. The documents required for this are :

1. A Note Verbale from the Indian Ministry of External Affairs (in case of Indian Government Officials) or

from the concerned Diplomatic Mission (in case of Diplomats or Officials working in a Diplomatic Mission).

2. A duly filled in Application Form (which can be downloaded from the Embassy website), signed by the applicant.
3. Two passport size photographs (one photograph pasted on the form and second photograph clipped with the form).
4. Photocopy of the Passport.

These documents can be submitted in the Embassy from 9:00 am to 12:00 noon, Monday to Friday. The Embassy of UAE takes 3 to 4 working days to process the Visa.

Tourist visa for an Indian National, holding an ordinary passport, is arranged by a sponsor in UAE. It can also be obtained on booking a hotel in UAE or through the Emirates Airlines Office or the Air Arabia Office or through a Travel Agent in India.

Operating a Business in UAE

Setting up a company

Legal business entities

Types of Companies and Capital (Max/Min)

Number of Partners/Shareholders and Liability

Sole Proprietorship is an individual company No minimum capital.	1 person. The individual entrepreneur is responsible for assets of the company over his personal goods.
Public Joint-stock Company Minimum AED 10 million	Shares freely transferable but 51% must be held by UAE nationals. Their responsibility is limited to the amount of contributions.
Private Joint-stock Company Minimum AED 2 million	Minimum 3 partners. Their responsibility is limited to the amount of contributions.
Limited Liability Company Minimum: AED 150,000 - 300,000	Minimum 2 partners. maximum 50 partners. Their responsibility is limited to the amount of contributions.
General Partnership None	Minimum: 2. All the partners have to be UAE nationals. Unlimited
Limited Partnership None	At least, 1 general partner (only UAE nationals) and 1 limited partner. At least one partner must have unlimited liability. Responsibility of other partners is limited to the amount contributed.

Reaching the consumers

Consumer behavior

The Emirates consumers are above all guided by the price in their purchase decisions. Today, the nationals are more and more sensitive to other considerations like product quality, existence of after-sales service or even the degree of innovation in the product. They are also sensitive in following their customs and traditions and in view of this perspective an Arabic packaging is recommended.

Consumer profile and purchasing power

People from Emirates are a young population. They have very high standard of living. They are curious vis-a-vis new technologies and products. They are always looking for the most modern equipment particularly in the field of mobile telephony and information technology. From another point of view, they are very conscious of brand image for luxury products and everything.



Distributing a Product

Evolution of the Sector

There are a number of selling methods possible in Emirates and among them direct selling can be pointed out. However this mode remains very less widespread.

The most widespread custom is to market your products through local commercial agent. It is recommended to choose from different distributors or commercial agents in each Emirate. Imports and exports of food products are typically entrusted to companies specialised in this field. This market is dominated by 5 or 6 companies. However, a growing number of food distributors import directly themselves become a distributor and a wholesaler for other more modest establishments. Finally, the companies have the tendency to use the geographical position of Dubai, which is in fact a regional hub, for stocking their goods in this Emirate before re-export to other markets as those of India or Iran. Moreover, the use of franchise has witnessed a significant expansion.

Market shares

Supermarkets concentrate on the largest part of the market in the field of distribution with 49,2% of sales. The market leaders are the Groups Carrefour, Emke. And Spinney to a lesser extent. They are followed by bulk sales which realises 28.3% of the market share. In the third position are the shopping centers with 6%, then fairs and exhibitions with 1.5% finally followed by specialised stores with 0.2%.

Market Access Procedures

Non-tariff barriers

It is prohibited to import foods exposed to radiation and import of alcohol and pork is strictly restricted to fixed quotas. It should also be known that any beef or poultry based product should be accompanied by a Health certificate from the country of origin.

The UAE is part of the Gulf Cooperation Council (GCC). In 1981, GCC had established an agreement (Unified Economic Agreement) according to which all farm, animal, industrial products or natural resources of the member States should be exempt from customs duties or any other tax when they conduct intra-GCC trade. GCC is presently in talks with the European Union, Japan and USA for future free-trade agreements.

Customs duties and taxes on imports

Since the adoption of a common tariff for the GCC countries, the customs duty is 5% of the CIF value of the product.

Customs classification

Since 2003 and the setting-up of the free trade area between the GCC countries, the system has been harmonised.

Import procedures

You must furnish :

- Delivery order from a shipping agent addressed to a licensed company by licensing agencies in UAE;
 - Original bill of lading (for seaports);
 - Original invoice from the exporter addressed to a licensed importer in the country detailing total quantity, goods description and total value for each item (3 exemplaries);*
 - Copy of the trade license of buyer and seller;
 - Certificate of origin approved by the chamber of commerce at the country of origin detailing the origin of goods; *
 - Transport certificate; *
 - The Customs entry declaration;
 - A form or letter of exemption from customs duties in case the exemption requirements are fulfilled including Local Purchase Order (LPO);
 - Detailed packing list as per weight, method of packing and HS code for each individual article contained in the shipment; *
 - Import permit from the competent agencies in the event of importing restricted goods; *
 - Health or Phytosanitary certificate or an export certificate for the processed products attested by the concerned national department office, confirming that the product is fit for human consumption
 - A halal certificate for the meat ingredients; *
 - A non-radiation certificate for some products (optional for European products); *
 - Transport documents that are required for import clearance.
- Documents with a * must be attested by the Embassy of United Arab Emirates and the Chamber of Commerce in the country of origin of products.

Organizing Goods Transport

Main useful means of Transport

Maritime transport remains the principal means to goods transport. There are 15 ports in Emirates which experience an average traffic of 3 billion containers in a year. The port Jebel El Ali is one of the largest artificial ports in the world.

The air or surface transport freight remains less important than the maritime transport. According to them, rail transport is non-existent.

Useful Addresses

Embassy of India in UAE
Embassy of India
P.O. Box 4090, Abu Dhabi
United Arab Emirates
Tel. : +9712 4492700
Fax : +9712 4444685/4447768
Website : <http://www.indembassyuae.org>

**Embassy of UAE in India**

Embassy of the United Arab Emirates
12, Chandragupta Marg, Chanakyapuri
New Delhi 110 021

Tel. : +91-11-26111111

Fax : +91-11-26873272

E-mail : newdelhi@mofa.gov.a, info.newdelhi@mofa.gov.ae

Website : <http://www.uaeembassy-newdelhi.com>

Trade Associations

Federation of UAE Chambers of Commerce & Industry
PO Box 3014

Abu Dhabi

United Arab Emirates

Tel. : 9714-6214 144

Fax : 9714 -6339210

E-mail : fcciauh@emirates.net.ae

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

Abu Dhabi Chamber of Commerce and Industry

Corniche Street, Chamber Tower

P. O. Box 662, Abu Dhabi

United Arab Emirates

Tel. : 971-2-6344 466

Fax : 971-2-215 867

E-mail : trade@adcci-uae.com

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

Ajman Chamber of Commerce

P.O. Box 662, Ajman

United Arab Emirates

Tel. : 9716-7422177

Fax : 9716-7427591

E-mail : ajmchmbr@emirates.net.ae

Website : <http://www.ajcci.co.ae>

Dubai Chamber of Commerce & Industry

Bin Yas street Deira

P.O. Box 1457, Dubai

United Arab Emirates

Tel. : 9714-2221181

Fax : 9714-2211646

E-mail : dccinfo@dccci.org

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

Federation of UAE Chambers of Commerce and Industry

PO Box 8886, Dubai

United Arab Emirates

Tel. : 9714 2212977

Fax : 9714 2235498

Fujairah Chamber of Commerce and Industry

P.O. Box 738, Fujairah

United Arab Emirates

Tel. : 971-9-2222400

Fax : 971-9-2221464

E-mail : fujccia@emirates.net.ae

Ras El-Khaimah (RAK) Chamber of Commerce and Industry

P.O. Box 87

Al Sabah Street, Ras El-Khaimah

United Arab Emirates

Tel. : 9717-2333511

Fax : 9717-2330233

E-mail : rakchmbr@emirates.net.ae

Sharjah Chamber of Commerce & Industry

Al Bourj Avenue

P.O. Box 580, Sharjah

United Arab Emirates

Tel. : 9716-5541444

Fax : 9716-5541119

E-mail : scci@sharjah.gov.ae

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

Umm Al Quwain (UAQ) Chamber of Commerce & Industry

P.O. Box 436, UMM AL QUWAIN

United Arab Emirates

Tel. : 9716-7656915

Fax : 9716-7657056

American Business Council of Dubai/North Emirates

P.O. Box 9281, Dubai

United Arab Emirates

Tel. : 971-4-314735

Fax : 971-4-314227

E-mail : amchamdx@emirates.net.ae

French Business Council - Dubai & Northern Emirates

P.O. Box 25 775, Dubai

United Arab Emirates

Tel.: 971-4-35 23 62

Fax : 971 4 35 21 20

E-mail : fbc@emirates.net.ae

Useful Links**Business Environment****Standards**

Website of the Emirates Authority for Standardisation and Metrology (ESMA) (<http://www.esma.gov.ae/en-us/Pages/home.aspx>)

Certification Organizations

ESMA (<http://www.esma.ae/>)

Business Practices**General Information**

Website on etiquette for foreign relations in Emirates (<http://www.cyborlink.com/besite/uae.htm>)

Ministries

UAE Ministry of Economy (<http://www.economy.gov.ae/English/Pages/default.aspx>)

Website of the Ministry of Finance (<http://www.mof.gov.ae/En/pages/default.aspx>)

**Statistical Office**

Office of Statistics-Dubai Municipality (<http://www.dm.gov.ae/>)

Central Bank

Central Bank of the United Arab Emirates (<http://www.centralbank.ae/index.php>)

Stock Exchange

Dubai International Financial Exchange (<http://www.nasdaqdubai.com/home/home.html>)

Abu Dhabi Stock Exchange (<http://www.nasdaqdubai.com>)

Search Engines

UAE Internet pages (<http://www.uae-pages.com/>)

Fares (<http://eyoon.fares.net/249/391/>)

Economic Portals

Erutledge (<http://www.erutledge.com/>)

Reaching the consumers**Consumers Associations**

Department of Consumer protection (<http://www.economy.ae/English/Consumers/Pages/default.aspx>)

Main Advertising Agencies

Directory of the main advertising agencies operating in the UAE (<http://www.iaauae.org/en/iaa-corporate-directory/?page=3>)

For further information

Website of Emirates Federal Customs Authority (<http://www.customs.ae/>)

Federation of UAE Chambers of Commerce and Industry (<http://www.fcciuae.ae/en/>)

Organizing goods transport**Ports**

Dubai Port Authority (<http://www.dpa.co.ae/>)

Port Zayed of Abu Dhabi (http://webapps.dpworld.com/portal/page/portal/DP_WORLD_WEBSITE)

Sharjah Port Authority (<http://www.sharjahports.gov.ae/>)

Airports

Portal of airports in the UAE

Sea transport organizations

National Transport Authority (<http://www.nta.gov.ae/>)

Air transport organizations

General Civil Aviation Authority (<http://www.gcaa.gov.ae/en/pages/default.aspx>)

Road transport organizations

National Transport Authority (<http://www.nta.gov.ae/>)

Multi-sector Directories

AAAID Companies (<http://www.aaaid.org/english/membercountries.htm>) - Producers of agricultural products,

members of the Arab Authority for Agricultural Investment and Development.

Agrisouk - United Arab Emirates (<http://www.agrisouk.com/eau/uae1.htm>) - Food industries and agriculture portal for the Arab world.

Construction Directory (<http://www.constructionweekdirectory.com/>) - Directory provided by Construction Week Online.

Abu Dhabi Online Commercial Directory (http://www.abudhabichamber.ae/English/E-Services/Pages/ADCCIServices.aspx?serviceurl=6q5Pp5e3CjeCvueb3ag2nwNMclREZAYPNa2BR01UYtVugpbBemWudBp88PbQJnciz%2fCgOw9Cl3wLTQExR1DmV4K6zfd86ni5TiNQkUtLic%3d&main_menu_id=2) - Business directory provided by the Abu Dhabi Chamber

All.biz - United Arab Emirates (<http://www.ae.all.biz/en/>) - Directory of companies in the United Arab Emirates.

Eyoon (<http://www.eyoon.com/249/index.html>) - Business directory for several countries in Africa and in the Middle East.

UAE Business Directory (<http://www.uaebusinessdirectory.com/>) - Find a business in UAE.

UAE Business Directory (<http://www.uaeincorp.com/>) - UAE business directory.

UAEFreeZones.com (<http://www.uaefreezones.com/directory.asp>) - Free zones directory in the UAE.

Yellow Pages (<http://www.yellowpages.ae/>) - Find a company in UAE.

Trade Agencies and their Representations Abroad

Abu Dhabi Chamber of Commerce and Industry (<http://www.abudhabichamber.ae/>)

Chamber of Commerce of Dubai (<http://www.dubaichamber.ae/>)

Chamber of Commerce and Industry of the United Arab Emirates (<http://www.fcciuae.ae/en/>)

Chamber of Commerce and Industry of Sharjah (<http://www.sharjah.gov.ae/>)

Enterprises Federation

Directory of Associations of foreign companies in partnership with the local companies in the field of trade (http://www.abudhabi.alloexpat.com/abudhabi_information/joint_trade_abudhabi.php)

Business Setup Procedures

To know about procedures to start a Business in United Arab Emirates - Consult Doing Business Website (<http://www.doingbusiness.org/data/exploreeconomies/United-Arab-Emirates/starting-a-business/>)

Trade Register (http://www.dubai.ae/en.portal?topic,biz_reg,0,&_nfpb=true&_pageLabel=topic)

For Further Statistics

Dubai Statistics Center (<http://login.dm.gov.ae/>)



Labor regulation bodies

Ministry of Labour (<http://www.mol.gov.ae/>)

Competent Organization for the Declaration

World Association of Investment Promotion Agencies (<http://www.waipa.org/>)

Investment Aid Agency

Abu Dhabi Investment Authority (<http://www.adia.ae/>)

Other Useful Resources

Emirates Free Zone, directory of the free zones with a presentation of UAE (<http://www.emiratesfreezone.com/>)

Traveling in UAE

Entry Requirements

Passport and Visa Service

Emirates Federal government website giving information on visas and other formalities for entry. (<http://www.dubaitourism.ae/definitely-dubai/entry-formalities>)

Address of the Ministry of Culture and Information on Emirates. (<http://www.uaeinteract.com/travel/visas.asp>)

http://www.mzv.cz/www.omzv/default.asp?id=25931&ido=7306&idj=2&amb=1-_blank

Organizing Your Trip

Means of Transport Recommended in Town

The best means of travelling in the cities of Emirates remain the personal car and the taxi. Taxis are a bit costly, but easy to find and numerous. Majority of them know a sufficient level English to follow directions and journeys. Local transports are still less developed except in Dubai which has an urban bus service. A trip to Dubai, costs between 1 and 3.5 AED and there is a pass system. A metro line is under construction in Dubai since 2006. River taxis enable to cross the Dubai Creek for 12 AED.

Maps of Urban Networks

Maporama (<http://www.maporama.com/>)

UT Library on line (http://www.lib.utexas.edu/maps/united_arab_emirates.html)

Mapblast (<http://www.mapblast.com/>)

Means of Transport Recommended in the Rest of the Country

Personal vehicle or shared taxis are the best means of travelling between different Emirates. There are buses and minibuses assuring links between Emirates. A monorail project is under consideration between Dubai and Abu Dhabi. A seaplane service already connects Dubai and Abu Dhabi.

Rail Companies

There are no trains within Emirates.

Travelling by Yourself

Recommendation

The road network is excellent, but the traffic can be dangerous (excess speed, sudden stoppages of taxis in cities). For a tour in the desert, it is imperative to have a 4X4.

Road Maps

Website giving access to free cards (http://www.autolease-uae.com/road_map.html)

Find an Itinerary

Portal of via michelin, then choose the country (<http://www.viamichelin.com/viamichelin/gbr/tpl/hme/MaHomePage.htm>)

Tourism Organization

Uaeinteract.com (<http://www.uaeinteract.com/travel/>)

Abou Dhabi Touristic Authority (<http://www.abudhabtourism.ae/en/news/expodia.aspx>)

For Further Information on Safety Conditions

Government website (<http://www.government.ae/web/guest/home/en>)

Type of Climate

There are two seasons: the temperate season from November to April (from 12 deg to 30 deg), the hot and humid season from May to September with temperatures reaching till 50 deg. There are sand storms in the month of March and April.

Getting Some Knowledge

Cias (<http://i-cias.com/babel/arabic/index.htm>)

Speak 7 (<http://arabic.speak7.com/>)

Free Translation Tools

Ectaco (<http://www.ectaco.com/online/>)

Im Translator (http://free-translator.imtranslator.net/default.asp?ldr=ar_en&loc=en)

Babylon (<http://translation.babylon.com/Arabic/to-English>)

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