



U.S. Country Commercial Guides



2017

United Arab Emirates

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Doing Business in United Arab Emirates

Market Overview

The United Arab Emirates (U.A.E.) is a significant U.S. export market and an important regional hub for American companies doing business throughout the Middle East, Africa and South Asia. The U.A.E. has a population of approximately 9.5 million, out of which about 85 percent are expatriates. In 2015, the U.A.E. registered a real GDP growth rate of 3.9 percent, down from 4.6 percent in 2014. Due to its vast oil wealth and relatively small citizen population to which it must provide services, the U.A.E. is well positioned to handle the current low-oil-price economy. To diversify away from oil, the government is transitioning from an investment economy to a knowledge economy. To this end, it is focused on developing new industrial and commercial sectors, including aerospace, healthcare, education, and defense and tourism.

The U.A.E. is a leading commercial center serving the Middle East, Africa, and South Asia, with a significant portion of its import volume ultimately being re-exported. Dubai in particular plays a central role as a regional trade, logistics and tourism hub. Its economy has also been buoyed by ongoing construction and infrastructure projects in the lead-up to the Dubai World Expo 2020. While the construction sector has come under substantial pressure due to the prolonged slump in oil prices, the sector remains resilient, and Dubai's planned real estate and infrastructure projects are progressing. Most notably, the expansion of the Al Maktoum International Airport by Dubai Airport Authority, valued at \$33 billion, is Dubai's single biggest project.

Abu Dhabi has been relatively more exposed to the commodities downturn given its reliance on the oil sector. As a result, the government has enacted austerity campaigns to rein in its spending. This includes fiscal restraints and revenue-generating measures across the board, e.g., energy price reforms, subsidy reforms, wage freezes, prioritization of capital spending, and expansion of non-oil tax revenues. Some projects that have been delayed and could be awarded in the future include the second phase of the national railway network by Etihad Rail and the Sheikh Khalifa Medical Hospital.

Hydrocarbon production remains critical to the U.A.E. economy, amounting to \$65 billion or approximately 20 percent of all export revenue, according to the U.S. Energy Information Administration (EIA). As a result of low oil prices, these revenue figures are down from a peak of \$123 billion in 2013. The state-owned Abu Dhabi National Oil Company (ADNOC) and its operating companies are in the process of expanding the output of crude oil to 3.5 million bpd by 2020, which the country aims to maintain until 2027. It is also developing the country's downstream industries, including petrochemicals and plastics.

ADNOC continues to face pressure to cut costs and improve efficiencies to offset the fall in global oil and gas prices. The company cut up to 5,000 jobs in 2016, according to MEED reports, and ADNOC and its associated companies have undertaken major organizational changes, including the appointment of a new Director General and the replacement of six CEOs across the group of companies. The Minister of Energy further noted that mergers between these companies have been and will continue to be used as a tool to cut costs and raise efficiency.

through consolidation. Despite a slow start in January, the U.A.E. met and exceeded its OPEC-mandated production cuts of 139,000 bpd in the first half of 2017; the Minister of Energy claims the country cut a full 200,000 bpd in March.

In terms of U.S. trade, the U.A.E. is the largest export market for American merchandise exports in the Middle East. In 2015, U.S. exports to the U.A.E. totaled \$23 billion, a 3.6 percent increase from 2014. U.A.E. exports to the United States decreased by 10.7 percent in 2015 to \$2.5 billion. Overall U.S.-U.A.E. bilateral trade was \$25.4 billion in 2015.

Leading sectors for American exporters in 2015 included aircraft, spacecraft, and associated parts; electric machinery, sound equipment, and television equipment; and nuclear reactors, boilers, and associated machinery. Demand for imported goods continues to be fueled by a number of factors, including a rapidly expanding U.A.E. civil aviation sector; the country's newly formed space program, which aims to send a probe to Mars by 2020; implementation of major infrastructure and transportation projects; and ongoing oil and gas industry modernization and production.

Foreign direct investment (FDI) is a key pillar in the U.S.-UAE commercial relationship. Between 2012 and 2015, U.S. foreign direct investment in the U.A.E. jumped by over 76 percent to \$15.6 billion. During the same period, U.A.E. foreign direct investment in the U.S. increased nearly 34 percent to \$27.6 billion. The U.A.E. is now the 7th fastest-growing source of FDI in the United States, and the largest source from the Middle East.

Market Challenges

While the U.A.E. has established itself as a major international commercial hub, some challenges remain for U.S. firms doing business here.

On the positive side, the U.A.E. continued to improve its overall position in the *World Bank's Ease of Doing Business* ranking of 189 countries, moving up one spot from 32nd to 31st place in 2016. It is among the world's leaders in several elements of the ranking: paying taxes (1st place – no change from 2015); dealing with construction permits (from 3rd in 2015 to 2nd place in 2016); getting electricity (no change at 4th place); registering property (no change at 10th place); and enforcing contracts (up from 27th place in 2015 to 18th in 2016). And, on the *Transparency International Corruption Perception Index* of 168 countries and territories, the U.A.E. moved up two notches from 25th place in 2014 to 23rd place in 2015.

In terms of challenges, there are some areas where the U.A.E. continues to lag according to the World Bank's *Ease of Doing Business*. These include: trading across borders (down from 100th place in 2015 to 101st place in 2016); getting credit (down from 90th to 97th place); resolving insolvency (down from 90th to 91st place); and starting a business (down from 57th to 60th).

These lower rankings reflect common problems foreign firms may confront, such as delays in receiving payment for completed work, efforts by some U.A.E. entities to modify scopes of work or otherwise alter contracts after signing, and difficulties in terminating commercial agent agreements even in cases of nonperformance by the local agent. In certain sectors these issues can result in significant cost burdens and absorb valuable management time and resources. Dispute resolution mechanisms vary in effectiveness among the seven emirates and can be cumbersome.

New Value Added Tax

In January 2018, the U.A.E. will impose a five percent value added tax (VAT); the tax is intended to be imposed throughout the GCC, although implementation may vary by country. The tax will apply to almost all goods and services except basic food items, education and healthcare. According to *Entrepreneur Middle East*, for most companies, every business function will be affected, from IT and human resources through to procurement, finance, and marketing, since VAT is a requirement at every stage in the supply chain. The U.A.E. Ministry of Finance has confirmed that businesses with annual revenue of more than AED 375,000 (\$1,376,250) will be required to register for VAT, while those with revenue of between AED 187,500 and AED 375,000 (\$688,125 and \$1,376,250) can choose whether they wish to register during the initial roll out or postpone it until later. Businesses will be able to register for VAT with the Ministry of Finance from October 2017, by which time all the requirements should be known.

Qatar Dispute

In June 2017, the U.A.E., Saudi Arabia, Egypt and Bahrain severed diplomatic, economic and commercial ties with Qatar. The four countries also cut transport links to Qatar, disrupting shipments of food and other supplies, and deepening uncertainty about the future of trade and investment ties. According to the Public Prosecutor, "showing sympathy" for Qatar is prohibited, and those doing so could be subject to fines and up to 15 years in jail. U.S. companies are advised to seek assistance from a local attorney regarding the implications of this boycott for their regional operations.

Market Opportunities

Despite its modest size, the U.A.E. offers a sophisticated, diverse market for U.S. firms in many industries. Best prospect sectors include: Oil & Gas; Energy (Nuclear and Renewables); Architecture, Engineering & Construction; Education; Defense; Safety & Security; Aerospace; Healthcare/Medical Devices; Automotive; and Consumer Electronics.

Market Entry Strategy

Distributors/Agents: In most sectors, foreign firms seeking to establish themselves within the U.A.E. market must have a local sponsor or agent and are limited to a minority ownership position. Finding the right local agent/distributor can be a critical first step for success.

Competitive Positioning: As a regional trade hub supporting intense international business activity, the U.A.E. is a market where American firms can expect to face strong, multi-national competition. Many successful American firms rely on technological and qualitative advantages to compete with often less expensive foreign competition.

Regional Approach: Until the partial blockade against Qatar was imposed in June 2017, American firms looking to do business in the Middle East often found that a regional approach to their marketing activities in the Gulf offered certain practical advantages. The members of the Gulf Cooperation Council (GCC), which consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the U.A.E., have taken steps to unify some industrial standards and other measures to harmonize regulatory structures. The region is also one of the largest and fastest growing export markets for American goods and services. On January 1, 2015, the GCC customs union

came into full effect, charging a 5 percent tariff on most goods across the member countries. However, the effects of partial blockade imposed on Qatar by the UAE, Saudi Arabia, and Bahrain will make a regional approach more challenging.

Trade Shows: Dubai, as a regional commercial hub, hosts world-class trade exhibitions and conferences, where American firms can meet buyers from the Middle East, Africa and South and East Asia. There is also a growing number of trade shows in Abu Dhabi. The U.S. Commercial Service offices in Abu Dhabi and Dubai support a wide range of trade exhibitions and promotion events designed to aid American firms seeking to enter the U.A.E. and regional markets. Details on many of these activities are available at the [export.gov website](http://export.gov).

Political Environment

Political Environment

For the background on the political environment in the United Arab Emirates, please see the [State Department Background Notes on the United Arab Emirates](#).

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

UAE law does not distinguish between an agent and distributor, referring to both as 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 Commercial Agency Law). Under the Commercial Agency Law, agency activities may not be performed within the UAE, except by commercial agents registered with the Ministry of Economy. Furthermore, the UAE courts are effectively barred from hearing cases relating to unregistered agency agreements. This local law leaves parties with limited recourse where agency agreements are unregistered.

The Commercial Agents (Council) Regulations 1993 (the Regulations) promulgated under the Commercial Agency Law recognize that commercial agents are often in a relatively weak position when contracting with principals, and for this reason the Regulations seek to impose certain restrictions on the actions of principals while conferring benefits on agents. The Regulations are in favor of protecting UAE nationals with the persons or entities able to qualify as commercial agents being very narrowly defined. The Ministry of Economy and Commerce handles registration of commercial agents. Only UAE nationals or companies wholly owned by UAE nationals are entitled to carry out commercial agency activities in the UAE and register with the Ministry of Economy and Commerce as local agents.

An agent must have a presence and be licensed to operate in each emirate in which it carries on business, as there is no blanket license for the whole of the UAE. Any commercial agency covered by the Commercial Agency Law must be registered in the commercial agencies register maintained by the Ministry of Economy in the relevant emirate or, if for the entire UAE, with the Ministry of Economy in the federal capital, Abu Dhabi. An agreement must be signed before a notary public (and attested if signed outside the UAE.).

Commissions and other forms of compensation are a matter of commercial negotiation as between the parties, typically dependent on the amount of work required of the agent and sales volume. Responsibilities, performance measures, and geographic territory covered should be clearly defined in the agency contract. UAE law awards automatic exclusivity to the agent in the geographic area covered by the agreement.

On March 22, 2010, the UAE issued Federal Law No. 2 of 2010 amending certain provisions of the Commercial Agency Law. The amendments prevent the termination, or non-renewal, of a commercial agency unless the principal has a material reason to justify the termination or non-renewal and re-introduced the specialized Commercial Agencies Committee designed to deal with disputes relating to commercial agencies, a body which had formerly been dissolved by amendments to the law in 2006. Under the current legislation, the Committee has full powers of investigation, including the ability to appoint experts and the ability to apportion the costs of a hearing between the parties. In order to be binding, the Committee must rule on disputes within 60 days of receiving a complaint from either party to an agreement. Parties can also appeal the decisions of the Committee before the UAE courts. In addition, a principal may not re-register the commercial agency in the name of another agent even if the previous

agency was for a fixed term unless: (i) it is amicably terminated by the principal and the agent; (ii) termination or non-renewal is for justifiable reasons that are satisfactory to the Commercial Agencies Committee; or (iii) a final judicial judgment is issued ordering the cancellation of the agency. This committee typically rules in favor of the local agent. In most cases, compensation to a terminated agent is required even if the Committee rules in favor of the foreign firm.

Establishing an Office

Foreign companies can establish a formal presence in the UAE via a number of means including by way of the establishment of a branch office. Unlike the case with a local limited liability company, a branch office can be established with 100 percent non-UAE national ownership has the same legal identity as its parent company and conducts business under the name of its parent company. While each emirate has its own licensing rules for branch offices, this type of entity can carry out a variety of activities (as approved by the Department of Economic Development of the relevant emirate) although generally speaking branches are more apt to be licensed for services rather than trading activities. Branch offices are regarded as fully-fledged businesses permitted to perform contracts or conduct other activities as specified in its license.

The general characteristics of a branch office are as follows:

Although the branch can be completely foreign owned, there is, however, a requirement that a UAE national party be appointed to act as the branch's local service agent.

The local service agent must be a UAE national or a company wholly owned by UAE nationals. The arrangement between the company wishing to set up a branch and the local service agent will be set out in an agency agreement prepared in English and Arabic and signed before a local notary public.

A branch office does not have limited liability. Its exposure to liability extends generally to the company that established it.

There are no minimum capital requirements for a branch, although the foreign company is required to provide a standard form bank guarantee from a local bank in the amount of AED 50,000 and to provide details of its own capitalization and good standing, together with its two most recent sets of annual audited accounts.

The branch must carry on business activities which the company which established it is authorized to undertake and which must be approved in advance by the relevant authorities. It is important to note that approval for the issuance of a license for a branch depends on the type of activity the branch is proposing to conduct.

Since 2011, Free Zone companies (discussed below) have been permitted to set up branches in the UAE on essentially the same terms and under the same procedures as apply to foreign companies.

The branch must be under the control of a manager, who need not be a UAE national. In the case of some free zones however, the manager may be required to be locally resident.

A branch must obtain a certificate of registration from the UAE Ministry of Economy in the emirate in which it operates and a license from the Department of Economic Development of that emirate.

Upon issuance of its license, the branch must register with the UAE Ministry of Labor and the UAE Department of Immigration to be able to sponsor its own employees or invitees. The branch may also open local bank accounts and post boxes.

Alternatively, a foreign party may establish a representative (rep) office. The function of rep offices is limited to promoting its parent company's activities. This means that a representative office is only permitted to perform such activities as gathering information, soliciting orders, and marketing projects to be performed by the company's head office. This type of office is also limited in the number of employees that they sponsor (usually three to four). As with branch offices, representative offices require the appointment of a service agent who is a UAE national and who would provide the parent with services such as obtaining permits and licenses. Also like branch offices, representative offices are required to submit a bank guarantee in favor of the applicable Ministry of Economy as part of their registration process.

Free Zones, Specialized Economic Zones, & Offshore Companies

Foreign companies can also establish a formal presence in one or more of the U.A.E.'s free zones. A free zone is an economic area created in one of the seven UAE emirates, established to be governed by rules and regulations that are generally different from those governing "onshore" UAE. More precisely, federal criminal law applies to the free zones while federal civil law (such as the Commercial Companies Law and the Commercial Transactions Law) applies only to the extent the free zone has not developed its own laws or regulations on the matter. In many respects, the free zones are almost like foreign countries, territorially located within the UAE.

Free zones allow for up to 100 percent foreign ownership and may be subject to reduced or different trade barriers, tariffs, and quotas. However, free zone companies may only operate within the boundaries free zone in which they are formed and licensed or outside the UAE and are limited to performing solely those activities listed in their license(s). Generally, free zones are designated by the government to a specific commercial sector. Different types of licenses that can be issued in a free zone are: General Trading License, Trading License, Industrial License, Service License, and National Industrial License. A non-comprehensive list of U.A.E. free trade zones is provided at the end of this section.

The UAE also has specialized economic zones, such as those established by ZonesCorp in Abu Dhabi, which offer investment incentives such as certain reductions on infrastructure costs, administrative support, simplified approvals processes and residential cities for workers. Companies situated in specialized economic zones are subject to the requirements of the UAE Commercial Companies Law (including the requirement for 51 percent UAE ownership).

Following the introduction in 2003 of the Regulations for Jebel Ali Free Zone (JAFZ) Offshore Companies, international companies can establish JAFZA offshore companies, with benefits

similar to other international offshore jurisdictions. Ras Al Khaimah has, since 2006, allowed for the establishment of offshore companies.

A non-comprehensive list of UAE free zones:

Abu Dhabi

Abu Dhabi Global Market (ADGM – new)

Twofour54 Media Free Zone

Masdar City Free Zone

Abu Dhabi Airport Free Zone (under development)

Khalifa Port and Industrial Zone (under development)

Dubai

Jebel Ali Free Zone (JAFZ)

Dubai Airport Free Zone (DAFZ)

Dubai Internet City (DIC)

Dubai Media City (DMC)

Dubai Gold and Diamond Park (DGDP)

Dubai Cars & Automotive Zone

Dubai Health Care City (DHCC)

Dubai International Financial Centre (DIFC)

Dubai Maritime City

Dubai Logistics City

Dubai Knowledge Village

Dubai Outsource Zone (DOZ)

Dubai Techno Park (DTP)

Dubai Silicon Oasis Authority (DSOA)

Dubai Studio City (DSC)

Dubai Textile City (DTC)

Dubai Flower Centre (DFC)

Dubai Carpet Free Zone

Jumeirah Lakes Towers Free Zone (JLT)

Sharjah

Sharjah Airport Free Zone (SAIF Zone)

Hamriyah Free Zone (HFZ)

Ras Al Khaimah

Ras Al Khaimah Free Trade Zone (RAKFTZ)

Ras Al Khaimah Media Free Zone

Ras Al Khaimah Investment Authority (RAKIA)

Fujairah

Fujairah Free Zone (FFZ)

Fujairah Creative City

Ajman

Ajman Free Zone (AFZ)

Umm Al Quwain

Ahmed Bin Rashid Free Zone

Civil Companies

In the case of professional bodies it may be possible, depending upon the circumstances and location of the business, to establish a formal presence in the UAE through the establishment of a “civil company” under the provisions of Federal Law No. 5 of 1985, as amended (the Civil Code). These entities are establishments which are sole traders operating under a license. Civil companies are usually not intended to trade (e.g., engage in the purchase and sale of goods, contracting, transport, banking and finance, and other similar transactions) and are in practice used by the professions only. Civil Code companies are not companies in the traditional commercial sense since they do not have limited liability – liability for their operation devolves to the individual constituent professional members.

Franchising

Local and international franchise brands continue to grow exponentially in the UAE across a variety of sectors including food and beverage, fashion retail, and convenience stores. A combination of factors has spurred this growth, including: an attractive tax-free environment, world-class infrastructure, improved intellectual property legislation, UAE government efforts to diversify the economy, a growing population with a sizeable proportion of expatriates, changing consumption patterns, increasing penetration of international franchise and retail players, a large number of high net-worth individuals with a propensity for leisure and consumer spending, an increasing number of business and leisure visitors, the country’s emergence as a popular shopping destination, and Dubai’s designation as the host of the Expo 2020.

Aside from the key provisions that are normally incorporated into franchising agreements, companies should pay particular attention to the period, area specification, third-party transfer rule, dispute resolution mechanisms, and termination mechanisms. Companies should ensure agreements adequately protect intellectual property (IP). In addition, companies must be sure to understand and pay special attention to Islamic dietary laws (halal meat/cosmetic products, prohibition of pork and alcohol content, etc.) as well as local dress

and customs. Finally, companies must be aware of relevant trade barriers, such as the Arab League Boycott of Israel which bans any goods originating from Israel. A partner could potentially also request the company to sign a declaration that it has not/will not trade with Israel however Section 999 of the Internal Revenue Code makes it unlawful for American companies to comply with such agreements.

Regarding protection of trademarks and other IP, it is recommended that companies register all trademarks with the Ministry of Economy in advance of entering the UAE market. Registration will provide first-to-file priority, establish registered user rights, and ensure that franchisees are preempted from registering the trademark in their own name. For more information about trademark registration, visit the websites of the governments of [Abu Dhabi](#) and [Dubai](#).

The UAE has no specific laws specifically governing franchising. As a result, general contract and commercial law are applicable to franchise agreements in the U.A.E. In addition, Sharia law applies to commercial transactions. Per UAE law, only U.A.E. nationals or corporations wholly owned by U.A.E. nationals or those with a U.A.E. partner or sponsor are permitted to carry out operations. All franchise agreements must be registered before a U.A.E. court.

There are multiple laws which can apply to franchising relationships including the following:

Federal Law No. 18 of 1981 on the Organization of Commercial Agencies (as amended by Law No. 14 of 1998) and Law No. 13 of 2006

Federal Law No. 5 of 1985 on Civil Transactions

Federal Law No. 18 of 1993 on Commercial Transactions

UAE intellectual property laws for trademarks, copyright and patents

Labor laws

Local Municipality rules in relation to names and signage

UAE general principles dealing with restraint of trade and assignment of the franchise back to the franchisor in the event of default

In order for the Agency Law to apply, the following must be considered:

The agent must be a UAE national or a company wholly owned by UAE nationals

The relationship must be exclusive

The relationship between the agent and principal must be registered with the UAE Ministry of Economy

Helpful Tips for New-to-Market Franchisors:

Conduct thorough due diligence to select the proper franchisee

Understand the UAE Commercial Agencies Law and other relevant laws

Consult with a local legal franchise expert

Carefully draft the franchise contract and operations manual for the franchisee specifying the manner in which the franchise is to be operated

Ensure the franchise agreement is prepared by a legal franchise expert, explicitly spells out the terms and operations of the franchise, and clearly states the rights and duties of the franchisor as well as the franchisee

Take steps to protect IP by registering it with the Ministry of Economy, e.g., logos, trademarks, and business processes

Direct Marketing

Thanks to the rapid adoption in the UAE of internet and mobile technologies, the practice of direct marketing by UAE companies to customers via mobile messaging, promotional emails, interactive consumer websites, and online advertising is common in this market. Local television and online shopping options, e.g., Citrus TV, Geant, and Landmark Group, are strengthening their connections with targeted consumers via direct marketing. And, while there is limited e-commerce in the region, there are several successful sites based in the UAE: [souq](#), [cobone](#), and [groupon](#).

While international companies are competing to lure UAE consumers, direct marketing by overseas companies to UAE consumers is not common. Foreign companies are expected to conduct direct transactions only with importers and agents who are already established in the UAE market. Only a small number of local companies have been granted special permission to directly sell products. Such companies appoint individuals as commission agents for sales to end users but have to comply with local municipality regulations and must have their products and catalogs periodically approved.

Free zone companies in the U.A.E. may undertake direct marketing through online and media advertisements. Such companies are governed by respective free zone regulations and must comply with local municipality requirements, including not selling any prohibited products. Additionally, foreign companies participating in local consumer trade shows or at tourism-attracting events, e.g., Global Village, can undertake direct marketing during their participating period to promote their products via SMS alert promotion, newspaper/media advertisements, and flier inserts.

To regulate the sector, the Department of Economic Development (DED) consented to the formation of the Direct Selling Association in U.A.E., an official member of the World Federation of Direct Selling Associations. In an effort to improve accountability and intellectual property protection, the DED recently announced that to conduct business activities on social networking sites, local companies must be owned by Emirati or GCC citizens, aged 18 or above in order to be issued an “e-Trader” license.

Joint Ventures/Licensing

A Joint Venture (JV) is a favorite choice for foreign companies wanting to enter the U.A.E. market or develop their existing operation beyond an agency or distribution arrangement. The JV agreement or contract of establishment regulates the obligations and respective entitlement of each of the partners. JVs are very common where it is impossible for a single contracting

entity to execute the project alone, e.g., a local contractor and a much larger international contractor partnering on “mega” project. A JV is commonly formed either contractually or through the formation of a limited liability company under Federal Law No. 2 of 2015 (the Commercial Companies Law).

Under the Commercial Companies Law foreigners cannot own more than 49 percent of a limited liability in the U.A.E. outside any of the various free zones. There is no need to license a JV itself, although where a limited liability company is used to effect the JV, it may very well require licensing. Similarly there is no need to publish the underlying JV agreement. The foreign partner deals with third parties under the name of the local partner who, unless the agreement is publicized, bears all liability. In practice, JVs are seen as offering a suitable structure for companies working together on specific projects.

Choosing the right JV partner (s) is key to the venture’s ultimate success. The structures available to establish a JV in the U.A.E. in which foreign equity participation is permitted are: public and private joint stock companies (JSC), a limited liability company (LLC), a limited partnership company (LPC), a share partnership company (SPC), and a joint venture company (JVC – also known as a contractual venture or consortium company).

The main considerations when choosing the structure of a JV entity, apart from tax considerations, are the designation of liability, management and governance structure, requirements for formation, and the distribution of profits and losses. The structure of the JV entity may restrict the positions foreign nationals can hold. In a JSC, the chairman, the vice chairman, and the majority of the board of directors must be U.A.E. nationals. In the case of an SPC or an LPC, all general partners must be U.A.E. nationals.

The chosen structure also affects the required time to set up the JV entity. For an LLC, the registration/incorporation process will determine the time required for formation. In particular, the LLC must obtain approval issued by other UAE government authorities depending on the activity of the LLC, and if one of the partners is a foreign entity, certain documents must be attested, legalized, and translated into Arabic. The registration/incorporation process is twofold for an LLC: a submission of documents to receive initial approval, followed by a subsequent submission of documents to receive final approval.

When contracting with a partner to form a JV, it is important to understand that unless the existence of the JV is disclosed, the only legal recourse that a foreign enterprise may have is against the partner with whom they have had dealings. The partner who actively conducts the business enters his name into the Commercial Register to obtain a trade license and is liable to the third party. If the existence of the JV is disclosed to the third party, the non-active partners also become liable, in which case the partnership is deemed a general partnership.

Licensing of manufacturing processes is also a growing market, especially considering the U.A.E.'s desire to increase the quality and diversity of local manufacturing. The total market for industrial licenses remains relatively small due to the limited manufacturing done in the U.A.E where industrial zones such as Jebel Ali and Khalifa Industrial Zone Abu Dhabi (KIZAD) hope to attract manufacturers by offering a range of incentives from free-zone status to the ability to use foreign nationals for 100 percent of their workforce, as well as some of the region’s cheapest utility costs.

Selling to the Government

Like the U.S., the U.A.E. has a two-tier government with federal and emirate levels. Each emirate has specific provisions regulating government procurement activities. Public sector work is generally awarded on the basis of Federal Regulation of Conditions of Purchases, Tenders and Contracts, Financial Order No. 16 of 1975 (the "Public Tenders Law"), which prescribes minimum standards in relation to government procurement across the UAE. Public defense contracts have their own set of industry-specific rules. The Emirates of Abu Dhabi and Dubai also have their own specific government procurement laws.

For any types of government procurement project, U.S. firms must have a legal presence in the U.A.E. and acquire their goods and services on a prequalified basis individually with the various government departments for procurement tenders. It is possible for bids to be sole sourced or to be awarded to select, pre-qualified contractors rather than to be competed via public tender at the discretion of the relevant governmental party, generally in the case of urgent need. Federal purchases are administered through the respective federal offices located in Abu Dhabi and/or Dubai. At an emirate level, purchases for goods and services are done directly by the institution depending on its needs.

For most civilian purchases, government entities prefer to deal with firms registered in the U.A.E., or in their particular emirate, and will favor local products over imports. Only when goods or services of desired quality are not available locally will the procurement authority seek outside sources. The government is more and more limiting direct procurements, and requesting companies to make the arrangements for a local presence. Invitations to participate in government procurement tenders are usually sent only to the pre-qualified companies, and some are advertised in newspapers.

Competition in the public sector is very strong. Aside from large military procurement projects, governments in the U.A.E. 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, national security projects, athletic facilities, refineries and other hydrocarbon facilities, airports, and government buildings.

The U.A.E. partner of the U.S. company is usually responsible for registering the U.S. product or service with the U.A.E. government. The following documents are usually required for the prequalification:

Ministry of Economy Certificate

Reference List

Last 3 years audited bank statement

ISO, or other relevant, certifications

Quality and HSE manuals

Questionnaire that will be provided by the U.S. company

Though the English language is widely used in the U.A.E., the ability to communicate in Arabic is mandatory when communicating with the government.

In 2014, UAE President, His Highness Sheikh Khalifa Bin Zayed Al Nahyan issued Federal Law No. 2 of 2014, which gives preference to Emirati entrepreneurs, and is designed to help Emirati small-and-medium-sized businesses secure more business.

Distribution & Sales Channels

The most common way of selling goods and services in the U.A.E. is through a commercial agent. U.S. exporters sometimes find it advantageous to appoint different commercial agents or partners in each emirate. Multiple agencies and distributors may also be appointed to handle diverse product lines and/or services. Many U.A.E. companies manage numerous product lines, making it sometimes difficult to focus on all products in an efficient and effective manner.

Alternatively, under U.A.E. law, there are several types of business establishments applicable to foreign entities interested in establishing a more formal presence in the U.A.E.: Joint Ventures/Licensing, Establishment of Branch Offices, Free Trade Zones, and Civil Companies.

The Commercial Companies Law requires that each limited liability company established in the U.A.E. have one or more U.A.E. national partner(s) who hold at least 51 percent of the company's capital. Certain companies that undertake stipulated activities are exempt from the 51 percent requirement, including oil companies with concession agreements, companies involved in the oil and gas industry, companies that produce electricity and gas, companies involved in treatment of water and transmission and distribution. Foreign banks are exempt from having to appoint a sponsor. Companies established in free zones are, as noted above, also exempt from the 51 percent requirement. Other sales methods include direct sales to the end-user, establishment of a joint venture with a local firm, contracting with non-exclusive resellers, or selling through a licensing or franchising agreement.

Food imports are typically handled by firms specializing in import and distribution of food products to wholesalers, retailers and institutions. However, currently the government has removed the monopoly of agents and has opened up the sector.

The terms and conditions of any contract should be clearly defined. The contract should include the geographic territory to be covered by the agent, verification of licenses given to the agent to operate and the terms of the expiration and termination of the agreement, all of which must be agreed upon in advance. This makes a competent attorney to advise you indispensable.

Ports of the U.A.E.: Port Rashid, Jebel Ali Port, Khalifa Port, Mina Zayed, Mussafah Port, Free Port, Saqr Port, Al Jazeera port, Al Jeer port, RAK Khor Port, RAK Maritime City, Port of Ajman, Port of Fujairah, Port Umm Al Quwain, Port Khalid and Port of Hamriyah

Airports in the U.A.E.: Abu Dhabi International Airport, Dubai International Airport, Fujairah International Airport, Ras Al Khaimah International Airport, Sharjah International Airport, New Al Maktoum International Airport aka Dubai World Central (DWC), Al Ain International Airport

Express Delivery

Express delivery shipping rates from the U.S. to the U.A.E. depend on a few factors:

Package weight

Selected delivery option (e.g., urgent)

Selected carrier (e.g., FedEx, DHL, UPS, and USPS)

Delivery address, package content (e.g., restricted or regulated items which may require additional paperwork to clear customs)

Packages can be delivered to the U.A.E. in as little as 2–4 business days. Before you ship items from the U.S. to the U.A.E., make sure they are legally allowed to be transported. You can visit the Government of Dubai's customs [website](#) or the AE's Federal Customs Authority [website](#) to learn more.

The Federal Customs Authority draws the customs policies, supervises the execution of customs related laws and legislation and represents the UAE in and out of the State. Local customs departments do the executive work and draw the customs policies for each Emirate in compliance with the Common Customs Law. The clearances are conducted by the Customs Authority in that particular Emirate, where the package is received.

Selling Factors & Techniques

Even with increasing social media, direct marketing, and online shopping, the commercial tradition of the U.A.E. is still that of the middleman or trader acting as a conduit for goods from large manufacturers to consumers largely in South Asia, the Gulf, and East Africa. The U.A.E. still serves those traditional markets along with those of North, South, West, and Central Africa, and the rest of the Middle East.

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

The U.A.E. business style emphasizes personal relationships and integrity, though there is a growing emphasis on quality, after-sales service, maintenance requirements and costs. Because the personal relationships emblematic of the U.A.E. business environment take time to nurture, U.S. firms are advised to invest time in the market with a local presence or, at the very least, frequent contacts and visits. Given that the U.A.E. is increasingly becoming a supplier-frequented market, such activities are not ones that can be done from long-distance; rather, participating in local trade events and face-to-face contact is essential.

U.S. firms should seek a local sponsor, agent, or partner with sufficient access and influence in relevant business circles. For U.S. firms selling to traders, the dominant business model in the U.A.E., there is no substitute for being price competitive. Government procurement also places heavy emphasis on selection of the low bidder, as long as the lowest price bidder is compliant with all technical and vending specifications.

U.S. manufactured products and services have an excellent reputation for advanced technology, quality and durability. However, American companies face tough and continuing competition from European and Asian companies in the U.A.E. that generally have a larger presence in the region and/or offer comparable products and services at lower prices. For many products, providing after-sale maintenance services is essential, and in such cases U.S. companies should consider establishing a presence in the U.A.E. and/or appointing a suitably trained service agent.

E-Commerce

The U.A.E. is the e-commerce leader among Gulf Cooperation Council (GCC) states. In 2015, GCC e-commerce was worth \$5.3 billion, contributing approximately 0.4 percent to the region's GDP. The U.A.E. e-commerce market is currently valued at \$2.5 billion. GCC e-commerce is expected to quadruple to \$20 billion by 2019 and, according to market research firm Frost & Sullivan, U.A.E. e-commerce will hit \$10 billion by 2018.

Robust internet and mobile penetration across the GCC has played an active role in enabling the growth of e-commerce in the region. Recent research conducted by Google reveals that the U.A.E. leads global smartphone penetration at 73.8 percent and the country's internet usage statistics show that 91.9 percent of the population has internet access. A report on online shopping trends in the U.A.E. released by AWOK.com in 2016 indicated that 80 percent of the online retailer's customers shopped using mobile phones.

At 46 percent, Dubai has the highest number of online shoppers in the U.A.E., according to a survey by AWOK.com. A separate study by Network International found that 34 percent of U.A.E. residents make online purchases between one and five times a week. The product categories that produce the most revenue in online sales in the region are consumer electronics, computers, and jewelry (including watches). Online shopping for clothing also has begun to gain in popularity. The most important factors for online shoppers in the U.A.E. were price, customer service, and ease of use.

In addition to increased internet and mobile penetration, another enabling factor that should propel e-commerce throughout the region is the recent Amazon-souq.com deal. In March 2017, Amazon acquired Souq.com for an undisclosed sum (estimated to be nearly \$600 million). Amazon's Middle East e-commerce operations are currently limited to Saudi Arabia – although its cloud computing arm, Amazon Web Services, has offices in Dubai and Bahrain. According to the journal *Arabian Business*, Amazon started looking in January 2017 for office and logistics space in Dubai from which to run the company's regional operations.

Growth in e-commerce is not solely driven by the private sector. An important factor in building trust in online commerce over the last few years has come from e-government initiatives. Across the region, we see the integration of traditional offline services such as visa services, traffic services, and utilities services onto online platforms integrated with online payments to provide citizens and residents faster and more effective public services.

In 2016, the Arab Federation of e-Commerce, headquartered in Cairo and comprised of representatives from 14 governments across the MENA region including the U.A.E., was established to promote and develop the region's e-commerce sector. This year, according to

Arabian Business, the federation will release a five-year strategy to help grow the region's e-commerce sector from \$20 billion in 2017 to \$200 billion beyond 2020. Among the possible regulatory changes are amendments to free zone's import and export tariffs to make it more cost-effective for smaller e-commerce players to distribute their goods, and measures to strengthen e-payment gateways.

In the meantime, there remain obstacles to increased e-commerce in the region, including: low adoption of online retail channels by local businesses, the predominance of cash on delivery payments, and low consumer acceptance of online shopping compared to international benchmarks. Security concerns and inability to touch and test products before purchase keep some consumers away from online purchasing.

Trade Promotion & Advertising

The U.A.E., and in particular Dubai, serves as the commercial center for the region. From late September through May, the U.A.E. hosts a growing and almost continuous series of well-attended trade exhibitions and conferences. These trade events attract an impressive number of exhibitors from the region and around the world, providing all international firms the opportunity to research the local market and evaluate the potential of their products or services before making a business decision.

Advertising plays a significant role in sales promotion. About 40 percent of the population is native Arabic speaking. Although the language of business is English, Arabic is the official language and is required for all governmental documentation. In addition, combined English and Arabic usage is common on signage and for many publications. English-only promotional literature is acceptable, but those that are in both English and Arabic have a decided edge. Arabic speakers in key decision making positions appreciate the extra effort and sensitivity to their culture that bilingual publications imply. Arabic labeling for consumer products, especially foodstuffs, is an important requirement and an advantage in competitive marketing.

There are a number of Arabic and English language daily newspapers and several weekly and monthly magazines that are effective consumer market vehicles. Third-country language publications are also available. Below is a list of English and Arabic newspapers in the U.A.E. The mostly widely circulated English-Arabic newspapers are *Gulf News*, *the National* and *Khaleej Times*. Emirates News Agency ([WAM](#)) is the official news agency of the U.A.E. It provides daily news coverage of official and other events throughout the country. It is also a reference for U.A.E. news for all mass media.

English Publications	Arabic Publications
Emirates Business 24/7 (Dubai)	Akhbar Al Arab (Abu Dhabi)
Gulf in the Media (Dubai)	Al Arabia (Dubai)
Gulf News (Dubai)	Al Bayan (Dubai)

Khaleej Times (Dubai)	Al-Ittihad (Abu Dhabi)
The Gulf Today (Dubai)	Al-Khaleej (Sharjah)
The National (Abu Dhabi)	CNBC Arabia (Dubai)
XPRESS (Dubai)	Emarat Al Youm (Dubai)
	WAM (Emirates News Agency)

By law, the National Media Council, which is appointed by the President, licenses all publications and issues press credentials to editors. Laws also govern press content and proscribed subjects. The National Media Council reviews and censors all imported media for content. This includes establishments in free zones such as, Dubai Media City ([DMC](#)), [twofour54](#) in Abu Dhabi and RAK Media City in Ras Al Khaimah. These free zones are intended to attract media and marketing services, business and information services, news media, multimedia/Internet, broadcasters, music companies, and production firms. In addition to tax benefits, companies operating in these free zones have been guaranteed that the government will not censor their news and information content, provided certain relatively liberal guidelines of taste and propriety are met. The content should not criticize leadership in the region, disparage religion, foment religious or ethnic hatred or invade a person's privacy. U.S. firms are strongly urged to consider cultural sensitivities in any promotional activity.

Radio and television broadcasts are primarily in Arabic, English, Hindi and Urdu and can also be considered as a medium for advertising.

Pricing

For consumer goods, price is the primary buying factor for the middle and lower income groups. These market segments (referred to as "B-Category" Stores) are served through small shops in traditional souks or markets. Retailers in this category operate under relatively lower margins and rely on fast selling brands. To ensure the provisions of the laws advocate the principle of healthy competition and fighting monopoly and commercial fraudulence in this sector, the U.A.E. government has promulgated consumer protection law to monitor the prices of consumer goods.

At the other end of the spectrum are the segments of the society with high purchasing power, made up of largely of U.A.E. nationals, white collar workers, businesspersons and tourists. For this group, pricing is not always the primary buying factor and such retail outlets generally

retain high margin. These segments are serviced through Western-style malls and specialty shops (referred to as “Modern Trade Outlets”).

The U.A.E. is home to some of the largest malls in the world, as their air-conditioned comforts in a harsh climate include various dining and entertainment, as well as shopping establishments. U.S. exporters must be ready to use pricing aggressively to encourage market acceptance of their products keeping in mind various pricing factors, namely, Listing Fees (applicable per SKU's), Annual Rebate (%), Non-return Fee (%), annual promotional commitment (\$ or %), etc.

Once products are listed and depending on product categories, local agents frequently have to negotiate space (charges) and need to appoint merchandizers for maintaining shelf space in stores and to ensure product facing are not comprised. U.S. companies entering the market must be mindful of such costs, which may add-on to around 25 percent of product costs, depending on turnover volume. The retail chain would then add another 20-25 percent profit margin to recover their costs.

There is little or no government interference in this category with regards to pricing of goods and presently no sales tax or other taxes are levied on goods being sold or exported out of the country. It is anticipated that a VAT of 5 percent on certain categories of goods will be introduced in January 2018 with some limited exceptions including basic food items, healthcare, and education.

As a stable economy with relatively low inflation rate, fluctuation of buying prices are generally not accepted by major retail stores unless substantiated with valid reasoning. Even with circumstantial evidence for price increase, retail chains often insist on verification that such changes have been incorporated by their competitors before accepting any change.

American companies may leverage U.A.E. consumer perception of higher quality and higher transport costs for products from the U.S., thereby allowing them the liberty of pricing relatively higher than Indian, Chinese, Korean, and Japanese suppliers (which are competing against each other in this market). European companies are known to offer quality products as well and are tough competitors when the Euro is low. The strength of the Euro versus the Dollar (though in decline), and the peg of the AED to the Dollar (\$1 = AED 3.6725), which offers pricing and exchange consistency for buyers, currently favoring U.S. products and services.

Sales Service/Customer Support

Doing business in the U.A.E. is increasingly competitive and presents many challenges. With increased competition and availability of quality products, providing need-based customer support and after sales service is of paramount importance. Having satisfied consumers who keep returning and recommend to others are key factors to business success.

Product availability and display are important. Companies desiring to sell their goods through major supermarkets and hypermarkets must be prepared to engage merchandizers to ensure shelving displays and also to optimize inventory reordering. Also, the local U.A.E. agent must be willing to undertake annual category management planning with retailers and participate in their national promotions and campaigns for greater product awareness and visibility.

Training of agent staff to ensure timely after-sales service is also of prime importance. The days of Caveat Emptor have been replaced with the principle of 'Consumer Sovereignty', and the U.A.E. Government has formulated the Consumer Protection Law that includes:

Right to safety (to be protected from products, production processes and services that may cause harm to health and safety)

Right to representation (to express opinions to develop the goods, services, prices and availability)

Right to choose (to have multiple options of items and services in competitive prices and quality); and

Right to be informed (knowledge and skill and awareness of consumer rights and responsibilities)

Consequently, companies wanting to do business in the U.A.E. are advised to:

Avoid misleading advertising and provide consumers accurate information about their rights.

Make clear policies regarding refunds, replacement, repair or rework for defective or damaged products and/or incomplete services.

Display prices clearly in U.A.E. currency (AED) for goods and services in Arabic with and any other language.

Provide all consumers with a dated detailed receipt.

Label the product condition visibly and clearly for sellers of used or repaired goods.

Offer products with valid guarantees and warranties.

Guarantee service quality for a period of time. If services are not carried out with due care, the service must to be provided again for free or refunded.

Ensure that employees' knowledge is compatible with the range of products and services offered.

The current business environment thus favors foreign companies that deal with local distributors with adequate parts inventory and regular maintenance capabilities.

Protecting Intellectual Property

With respect to intellectual property rights (IPR), the UAE's legal regime is generally considered fair and in compliance with international obligations. Enforcement of IPR takes place generally at the emirate level. In 2016, a Dubai government agency, the Intellectual Property Rights Protection Division of the Dubai Department of Economic Development (DED), reported that it had seized counterfeit goods worth over USD 435 million within the emirate of Dubai. The Dubai Police, Dubai Customs, and the Dubai Department of Economic Development share the power to search for and seize counterfeit products. Dubai Customs has authority to do so at the emirate's borders and in free trade zones, while Dubai Police and DED authority only applies to non-free trade zone areas. A 2014 law combatting commercial fraud strengthened the UAE's legal framework for IPR protection and enforcement, but implementation of the law has heightened concerns about whether an adequate distinction

has been made between defective or substandard goods (which may be returned to their point of origin) and counterfeit goods (which must be destroyed to prevent resale). The law offered tougher sentences for selling counterfeit goods, with increased fines of up to USD 272,000 (AED 1 million). Each emirate works with individual stakeholders regarding counterfeits of its brands, and the government publicly reports only the largest seizures of counterfeit goods. The UAE is not currently listed in the United States Trade Representative's (USTR) Special 301 report, or in its Notorious Markets report.

The two main challenges IPR holders face in the UAE are in the areas of counterfeit goods and royalty payments for copyrighted music. The practice of fining shippers of counterfeit goods and permitting re-exportation of those goods subjectively deemed too hazardous to destroy has occurred regularly during the reporting period, primarily in the emirate of Dubai. As to royalty payments for copyrighted music, although the UAE has generally been responsive when encountering pirated physical CDs, DVDs, and software, the lack of a copyright collecting society, which is allowed for under UAE's existing copyright law, is a major obstacle to adequate protection of IPR. An operator requested a license in 2016 under legislation passed 15 years ago, but has not received a response.

In the UAE, the government has long recognized country of origin patents per a 2000 decree. However, the UAEG recently approved two generic versions of Cialis just prior to the expiration of their foreign patents. As 90% of pharmaceutical products in the UAE market do not have locally-registered patents, the government should provide a transition period and a clear path toward a local patent law, or simply require filing under the GCC patent law.

Due Diligence

One of the most important first steps for U.S. companies to undertake before commencing business in the U.A.E., is to conduct serious research and due diligence prior to embarking on any agreement. Further, an agreement should be concluded only after receiving competent professional 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 and matters covered by the contract.

The U.S. Commercial Service in the U.A.E. 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.

Local Professional Services

Please visit this [export.gov website](#) for a list of Local Professional Services providers and other professional associations.

Principle Business Associations

[The American Business Council of Dubai and Northern Emirates](#)

P.O. Box 37068, Dubai, U.A.E.

Tel: +971-4-340-7566, Fax: +971-4-340-7565

Email: director@abcdubai.com

[The American Chamber of Commerce](#)

P.O. Box 43710, Abu Dhabi, U.A.E.

Tel: +971-2-631-3604, Fax: +971-2-633-0489

Email: director@amchamabudhabi.org

[U.S.-U.A.E. Business Council](#)

505 Ninth Street, NW

Washington DC 20004

Tel: (202) 863-7285, Fax: (202) 863-7289

Email: info@usuaebusiness.org

[National U.S. Arab Chamber of Commerce](#)

1023 15th Street NW

Washington, D.C. 20005

Tel: (202) 289-5920, Fax: (202) 289-5938

[Federation Chamber of Commerce & Industry](#)

P.O. Box 3014, Abu Dhabi, U.A.E.

Tel: +971-2-621-4144, Fax: +971-2-633-9210

Email: info@fcciuae.ae

[Abu Dhabi Chamber](#)

P.O. Box 662, Abu Dhabi, U.A.E.

Tel: +971-2-621-4000, Fax: +971-2-621-5867

Email: services@adcci.gov.ae

[Dubai Chamber of Commerce & Industry](#)

P.O. Box 1457, Dubai, U.A.E.

Tel: +971-4-228-0000, Fax: +971-4-202-8888

Email: info.dataresearch@dubaichamber.ae

[Sharjah Chamber of Commerce & Industry](#)

P.O. Box 580, Sharjah, U.A.E.

Tel: +971-6-530-2222, Fax: +971-6-530-2226

Email: scci@sharjah.gov.ae

Ajman Chamber of Commerce & Industry

P.O. Box 662, Ajman, U.A.E.

Tel: +971-6-742-2177, Fax: +971-6-742-7591

Email: ajmchmbr@emirates.net.ae

[Fujairah Chamber of Commerce, Industry & Agriculture](#)

P.O. Box 738, Fujairah, U.A.E.

Tel: +971-9-222-2400, Fax: +971-9-222-1464

Email: fujccia@emirates.net.ae

[Ras Al Khaimah Chamber of Commerce, Industry & Agriculture](#)

P.O. Box 87, Ras Al Khaimah, U.A.E.

Tel: +971-7-233-3511, Fax: +971-7-233-0233

Email: info@rakchamber.ae

Umm Al Quwain Chamber of Commerce & Industry

P.O. Box 426, Umm Al Quwain, U.A.E.

Tel: +971-6-765-1111, Fax: +971-6-765-5055

Email: uaqcci@emirates.net.ae

Limitations on Selling US Products and Services

Finding a Distributor: In the U.A.E., companies can enter the market solely or through a local distributor who will act as an agent for the American company. It is advisable to enter the U.A.E. through a local distributor since they are more expert in the market and well established among customers. The process of finding the right distributor can take time, money and effort but finding the right distributor to work with is essential to your success.

Ownership Restrictions: As a general rule, a foreign company intending to conduct business in the U.A.E. must do it by: participation in a local company or other commercial entity, establishment of a branch office, appointment of a commercial agent or distributor, or establishment of a branch or subsidiary in one of the free zones of the U.A.E. Outside the free zones, foreign ownership is generally limited to 49 percent, with the remaining 51 percent to be held by U.A.E. nationals.

Federal Laws & Individual Emirates Rules: Each emirate retains certain local regulatory powers. This includes commercial activities such as issuance of trade licenses and the incorporation of corporate entities (where the activity is not already regulated under federal legislation). The interaction of federal laws, individual emirate laws. and free zone laws can be complex and confusing and you are well advised to seek out qualified and experience professional advice before embarking on any significant business venture

Customs Import Tariffs: Companies located in the numerous free zones across the U.A.E. are exempt from the tariff on imports and re-exports that do not leave the zones. The exceptions

to the five percent tariff in the U.A.E. are a 50 percent tariff for alcohol and a 100 percent tariff for tobacco. There are significant restrictions on importation of firearms and pork.

Web Resources

[The Gulf Today](#)

[Twofour54](#)

[Alittihad](#)

[Abu Dhabi Digital Government](#)

[Akhbaralarab](#)

[Al Arabiya](#)

[Albayan](#)

[Alkhaleej](#)

[CNBC Arabia](#)

[Government of Dubai](#)

[Dubai Media City](#)

[Emaratyout](#)

[Emirates 24/7](#)

[Gulf Research Center](#)

[Gulf News](#)

[Khaleej Times](#)

[The National](#)

[Embassy of the United Arab Emirates](#)

[Emirates News Agency](#)

[World Intellectual Property Organization](#)

[Beyond the Obvious XPRESS](#)

Leading Sectors for U.S. Exports & Investments

Automotive

Overview

The U.A.E. automotive industry faced tough challenges in 2016, and the trend is likely to continue through 2017 due to lack of economic clarity in the near future, overstocking of cars by dealers, and abundant availability of certified pre-owned vehicles.

That said, the U.A.E. will continue to be one of the most robust automotive markets in the GCC thanks to factors such as low fuel costs, low import tariffs, high per capita disposable income,

and a favorable tax regime. Also, attractive insurance and finance options make it relatively easier for consumers to buy cars in the U.A.E. The outlook is particularly favorable for the sale of luxury cars, electric and hybrid vehicles, and motorcycles. And, due to likely increase in migration from neighboring countries with inadequate public transport, buying cars should remain a priority for new residents.

The U.A.E. relies heavily on imports, with virtually the entire supply of car and light vehicles being imported. Barring a couple of truck units assembling CKD components and armored vehicles factories, there is no serious automotive manufacturing activity in the U.A.E.

Passenger Cars

Approximately 80 percent of the U.A.E. automotive market is passenger cars and the remaining 20 percent is commercial vehicles (trucks, vans and buses). In 2017, Japanese manufacturers Toyota, Nissan and Mitsubishi remained the leading sellers of passenger cars in the U.A.E. Toyota retained its position as the market leader with 29.7 percent share, followed by Nissan at 15.2 percent, and Mitsubishi at 9.4 percent. The top three brands comprised over 54.3 percent of total passenger car sales in the U.A.E. in 2016.

Among the U.S. manufacturers, only Ford and Chevrolet were featured among the top 10 brands. Ford sold 12,256 (down from 16,077 units in 2015) and in the sixth position with a market share of 3.8 percent, while Chevrolet reportedly sold 7,930 units (2.5 percent).

For luxury cars, the demand remained strong across the sub-segment and this trend is expected to continue through 2020. With 20,018 units, BMW saw a 5 percent increase in its U.A.E. sales during 2016 with 6.3 percent market share, while Lexus sold 10,402 units, featuring eighth among the U.A.E. top-10 best-selling automotive brands. Other luxury brands that performed well in 2016 included Jaguar (+15 percent) and Maserati (+14 percent).

Commercial Vehicles

With major infrastructure and housing projects being planned, this sector will experience continued growth. While light commercial vehicles sales should see a surging effect due to increased business and investments associated with increased migration from neighboring countries, heavy commercial vehicles sales will continue to be supported by extensive infrastructure and other construction projects. Also, to cater to increased tourism and hospitality activities in the U.A.E., as well as growing demand for use by construction workers, the demand for bus and minibus will see continued positive growth. Leading sellers of commercial vehicles in U.A.E. include Toyota and Nissan. In the bus sub-segment, Hyundai is reportedly the leading player followed by other Chinese brands.

Tariffs: The tariff applied to cars is 5 percent customs duties (on value of the vehicle plus 1percent insurance plus cost of the shipment). For trucks, the customs duty is 12 percent.

Taxes: No VAT, luxury tax or special consumption tax currently exist on vehicles. However, the U.A.E. government will impose 5 percent VAT from January 1, 2018 on vehicles sold in the country.

Barriers: The U.A.E.'s trade policy has been consistent with its obligations under the WTO. There are few trade barriers, viz. automotive parts should not contain asbestos, and products should not have been manufactured or transited through Israel.

Market Entry

All cars and buses entering U.A.E. must abide by safety regulations issued by the Emirates Authority for Standardization and Metrology (ESMA). In addition, the following rules must be adhered to:

Head restraints in all seats and air bags for the driver and the front passenger are compulsory for all passenger cars and buses with capacity up to 22 passengers

Safety belts and Anti Braking System (ABS) are required in all new vehicles. Extra seats in the aisles are prohibited for any motor vehicle with a riding capacity of four people or more

Every vehicle must have an alarm to notify when drivers exceed speed limit of 120 km in cars and 100 km on buses

In addition, all vehicles must be exported from the country of manufacture and steering wheels must not be modified. There must be no damages on the outer body and vehicles must be accident free

Truck approvals are conducted at the GCC level by the GCC Standards Organization which is based in Riyadh, KSA. The product should be first approved by GSO before the truck CAN be exported to GCC countries, including the U.A.E.

U.S. truck manufacturers or exporters may contact the office below for approval:

Conformity Assessment Department

G.C.C Standardization Organization (GSO)

Tel: +966 1 274 66 55 ext. 333; Fax: +966 1 210 53 90

E-mail: alsagr@gso.org.sa

Leading Sub-Sectors

Alternate Fuel Vehicles

The U.A.E. has stepped up measures to promote electric vehicles (EV's) in order to reduce carbon footprint and is working on standardizing its regulations governing EV's. Various government entities, like the Dubai Water and Electricity Authority (DEWA) and Dubai Silicon Oasis Authority (DSOA) have installed EV charging stations in the emirates and the trend is likely to increase in future.

In addition, the Emirates Authority for Standardization and Metrology (ESMA) has set standards for imported EV's to address concerns surrounding overheated batteries, operating in extreme heat and humidity, preventing drivers and passengers from the risk of electric shocks and protecting passengers in case of front and side impacts.

Underling this initiative, Tesla launched operations in the U.A.E. via an online platform and a store in Dubai Mall. This is to be followed by Tesla Service Centers in Dubai (in July 2017) and Abu Dhabi (early 2018).

U.S. manufacturers exploring to do business in the region may find it worthy to note that apart from EV's, the U.A.E. government encourages autonomous vehicle technology, research and development into driverless vehicles and other smart, green and environment friendly technologies, such as, alternate fuel vehicles, including Hybrid and Hydrogen vehicles.

Motorcycles

Demand for motorcycles is on the rise in the U.A.E., both for lower end (used by expatriate workers) and higher end (used by richer U.A.E. consumers). Companies like Harley-Davidson, Honda, and Kawasaki have operations in the U.A.E. but other companies like, Hero MotoCorp and Royal Enfield (from India) and others are also expanding to the market.

Used Cars

As a regional trade hub supporting intense international business activity, the U.A.E. presents an extremely competitive business landscape for American companies in this sector. However, the U.A.E. Ministry of Interior recently announced that as of May 1, 2017 registration of imported used vehicles will be subject to a conformity letter by ESMA after verifying compliance with the new regulations on import of used vehicles. Many successful U.S. firms already in business in the region rely on technological advantage and quality assurance in addressing current demand and facing foreign competition. Also, with increased emphasis on consumer safety, the U.A.E. government is introducing new regulations for Safety of Imported Used Light Vehicles to U.A.E. and safety requirement for Modified Vehicles. More information can be found on the [Emirates Authority for Standardization and Metrology](#).

Regulations

All vehicles must be conformity to the U.A.E. standards and their steering wheels must not be modified.

There must be no damages on the vehicle outer body.

The U.A.E. does not allow import of vehicles that have been subject to accidents such as submerging, fire, collision, rollover, etc. Also, vehicles previously used as taxicabs or by police are not allowed to be imported.

Vehicles may only be exported to companies (having commercial registration for business activities in vehicle sale and import) and to individuals with a valid residence authorization, if the importer is not a citizen of any of the GCC States.

Required Documents

Proof of vehicle ownership and invoice attested by the local chamber of commerce in the U.S.

Export declaration of the customs administration in the U.S. The invoice and the certificate of origin shall be attached to the export declaration.

A document issued by Police in the U.S. indicating that the vehicle is not wanted for any criminal investigation.

Parts and Components

The U.A.E.'s auto aftermarket has developed at a robust pace thanks to the strength of the country's economy, high private consumption levels and a growing population. The U.A.E.'s strategic positioning and economic conditions has lead the country to become a regional hub for car parts and vehicle components in the entire Middle East and GCC. As a result, the U.A.E. has become a key player in the car parts trade within the Gulf region and has positioned itself as a major re-export center. In addition, the economic slowdown that has resulted in fewer new vehicle purchases could positively impact auto aftermarket sales if vehicles are kept for longer.

U.S. auto parts exports to U.A.E. have grown from \$393.9 million in 2011 to \$594.3 million in 2016. In 2015 (latest figures available), the United States was U.A.E.'s third largest source of auto parts with over 7 percent of the import market. Japan was the largest source, comprising 13.6 percent of the imports, followed by Korea – 8.4 percent.

Major components included sedan tires, batteries, truck and bus tires, fuel filters and clutches. The tariff for radiators and filters is 12 percent and is 5 percent for all other spare parts. 5 percent VAT will be added to the sales price from January 1, 2018.

Local Standards Requirements

GSO Standards tests for motor vehicle spare parts:

[U.A.E. Scheme for Automotive Spare Parts](#)

[GSO Standards tests for multipurpose tires](#)

U.S. Tire suppliers must ensure that RFID labels are affixed on their tires before entering to U.A.E. market. For more information about RFID labels, please see: [U.A.E. Tire Labeling Scheme](#).

Re-Manufactured/Used Auto Parts

Importation of reconditioned/used auto parts is not allowed for sale in the U.A.E., unless reconditioned by the original manufacturer. The reseller is not allowed to claim that the part is the same as an original part. There is no difference in the treatment between remanufactured and used auto parts. This treatment applies to all motor vehicle parts.

Remanufactured/rebuilt parts are generally considered used or semi-used and are reflected in the pricing. Normally, the warranty period will not be the same as the original, if offered. Used, not remanufactured, parts usually carry no warranty.

Local industry sources believe that there could be potential as there are a number of American cars sold within the U.A.E. and also a number of used American cars are re-exported to other neighboring countries through the U.A.E. Rebuilding of parts in the U.A.E. is limited to auto mechanics offering their clients an extra service in their maintenance of cars.

The 5 percent import duty for new parts also applies to remanufactured or used parts. The use of the company logo as well as the original packing design is not allowed for reconditioned/used parts. As there is a complete difference in packing from the original,

advertising costs for resellers of reconditioned/used parts are higher even though the quality of the product is similar. It will not be easy to lend credibility to reconditioned/used parts in this market and a lot of effort would need to be put into the process of establishing a brand.

Opportunities

Currently, there are relatively few barriers to exporting automotive products to U.A.E. beyond the conformity requirements previously mentioned. Since there is currently negligible automotive-related production in the U.A.E., U.S. vehicle and parts exports to the U.A.E. Arabia are currently supported by the country's acceptance of vehicles/parts produced to U.S. standards. Therefore, relatively few homologation changes are needed prior to export to the U.A.E..

The U.A.E. currently is the sixth largest destination for U.S. exports of new passenger cars (\$ 1.4 bn.) and second largest destination for used vehicles (\$ 426 MN.). These present an opportunity for increased exports of U.S. aftermarket parts for those vehicles.

Aftermarket parts for off-road vehicles and SUVs have good potential in the U.A.E.. SUVs and 4x4 cars are especially popular in the U.A.E. and there is a high level of interest in off-road and desert

driving. Larger vehicles are popular in order to accommodate large families, and the Detroit Three excel in this competitive segment, particularly the larger SUV market.

Given U.A.E.'s (both nationals and expatriates) high disposable income levels and an interest in classic, modified and luxury vehicles, there is great demand for specialty performance and appearance products. U.S. companies command a leading position in the supply of transmissions, tuning and high performance parts and kits, steering, suspension, and brake components and parts.

Web Resources

[BMI Report](#)

[Government of Dubai Customs Agency](#)

[GCC Standardization Organization](#)

[Emirates Authority for Standardization and Metrology](#)

[U.S. Department of Commerce, Bureau of the Census, Foreign Trade Division](#)

Aviation

Overview

The Aviation sector makes a contribution of \$80 billion to U.A.E.'s economy, approximately 15 percent of the country's GDP. The sector employs over 250,000 direct hires and supports approximately 225,000 indirect jobs. Major U.A.E. carriers include Emirates Airline (since 1985), Etihad Airways (since 2004), Air Arabia (since 2003), and flydubai (since 2009). Emirates and Etihad are full service carriers (FSCs), while the other two are low-cost carriers (LCCs). Emirates Airline is Dubai-based while Etihad Airways is based in Abu Dhabi.

On the commercial aviation front, the country has seven international airports, including the new Dubai World Central (DWC) which when fully operational will be the largest airport in the world. Also, Abu Dhabi is expanding its airport with a state of the art Midfield Terminal which is due to open in July of 2019 and the overall airport capacity is then expected to reach 30 million passengers. In terms of fleets, Emirates Airlines is the largest operator of the super jumbo Airbus 380, and the Boeing 777. Etihad holds the largest order of the 787 Dream Liners.

U.A.E. airlines continue to lead in the region as demand for air transport keeps rising and the sector sees significant growth in terms of expansion and modernization. According to the International Air Transport Association (IATA), U.A.E. airports will see 6.3 percent passenger growth in 2017, despite sluggish global growth, Brexit, and other political instabilities. The region also reported the strongest annual traffic growth of any region globally for the fifth consecutive year in 2016, and the demand for air transport continues to grow significantly in 2017 despite recent electronics bans enforced by the U.S. and U.K. (now lifted). Finally, the U.A.E. currently commands 25 percent of the private jet business.

The strong growth in air freight volume (Abu Dhabi – 5.6 percent and Dubai 3.3 percent) are also indicative of the U.A.E.'s growing importance in global freight hub and logistics. The two major airports in Dubai and Abu Dhabi are continually investing in development to meet industry expectations.

Local Manufacturing

Mubadala, a strategic investment company owned by the Abu Dhabi Government, oversees development of maintenance facilities for civilian and commercial aircraft, flight training, high-technology manufacturing of aircraft parts, and research and development work. Mubadala and Boeing have a \$2.5 billion agreement for supply of advanced composites and machine metals to be used in the new Boeing 787 Dreamliner and the 777X.

Strata Manufacturing, located in Nibras Al Ain Aerospace Park, is wholly owned by Mubadala. The company was formed to forge partnerships with aircraft OEMs and incorporating leading-edge technology and best practice manufacturing. It has already formed partnerships with major aircraft manufacturers, such as EADS/Airbus (Tier 1 supplier), Boeing, Finmeccanica/Alenia Aeronautica, SABCA and FACC.

Nibras Al Ain Aerospace Park, created jointly by Mubadala Aerospace and Abu Dhabi Airport Company (ADAC), is a mix of public and private investment projects created as a dedicated aerospace and aviation cluster. The Park spans 25 km² and consists of projects, business, office facilities and mixed-use residential zones, majority of which are allocated specifically to aerospace industry.

Turbine Services & Solution Aerospace (TS&S), a wholly-owned subsidiary of Mubadala, provides maintenance, repair and overhaul services for various aircraft engines such as Airbus A300, A320, A330; Boeing 747 and 787 and other light aircrafts through technical support and partnership with OEMs – GE, Rolls Royce, Siemens, and IAE.

Other Companies

[AMMROC](#)

[Dubai Aerospace Enterprise](#)

[Emirates Engineering](#)

[ExecuJet](#)

Abu Dhabi Airports

The aviation industry is an important pillar supporting the objectives of Abu Dhabi Plan 2030. The development of the industry is being led by Etihad Airways (focusing on expanding its operations) and Abu Dhabi Airports Company (ADAC) providing necessary support for airport infrastructure.

In 2016, Abu Dhabi International (AUH) registered more than 24 million passengers passing through its terminals, a 5.1 percent increase over 2015. India remained in top position, with more than four million passengers throughout 2016, representing a market share of 18.1 percent and an annual growth of 13.3 percent. There were also significant rises in traffic to and from a number of other destinations including the United Kingdom, which increased by 11.4 percent. Abu Dhabi carrier Etihad Airways accounted for 76 percent of the airport's traffic, or more than 18.6 million passengers in 2016.

Abu Dhabi Airport Authorities continue to introduce innovative technologies. The airport's smart travel system consists of self-check-in and baggage drop facilities, automated passport control gates equipped with biometric verification functions and facial recognition technology, and smart boarding gates, allowing passengers to check-in and move through immigration and security at ease. Abu Dhabi has also become the first airport in the region to be awarded ISO 22301.

Dubai Airports

Dubai is already the world's busiest international airport and there is no sign of it relinquishing the position. With more than 83.6 million passengers traveling through Dubai International Airport in 2016 (5.6 million passengers or 7 percent more than previous year), it is way ahead of its closest rival, London's Heathrow Airport, which saw passenger traffic of 75.7 million (growth of just 1 percent).

Dubai averaged 209 passengers per flight, the highest globally and its home carriers. Emirates and flydubai added more planes to their fleet, expanded their list of destinations, and increased the frequency of flights to existing destinations in order to meet increased passenger demand. India is the largest single destination served by Dubai, followed by Saudi Arabia and the U.K.

In 2017, Dubai International Airport is expecting 89 million passengers and with the city's second airport, Dubai World Central, coming on line, it is projected that the two airports combined will boast a capacity of 120 million passengers by 2025. By 2030, Dubai's aviation sector will support more than one million jobs and make up more than 40 percent of the emirate's gross domestic product.

Sharjah Airports

Sharjah Airports also registered growth of passenger traffic in 2016. It handled 11 million passengers, a 10 percent increase over 2015. Aircraft movements to and from Sharjah Airport also saw an increase from 71,426 movements in 2015 to 75,900 movements in 2016. The projection is that Sharjah Airports goal is to serve 25 million passengers by the year 2025. The emirate's own airlines, Air Arabia currently operates a fleet of 46 Airbus A320 aircraft offering flights to over 120 destinations in 33 countries from 5 hubs across Middle East, Africa, Asia and Europe.

U.A.E. SPACE PROGRAM

The U.A.E. is committed to establishing itself as a regional hub for civil and commercial space activities, having created the U.A.E. Space Agency (UAESA) in 2014, headquartered in Abu Dhabi, and the Mohammed bin Rashid Space Centre (MBRSC) in 2015 in Dubai. There is currently an initiative underway by the UAESA and the MBRSC to build an unmanned probe spacecraft that will orbit Mars and study its climate and atmosphere. The intent is to launch this spacecraft in 2020, and have it arrive in Mars orbit by 2021 in time to mark the 50th anniversary of the U.A.E. federation.

The UAESA – which directs U.A.E. national space programs, creates space policy and regulation, and supports the development of U.A.E. engineers and scientists – is expected to generate significant benefits to the country's economy and human capital. In October 2014, the agency gained membership in the International Space Exploration Coordination Group, making the U.A.E. the first Arab country to join. It also signed collaboration agreements with NASA, Japan, and China, and memoranda of understanding with the U.K., Italy, and Russia.

The Mohammed bin Rashid Space Centre (MBRSC) was founded by Sheikh Mohammed bin Rashid, Vice President of the UAE and Ruler of Dubai, in 2015 when it was integrated with the existing Emirates Institution for Advanced Science & Technology (EIAST). According to the editor of *Space Alert*, Dr. Rajeswari Pillai Rajagopalan, in addition to the Mars Mission, the center is focused on building remote-sensing satellites with the objective of creating a fully autonomous and indigenous capability to design and manufacture satellites in the U.A.E. The center has scientific laboratories and research facilities based in Dubai.

In March 2016, the UAESA and MBRSC announced that they would use a Mitsubishi Heavy Industries rocket for the Mars mission. Mitsubishi will launch the U.A.E.'s unmanned probe "Hope" into orbit from the Tanegashima Space Centre in July 2020. The Japanese company was chosen from 10 possible launch service providers across the globe.

Abu Dhabi-based Khalifa University opened its new Spacecraft Platform for Astronautic and Celestial Emulation (SPACE) laboratory in 2015. The SPACE lab is equipped with special Unmanned Aerial Vehicles (UAV's), robots and sensing systems that help to mimic actual conditions in space. The lab provides students with an opportunity to conduct mission-oriented research, and get hands on experience in conducting experiments for sensing, guidance, dynamics, and control of aerospace and space operations in a suitable environment.

In May 2015, the UAESA announced its plans to open the Middle East's first space research center in Al Ain. The \$27 million center – funded by the university and the Telecommunications Regulatory Authority (represented by the ICT Fund) – will be incubator

for development and innovation at the federal level. UAESA will also coordinate with a number of organizations on the project, including the Emirates Mobile Observatory. The center will serve university students as well as space operators, and will be open to people from outside the university as well. According to the U.A.E. newspaper “Gulf News”, the center will serve as the main headquarters to support U.A.E.’s unmanned Hope Probe for the 2020 Mars mission. One of the goals for the center is to attract and produce homegrown Emirati men and women space scientists. It is expected that the new facility will create an estimated 150 jobs for Emirati scientists and engineers who will be needed to work on the Mars mission.

Satellites

The U.A.E. has already launched and is controlling a number of satellites.

Yahsat, a subsidiary of the U.A.E. government-owned Mubadala Development, offers a range of communication services including voice, internet and television. Yahsat currently has two satellites in orbit and will launch a third in 2016, the Al Yah 3 satellite. Al Yah 3 will extend Yahsat’s broadband services to 19 countries across Brazil and Africa.

The MBRSC operates several satellites:

DubaiSat-1 was the first fully U.A.E.-owned satellite. It was launched in 2009 by EIAST, which, as noted above, was rolled into MBRSC in 2015.

DubaiSat-2 blasted off in 2013.

KhalifaSat, expected to enter orbit in 2018, is the U.A.E.’s most technologically advanced imaging satellite, will be 100 percent developed by Emirati engineers as part of the MBRSC’s strategic initiative to inspire innovation and technological advancement, and to increase sustainable development in the U.A.E.

U.A.E.’s Thuraya, private company with investors from the U.S., U.K., and the Middle East, launched its first mobile telecommunication satellite, Thuraya-1, in 2000.

2016 NASA and UAESA Framework Agreement

In June 2016, NASA and UAESA signed a framework agreement to cooperate on aeronautics research and the exploration and use of airspace and outer space for peaceful purposes. The scope of the agreement covers space science, operational Earth observation and Earth science, aeronautics, space operations and exploration, education, technology, and safety and mission assurance.

Under the framework, the agencies also signed an Implementing Arrangement to formalize cooperation in the exploration of Mars. The arrangement establishes a joint steering group to guide discussions about potential future projects that contribute to the exploration of Mars.

Additionally, the two agencies plan to collaborate on education and public outreach programs and joint workshops, with the goal of facilitating the exchange of scientific data, scientists, engineers, and views and experiences on relevant regulatory frameworks and standards.

Future areas of collaboration could include the joint use of aircraft; scientific instruments aboard spacecraft; ground-based research facilities; spacecraft and space research platforms; and ground-based antennas for tracking, telemetry, and data acquisition.

Other Partnerships

Sir Richard Branson has been in partnership with Abu Dhabi investors since 2009, when Aabar Investments, the Abu Dhabi government-backed investment company, took a stake in Virgin Galactic, his space venture. According Branson, Aabar has a 35 percent stake in the business, valued at about \$300 million. In 2014, Branson and Abu Dhabi investors had initiated discussions regarding the possible opening of a spaceport in Abu Dhabi; however, there have been no announcements to date.

According to the U.A.E. newspaper *The National*, the UAESA and Boeing have partnered on an initiative called “The National Space Programme”. The program features two competitions: Genes in Space, in which students from across the U.A.E. will compete for the opportunity to have their experiments launched into space and conducted by scientists on board the International Space Station; and the Satellite Launch project.

Leading Sub-Sectors

Ground Services – Ground Handling, Catering and FBOs: Local airport authorities have shown interest and have partnered with companies to bring the latest technological innovations for passenger attraction and satisfaction, including duty free services, hospitality, ground handling, catering and Fixed Based Operations (FBO). The current business aviation landscape indicates that new catering and FBO facilities needs to be developed for expanding their ground handling and catering.

Maintenance, Repair & Overhaul (MRO): Emirates and Etihad have in-house MRO capabilities but that will need to grow in line with increased fleet size. Consequently, investments and partnership by outside companies will be required to cater to increased need for MRO services, especially heavy ones. The components segment is particularly of interest because major airlines in the U.A.E. generally ship components around the world for repair and so if produced locally, significant savings in terms of cost and time could be achieved, making things faster and more competitive. According to sector specialists, the MRO market in the U.A.E. is set to grow to \$8.8 billion by 2023, representing an average growth of 7.5 percent. The majority of that is predicted to come from engines, components and maintenance.

Infrastructure Development and Aircraft Hangar Services: While the airports in the U.A.E. are undergoing infrastructure development to accommodate increased fleets, and airport expansion is taking place to grow capacity, there will be demand for airport hangar services and airport infrastructural development.

Aircraft Recycling/Decommissioning: The region is currently underserved with regards to decommissioning and recycling of aircraft body parts, frames and engines. According to sector specialists, approximately 12,000 aircraft globally are to retire within the next two decades, means that this category would fetch lucrative margin through recycling of airframes and parts

Training & Development: The Middle East region is short of suitable skilled manpower. In order to keep up with the growing need across the aviation system value chain with regards to supply of pilots, crew, technical, mechanical and operational manpower, there is a need for both academic and practical training centers and flight simulators. Based on current orders,

it is estimated that U.A.E. alone would require around 22,000 pilot and crew members by 2033. To cater to such demand and provide high standard of service, training and development will become critically important. In addition, in view of high net wealth of citizens in the region and the increased need for mid-size, on-demand flights, technical training facilities will become a major support for the growing for Aero Taxi sector.

Opportunities

In addition to the aforementioned best prospect sectors, the U.A.E. is undertaking many initiatives to control the emissions of the aviation sector and reduce its environmental impact. The aviation regulatory authorities of the U.A.E. have promulgated policies pertaining to engine emissions thereby imposing challenge for the airline companies operating in the country. The know-how and technological advantage of the U.S. in the field of fuel emissions and clean energy could help American companies expand in the region. Others areas of opportunity for foreign companies include infrastructure planning and airspace management.

Web resources

[Abu Dhabi Airports Company](#)

[Air Arabia Airline](#)

[Dubai Airports Company](#)

[Dubai South Free Zone](#)

[Emirates Airlines](#)

[Etihad Airways](#)

[flydubai](#)

[General Civil Aviation Authority](#)

[Mubadala](#)

[Nibras Al Ain Aerospace Park](#)

[Strata](#)

[Turbine Services & Solutions](#)

[U.A.E. Space Agency](#)

Trade Shows

[Abu Dhabi Air Expo](#)

[Airport Show Middle East, Dubai](#)

[Aircraft Interiors Middle East, Dubai](#)

[Dubai Air Show](#)

[Dubai Helishow, Dubai](#)

[Global Aerospace Summit, Abu Dhabi](#)

[Interiors Middle East, Dubai](#)

[MEBA, Dubai](#)

[MRO Middle East, Dubai](#)

Construction

Overview

The construction market is a key driver of the U.A.E.'s economy and is second only to Saudi Arabia in terms of size within the GCC. But the sector has come under substantial pressure this year due to the prolonged slump in oil prices. Despite the prevailing climate, the construction industry remains resilient and the outlook for the sector remains cautiously optimistic. The U.A.E.'s strategic location, well-developed financial market, big consumer base and localized drivers will continue to make it one of the most attractive markets in the GCC.

In 2017, builders experienced continued financial pressure, with payments from both public and private sector clients slowing, fewer contracts up for award and margins compressed. However, the major U.A.E. real estate developers are better placed to withstand the constrained financial climate than contractors – who are bearing the brunt of the sector downturn – with the former still able to dictate tough terms.

In addition to a prolonged period of tighter financial constraint, the U.A.E.'s construction firms have a fresh challenge to deal with: the country's plans to implement a new five percent value-added tax (VAT) beginning January 2018. Contractors active in the U.A.E. could find they are liable for VAT given that some of the current projects in their schedules may not be completed until after 2018. This means passing on higher costs to clients in advance of the implementation, which is likely to be resisted, particularly in the current financial climate.

A cause for optimism is that major developers are seeking out new debt facilities in order to help fund new building projects. This should ensure injections of much-needed liquidity into the construction sector. And, there will be growing pressure on the U.A.E. authorities to do more to help construction companies with their payment issues.

According to Business Monitor International (BMI), Dubai will be a regional high performer as it prepares for the Dubai World Expo 2020. The scope of the Expo will include investments in tourism-related projects, commercial infrastructure, and transportation development (aviation and metro links) – along with the country's economic diversification goals in the areas of healthcare, education, and transportation – will drive growth and provide major opportunities for U.S. companies.

According to published data, there are a total of 4,000 active projects worth an estimated \$313.6 billion underway. According to latest BNC's Dubai Overview Report, the urban construction sector in Dubai has more than 3,200 active projects amounting to a combined estimated value of over \$245 billion, followed by the transport sector with 187 projects valued at \$32.4 billion, the utilities industry with 203 projects valued at \$24.3 billion, 377 industrial projects valued at \$5.8 billion and 12 projects in the oil and gas sector totaling \$4.6 billion.

Dubai's current mega projects include the Dubai Metro Red Line extension (part of the Expo 2020 initiative), Container Terminal 4 of the Jebel Ali Port Expansion project, the Royal Atlantis Resort and Residences located in Palm Jumeirah, and the Dubai Harbor Creek project – a waterfront development spanning more than 20 million square feet.

Leading Sub-Sectors

Residential

The residential construction market is dominated by the U.A.E.'s two major cities, Dubai and Abu Dhabi. The U.A.E. government has taken measures to bridge the gap between supply and demand of housing for the lower income groups, by allocating land in Al Quoz and Muhaisnah (Dubai) for affordable housing units. There is potentially new legislation on the horizon which would mandate that developers allocate 15-20 percent of their projects for affordable housing.

Meanwhile, the middle and higher-end of the Dubai residential market is experiencing oversupply, with a demand and supply gap of 13 percent. By contrast, Abu Dhabi is an under-supplied market in the affordable housing category, as well as in the middle and higher-end segments. Approximately 14,600 new residential units were completed in Dubai in 2016, while Abu Dhabi had fewer than 3,100 such units added to its residential market. In 2017, approximately 31,000 residential units are scheduled for completion in Dubai and 5,000 in Abu Dhabi.

Major projects in Abu Dhabi include: Capital District, Al Reem Island, and Ain Al Faida Residential Development. Major Dubai projects include: Mohammed Bin Rashid City, Palm Deira, and Mirdif Hills.

Office Market

In 2016, the Dubai office market saw delivery of 129,000 m² of Gross Lease Area (GLA) in and Abu Dhabi saw another 214,000 m² (mostly from Abu Dhabi Islands, ADNOC Head Quarters, Maryah Tower and the new First Gulf Bank Head Office). The total office space in Dubai now stands at 8.55 million m² and in Abu Dhabi 3.5 million m². In 2017, it is expected that approximately 300,000 m² will be added in Dubai and another 210,000 m² in Abu Dhabi.

Retail Market

About 260,000 m² of retail space was completed in Dubai in 2016, including 20,000 m² of retail space in the Dubai Festival City expansion, Phase 2 of The Avenue in City Walk (130,000 m²), and the Ibn Battuta Mall Phase II (17,000 m²). In addition, another 84,000 m² were added to neighborhood community centers. In 2017, about 300,000 m² of additional retail GLA space is being envisaged in Dubai and 85,000 m² in residential and community areas in Abu Dhabi. Major upcoming projects in Abu Dhabi include Yas Island Development and Reem Mall; in Dubai, major projects include Deira Mall, Nad Al Sheba Mall, and Mall of the World.

Hotel Market

Dubai will see continued increase of hotel room inventory in the lead up to the Expo 2020. In 2016, Dubai added 7,000 new rooms, and Abu Dhabi added 1,000 rooms. In 2017, it is projected that Dubai will add another 14,000 rooms, and Abu Dhabi will add another 2,000 rooms. Major upcoming projects in Dubai include: Al Habtoor City, Jewel of the Creek, Langham, Royal Atlantis Residences, and Bulgari. Major Abu Dhabi projects include: Aloft in Al Ain, Edition, and Saadiyat Rotana Resort.

Healthcare Market

The U.A.E. continues to rollout major healthcare projects; however, the government is exercising caution to ensure the hospitals and healthcare facilities are built in geographical areas to prevent under-utilization and over-utilization of such facilities. In Dubai alone, there are 2,833 facilities, of which 22 are internationally accredited. In 2017, four new hospitals are planned in Dubai. In Abu Dhabi, the 719-bed Al Ain New Hospital and the 739-bed Sheikh Shakhboub Medical City are under construction. Based on the Dubai Health Strategy 2013 to 2025, Dubai plans to build three major hospitals: Mohammed bin Rashid Hospital located on Sheikh Mohammed bin Zayed Road, Al Maktoum Hospital in the area of Al Maktoum Airport in Jebel Ali, and Al Khawaneej Hospital.

Leisure Market

The U.A.E. is slowly evolving into a major leisure hub. Nearly 20 theme parks have either opened or are in the pipeline. One of the biggest such parks is DreamWorks Zone which opened in 2016. Additional announced projects such as Safari Dubai, Mohammed Bin Rashid Library, Holy Quran Park, and the 40-million-square-foot complex known as Meydan One – the world's longest indoor ski slope. In Abu Dhabi, Yas Waterworld has been in operation for over two years, and construction is under way for the Warner Bros. \$1 billion theme park. And, the Jean Nouvel-designed Louvre on Saadiyat is expected to open in 2017.

Infrastructure Sector

Today, the U.A.E.'s infrastructure already boasts an impressive international ranking: worldwide first place for roads, second for ports, and third for airports. A large number of infrastructure works have been started in recent years in the U.A.E. Major roadway, airport, and port (upgrade) projects are ongoing in preparation of further expected population influx and of the upcoming Expo 2020 in Dubai. The ongoing airport expansion project at Dubai International, worth USD 7.8 billion, will increase the airport's current capacity from 60 to 90 million passengers per year by 2018. Dubai's Al Maktoum International was opened for cargo operations in 2010 and the airport opened its doors to passengers in 2013. When the USD 32 billion expansion is completed, the airport will be the largest in the world, able to accommodate more than 160 million passengers and 12 million tons of cargo per year.

In addition, it was recently reported that Dubai Government has earmarked 17 percent of its \$12.88 billion budget for 2017 for infrastructure, reflecting the emirate's concern for the gradual implementation of the Expo 2020 projects, such as the storm water tunnel for the Airport City and the Expo 2020 Venue areas as well as services in the field of health and environment. It has also allocated \$381 million for the Jebel Ali Sewerage Plant and \$66.15 million for the Deira area development project.

In Abu Dhabi, major projects include: the \$23 billion Barakah Nuclear Power Plant; a \$1.5 billion, 41kilometer Sewage Tunnel; the \$1.5 billion E11 Highway upgrade linking U.A.E. with Saudi Arabia; the \$1 billion Zayed City infrastructure development project (road network, sewerage, lighting, electricity and water infrastructure); the \$5.2 billion Midfield Terminal projected to be completed in January 2019 (six levels, 65 gates, hotels, shops, restaurants, and capacity for 45 million passengers a year); and the \$1.5 billion Jebel Hafeet Housing Development near Al Ain due to be completed by the end of 2017 (includes homes for 3,000 people, a school, and a clinic).

Opportunities

Despite tough competition from local property developers, there are many opportunities for U.S. firms to collaborate, consult, and contract for construction projects. Foreign companies should be prepared to either register locally or pre-qualify with developers and government agencies in order to respond to tenders. A number of U.S. companies have already been awarded projects: Parsons for infrastructure, HOK for venue design, WATG for the masterplan of Burj 2020 and the surrounding district, and AS+GG for the design of Burj 2020.

The government of Dubai is making significant investments in construction in preparation for Expo 2020. The third and final infrastructure package for the Expo 2020 support areas, including car parking construction, are open to local and international businesses. According to the official website, Expo 2020 Dubai will award 47 construction contracts worth \$ 3.0 billion in 2017 as preparations for the first World Expo in the Middle East, Africa and South Asia continue to gather momentum. Another 98 non-construction contracts totaling more than \$ 98 million for legal advisory services, event management, and merchandising are expected to be announced by the end of 2017. For information on the procurement process, visit the [Expo 2020 eSourcing portal](#).

In addition, the U.A.E. Government is expected to continue encouraging increased green construction activity, including in the new institutional segment (government office buildings, hospitals and schools).

Finally, local U.A.E. contractors have expressed demand for international sourcing in the following specialized areas:

Complicated façade and envelope specialists (mega tall towers, museums, complex architectural buildings)

Theme park specialists (sub-contractors and consultants)

Museum specialists (consultants, exhibition subs, special systems)

Consultants with extensive experience in construction methodology and sequence, clean demolishing technologies, large scale steel structure subs (for high rise buildings and commercial complexes), and healthcare (for hospitals and laboratories)

Healthcare service providers and special system sub-contractors

Rail specialists (consultants and sub-contractors)

Developers have indicated that opportunities exist for international companies that can provide best-in-class concept and scheme for mixed-use projects (residential and retail) and small retailer complexes since the market is currently saturated with big malls

Facilities management

Web Resources

[The National](#)

[Emirates 24/7](#)

[Construction Week Online](#)

[Khaleej Times](#)

[Arabian Business](#)

[Gulf News](#)

[Gulf Business](#)

[BMI Research](#)

UAE Government Websites

[Dubai Municipality](#)

[Abu Dhabi Department of Municipal Affairs](#)

[Abu Dhabi Urban Planning Council](#)

[Emirates Green Building Council](#)

[Abu Dhabi Executive Council](#)

[Dubai Roads & Transport Authority](#)

[Abu Dhabi Department of Transport](#)

Defense

Overview

The United Arab Emirates (U.A.E.) ranks among the top 15 defense spenders in the world according to Business Monitor International (BMI). Defense expenditure as a proportion of GDP has remained comparatively high in recent years in response to rising Islamist extremism in the region, persistent tensions with Iran, and the U.A.E.'s participation in the Saudi-led coalition's military efforts in Yemen. While the U.A.E. government has continued to procure high-priority defense articles and services, it has focused recent purchases on urgent operational requirements in support of Yemen operations, and has delayed procurement of other lower-priority defense items in 2016.

According to BMI and GlobalSecurity.org, the U.A.E.'s 2016 defense expenditures stood at approximately \$23.4. GlobalSecurity reported that the U.A.E. registered a compounded annual growth rate (CAGR) of 4.5 percent during 2016, and projects the country's defense expenditure will grow at a CAGR of 6.5 percent to value \$31.8 billion by 2021. On a cumulative basis, the country is expected to invest \$140.8 billion for defense purposes, of which \$53.1 billion is earmarked for capital expenditure to fund defense procurements.

Key Stakeholders

In December of 2014, the U.A.E. government combined several defense and aerospace companies owned by Mubadala Development, Tawazun Holding, and Emirates Advanced Investment Group (EAIG) into a single entity, Emirates Defense Industries Company (EDIC). EDIC's role is to drive the U.A.E.'s defense industry by providing manufacturing, training, mapping, logistics, technology development and communications as well as maintenance, repair and operations services for air, land and sea platforms.

According to the Lexington Institute's Dr. Theodore Karasik and Adam Dempsey, at the 2017 International Defence Exhibition and Conference (IDEX), the U.A.E. signed 82 contracts worth an estimated \$5 billion. A large number were awarded to domestic manufacturers in the U.A.E., where the indigenous defense industry is growing. Although "buying local" is hardly unique to the U.A.E., prioritizing domestic manufacturers nevertheless provides some interesting insights into the current state and possible trajectory of its defense industry.

By investing in the U.A.E.'s indigenous defense sector, Abu Dhabi seeks to advance the country's interests while creating lucrative commercial opportunities outside of the oil and gas sectors for U.A.E. nationals. To create a "competitive knowledge economy" the U.A.E. has invested in major initiatives such as the National Innovation Strategy, U.A.E. Vision 2021, and Abu Dhabi Vision 2030.

The establishment of the EDIC in 2014 was a milestone in the U.A.E.'s efforts to "localize" its defense expenditures, a pillar of the country's economic diversification agenda. EDIC came out of the integration and consolidation of defense industry companies previously under the umbrellas of Mubadala Development Company, Tawazun Holding, and EAIG.

Offset Program

The Tawazun Economic Program, which is overseen by the Tawazun Economic Council, is the U.A.E.'s industrial participation program that seeks to derive economic value from the country's extensive defense procurement program. The key objectives of the program include: build critical national defense sectors, create a knowledge-based economy, diversify the U.A.E. economy by growing the country's industrial base, create business opportunities for the U.A.E. private sector, generate high-value exports, and produce employment opportunities for U.A.E. nationals in high-tech fields.

A foreign defense supplier to the U.A.E. with over \$10 million in contract value over a five year period must participate in this program. The foreign contractor generates obligations as a result of sale of goods and services to U.A.E. The program has established formal guidelines that outline the focus areas, mechanics, and process to fulfil these obligations. Learn more on their [website](#).

Foreign Military Sales (FMS) and Direct Commercial Sales (DCS)

The U.A.E. is America's second largest customer under the FMS program. In 2015, the U.S. had over 80 FMS cases with the U.A.E., valued at over \$20 billion, making the U.A.E. FMS program one of the largest in the Middle East and globally. Many sales of defense articles and services contain both large DCS and FMS components. Integrating those two approaches into a coherent solution for the customer can prove challenging without close cooperation between U.S. industry and the U.S. government.

On May 8, 2017, the U.S. signed a new, updated defense accord with the U.A.E. that could allow the U.S. to send more troops and equipment to the U.A.E. According to the Pentagon, the agreement replaces a 1994 accord to better reflect the broad range of military-to-military cooperation that the UAE and U.S. enjoy today. There are currently 5,000 U.S. military personnel are stationed at U.A.E. military facilities.

Leading Sub-Sectors

The U.A.E. is a net importer of military assets, and the country is open to all suppliers; however, the government is working to reduce its dependence on defense imports through the development of its own defense manufacturing capability. The U.A.E. Air Force and Air Defense traditionally receive the lion's share of the U.A.E.'s total defense procurement dollars, followed by the Joint Aviation Command, Land Forces, the Presidential Guard, and the Navy. The U.A.E.'s procurement priorities include missile defense; precision fires; intelligence, surveillance and reconnaissance (ISR); command and control, expeditionary logistics; and maintenance, repair, and overhaul. The U.A.E. GHQ Critical Infrastructure & Coastal Protection Authority (CICPA) is also expanding rapidly and is tasked with protecting key infrastructure such as water desalinization plants, oil and gas platforms, pipelines, and the Barakah nuclear site.

Opportunities

To support Abu Dhabi's emirate-wide strategic framework plan – *Abu Dhabi Vision 2030* – the Abu Dhabi government is focused on importing knowledge to strengthen the Advanced Military Maintenance, Repair, and Overhaul Center ([AMMROC](#)). AMMROC is a joint venture between Mubadala, a strategic investment arm of the Abu Dhabi government, and the U.S.

firms Sikorsky Aerospace Services and Lockheed Martin. AMMROC aims to provide innovative platform solutions for all fixed and rotary-wing aircraft operated by the U.A.E. Armed Forces and other customers in the region.

Over the last few years, the U.A.E. has forged a number of partnerships to develop its local capabilities:

Recently, Tawazun announced the establishment of another two business lines: Advanced Pyrotechnics, which will be focusing on the manufacturing of non-lethal ammunitions; and Al Hosn Armored Systems, which will produce protective personal gear.

Lockheed Martin partnered with Sweden-based Exechon and Abu Dhabi-based Injaz National to establish a machining center in the U.A.E.

Canadian WESCAM announced a partnership with ADASI to open a center in Abu Dhabi for the maintenance and repair of its imaging and targeting systems.

U.S.-based Orbital ATK formed a new subsidiary in the U.A.E. with Al Tuff.

Indian Reliance Defense Limited reportedly signed a cooperation memorandum of understanding with EDIC.

The U.A.E. Armed Forces currently outsources a number of non-core military service activities, such as aircraft and equipment maintenance and military training to U.A.E. and non-U.A.E.-based private and government contractors. This arrangement underlines the U.A.E. Armed Forces' focus on professionalizing its "core" units to ensure they are well adapted and able to face and counter any threat.

Defense tenders in the U.A.E. tend to be non-transparent and clarifying information is often difficult to ascertain. Procurement requirements may be withheld or changed with minimal or no notice.

Trade Shows & Exhibitions

[Dubai Airshow](#)

November 12 – 16, 2017

Dubai, U.A.E.

Venue: DWC, Dubai Airshow Site

[International Defence Exhibition and Conference \(IDEX\)](#)

February 2019

(Check with the [Association of the U.S. Army](#) for updates)

Abu Dhabi, UAE

Venue: Abu Dhabi National Exhibition Center

Web Resources

[Emirates Defense Industries Companies](#)

[Tawazun Holding](#)

[Advanced Military Maintenance Repair Overhaul Center](#)

[International Defence Exhibition & Conference](#)

[Dubai Airshow](#)

[Critical Infrastructure & Coastal Protection Authority](#)

Education

Overview

As the United Arab Emirates (U.A.E.) government continues to invest in developing its knowledge-based economy, education is considered a key driver of the growth and, as such, this sector has experienced rapid expansion. According to the latest figures, the U.A.E. has a total of 580 schools with a total enrolment of 584,932 students. Private schools constitute approximately 60 percent of the country's schools and provide education to about 500,000 students. Over the next few years, the number of private schools in Dubai and Abu Dhabi will continue to grow dramatically in anticipation of significantly increased enrolments – 400,000 students in Dubai by 2020 and 283,800 in Abu Dhabi by 2021.

The U.A.E. government's vision is to provide the highest level of modern education to its students in terms of curriculum, technology and environment through the creation of an education system that conforms to world-class standards. To this end, the government allocated 21.2 percent of its 2016 federal budget for the education sector, and it has launched substantial initiatives to hire accredited teachers, strengthen the professional development of teachers, develop smart learning programs, and revamp education curricula. In addition, the U.A.E. Ministry of Education (MoE) developed Education 2020, an ambitious five-year plan designed to generate significant qualitative improvements in how teachers deliver curriculum and how students learn.

The MoE, in coordination with the Abu Dhabi Education Council (ADEC), Knowledge and Human Development Authority (KHDA), Abu Dhabi Centre for Technical, Vocational Education and Training (ACTVET), and the Institute of Applied Technology (IAT), announced the Teacher and Educational Leadership Standards (TELS) and Licensing program to be implemented over five years for all teachers in the U.A.E. The objective of the licensing system is to enhance quality of education and professional competence of teachers. The standards set forth in the program align with the U.A.E. Vision to adopt international best practices for teaching and creating a first-rate education system in the country. Teachers will undergo professional development and assessments, which is designed to standardize their skills and practices across schools. By 2021, all teachers, vice-principals, and principals at private and public schools will be subject to licensing.

A new school curriculum including a new subject of moral education to promote ethics, tolerance, respect, and national loyalty will be introduced in 2017/2018 academic year. The objective of the new initiative is to promote ethics, community growth, culture, heritage, sustainability, rights and responsibilities among students. A total of 19 private and public schools in the U.A.E. have been selected for the experimental phase launched in January 2017.

U.A.E. Education System

The U.A.E. education system is divided into public schools, private schools and higher education. The public schools follow the Arabic curriculum whereas the private schools follow 17 different curricula. Schools following national curricula from the U.K., U.S., India, and the MoE cater to 90 percent of the private school student population. Other curricula include:

International Baccalaureate (IB), Canadian, French, German, Philippines, Pakistani, Iranian, Japanese, and Russian.

MoE primary and secondary education is provided for all U.A.E. citizens and is mandatory up until the ninth grade. The existing educational structure, which was established in the early 1970s, is a four tier system covering 14 years of education as per the following:

Kindergarten – 4 to 5 years old (1-2 years program)

Primary – 6 to 12 years old (6 years program)

Preparatory – 12 to 15 years old (3 years program)

Secondary – 15 to 18 years old (3 years program)

Abu Dhabi and Dubai constitute more than 67% of U.A.E.'s population, out of which Emiratis represent 16% out of the total population. Foreign expatriates represent 91% in Dubai compared to 55% in Abu Dhabi of the total population.

In the 2016/2017 academic year, there were 580 private schools in the U.A.E., most of which were in Dubai (185) and Abu Dhabi (122). There were approximately 241,493 students enrolled in Abu Dhabi private schools, and 273,599 in Dubai – compared to 238,632 and 265,299 respectively in 2015/2016.

PRIVATE SCHOOLS AT A GLANCE: 2016/2017 ACADEMIC YEAR			
Abu Dhabi*	122		
Al Ain*	58		
Western Region (Al Gharbia)*	11		
Dubai**	185		
Sharjah & Northern Emirates***	204		N/A
Abu Dhabi	118	116	122

Dubai	169	173	185
Al Ain	58	58	58
Western Region	12	12	11
Sharjah & Northern Emirates	N/A	159	204

Over 175,000 additional seats are predicted to be required by 2020 in the UAE of which 90% are expected to be in the private sector. K-12 enrollment is coming from the private sector in all Emirates, except for Fujairah, with Dubai leading the way.

Key U.A.E. School Operators

- Al Dar Academies
- Academia Management Solutions International
- Bloom
- Choueifat
- Fortes Education
- Innoventures
- GEMS Education
- Mosaica
- Taleem

The regulation of private schools in the U.A.E. is governed by the Ministry of Education (MoE), a federal government authority except in Dubai, where the Knowledge and Human Development Authority (KHDA) is the regulator, and in Abu Dhabi where the Abu Dhabi Education Council (ADEC) is the regulator. Both KHDA and ADEC are Emirate level government authorities and not federal.

The Ministry of Education (MoE): The MoE monitors the education system through secondary level at public schools in the Northern Emirates (Sharjah, Ajman, Ras Al Khaimah, Fujairah and Umm Al Quwain). The MoE develops and monitors reform activities focusing on standards and level of education.

ADEC, KHDA and MoE are each tasked with education reform and the preservations of local traditions, principles and cultural identity.

Abu Dhabi Education Council (ADEC): Established in 2005, ADEC is the regulatory body that provides licensing and accreditation to private schools in Abu Dhabi, Al Ain and the Western Region, and sets the minimum standards for educational outcomes, health, safety, and building and site requirements. ADEC works closely with the MoE in formulating the emirate’s education plan.

Since September 2008, all private schools are required by law to register with ADEC. Schools are inspected to ensure the provision of a first class education, and to identify strengths and weaknesses of schools' performance. The Private Schools and Quality Assurance (PSQA) Sector was established to implement ADEC's strategic plan for the rapid improvement of the school system in the Emirate of Abu Dhabi.

Private schools in Abu Dhabi, Al Ain and the Western Region cater to approximately 241,493 students of different nationalities including 51,925 Emirati students, who represent 24 percent of private school students. In 2016/2017, there are 191 private schools, compared to 186 in 2015/2016, 256 public schools, and 18 higher education institutes operating in Abu Dhabi, Al Ain and the Western region. Private schools in Abu Dhabi offer 14 different curricula. In the 2015/2016 school year, 87 percent of private school students were enrolled in schools offering the American, MoE, British, and Indian curricula (see Exhibits 1 and 2*).

*Source: Abu Dhabi Education Council 2015-2016 Annual Report

ADEC estimates it will require 100 new schools offering 140,000 student seats by 2020. According to the Education Journal Middle East in May 2016, at least 17 new private schools are due to open in Abu Dhabi over the next two academic years.

Knowledge and Human Development (KHDA): Established in 2007, KHDA is responsible for inspecting all private schools in Dubai to ensure proper quality of education, from early learning to higher and continuing education. Among KHDA activities are the publishing of education standards and reports, data collection and analysis, the provision of educational services permits, and the supervision of educational institutions on an ongoing basis. KHDA continues to work with government partners and private investors to create an education system that is of high quality introducing new initiatives among schools.

Among the new initiatives launched by KHDA is "*The School of Hearts*," focusing on students' happiness and well-being. The objective of this initiative is to build a balance between academic achievement and development of character and well-being for students. Schools will also be encouraged to host listening circles which will bring together parents, students, teachers, and school leaders to share ideas.

In the 2016/2017 academic year, the total number of private schools was 185 compared to 173 in the 2015/2016 academic year - an increase of 12 schools offering 17 curricula to students of 183 nationalities. GEMS Education operated 46 schools, Taaleem operated 11 schools, Innoventures operated four schools and nine nurseries, Kings Dubai operated three schools, and Fortes Education operated two schools and four nurseries.

Currently, the private school sector dominates the education landscape with 89 percent of Dubai's students enrolled in private schools, out of which 58 percent is Emirati. It is worth mentioning that the number of students in Dubai's private schools has doubled over the past decade. In 2016/2017 academic year, 273,599 students enrolled in private schools compared to 265,299 in 2015/2016. This increase is due to the growing number of Emirati students who prefer private schools over public schools. Also, the needs and expectations of Dubai's expatriate population continue to drive the growth of private schools. (See Exhibits 3 and 4 **)

****Source: KHDA 2015-2016 Annual Report**

Higher Education

Higher Education has changed dramatically over the past few decades in the U.A.E. Until 1977, there was only one high education provider: the U.A.E. University (U.A.E.U.). Today, there are more than 80 universities, colleges, and higher institutes admitting over 110,000 students. Many acclaimed foreign higher education institutions are opening their branches in the free zones dedicated to education, which help these institutions to keep 100% foreign ownership. Among leading global universities from the U.S. and Europe include: New York University (NYU), Paris-Sorbonne University, American University of Dubai (AUD), American University of Sharjah (AUS), New York Institute of Technology (NYIT), Rochester Institute of Technology (RIT Dubai), British University, Canadian University, Waterloo University, and Wollongong University among many others. All private institutions are required to apply for licensure and accreditation from the Commission for Academic Accreditation (CAA). However, Abu Dhabi and Dubai have also developed “free zones.”

Higher education institutions can be divided into the following categories:

Federal institutions funded by the U.A.E. government

International universities that have international accreditation and quality assurance

Local universities accredited by the CAA but without international accreditation or quality assurance

Vocational and technical educational centers (not awarding degrees)

According to a study conducted by the Dubai International Academic City (DIAC), the U.A.E. is seen as the fourth most attractive education destination for students seeking to pursue their studies abroad. Established in 2007, as part of TECOM Investments, DIAC is the world’s only Free Zone dedicated to Higher Education, located on an 18 million square foot campus with state-of-the-art facilities. Currently, DIAC has 21 of the U.A.E.’s 37 International Branch Campuses from 11 countries with a capacity for hosting nearly 20,000 students from 137 nationalities. DIAC students also have access to over 400 higher education programs.

In January 2017, and as part of the overall development of the U.A.E.’s education system, the MoE developed and implemented a new exam called the EmSAT for Grade 12 students in government and private schools that offer the MoE curriculum. The EmSAT replaces the CEPA as an accredited admissions test at public post-secondary schools in the U.A.E. The EmSAT will initially cover English, Arabic, mathematics and physics, the exam aims to measure students skills and competencies at public and private schools and to provide decision-makers with accurate information enabling them to improve the education system.

Leading Sub-Sectors

K-12 American Curriculum Schools

Leadership Programs

STEM and STREAM Teachers Training programs

Teachers Professional Development Training Programs

Programs for Special Needs

Vocational Training

Education Technology

Opportunities

Private Education Facilities, Accreditation, & Skilled Teachers

Due to the transient nature of the expatriate population in the U.A.E., parents prefer to enroll their children in international schools. Almost 58 percent of the U.A.E. nationals send their children to private rather than public schools. It is projected the private education market will require an additional 52 educational facilities across multiple curricula, out of which 10 will be American schools. Local operators are in demand to introduce K-12 American schools, especially in Abu Dhabi and Dubai. Local investors/operators plan to establish medium-to-high tier American schools, and require assistance to obtain accreditation from American accreditation authorities, develop curricula for American schools, and recruit skilled teachers.

Incorporating Innovation and 21st Century Skills

Dubai officially launched its \$270 million Future Accelerators Program designed to make the city an innovation hub. The scheme pairs government departments with innovative companies to find solutions to challenges of the 21st century. Eight accelerators working in collaboration with government departments will focus on education, health, infrastructure, transportation, security, energy and finance sectors. So far, a total of 2,274 companies submitted applications from 73 countries and 30 companies have been selected to participate in the program.

KHDA is seeking to develop evaluation and self-education systems to promote 21st century skills, and that can be applied to all curricula to make education more flexible, affordable, and efficient. Focus will be placed on Arabic, science and technology, engineering, mathematics, arts, programming, health, and happiness.

There are significant opportunities for players that offer new innovations vis-à-vis teaching methods, such as: MakerBot 3D printers, 3D scanners, STEM tools, Humanoid Robots, Robotics, Doodlers, e-books, and technology and innovation curriculum to promote computational thinking.

Special Needs Learning

The U.A.E. strongly supports education for students with special needs. The government signed the optional Protocol to the UN Convention on the Rights of Persons with Disabilities and passed Federal Law 29/2006 guaranteeing rights for people with special needs. Vocational and rehabilitation centers have been developed throughout the U.A.E., and efforts are made to include special needs students in mainstream educational settings. For example, the government of Abu Dhabi has partnered with the New England Center for Children to support children with autism. The U.A.E. also participates in the Special Olympics.

Trade Shows & Exhibitions

[The Digital Education Show Middle East](#)

Date: November 14-15, 2017

Venue: Le Meridien Hotel & Conference Center - Dubai

Organized by: Terrapinn Middle East FZ LLC

[NAJAH Education & Training Exhibition](#)

Date: October 25-27, 2017

Venue: Abu Dhabi National Exhibitions Center (ADNEC)

Organized by: Informa Exhibitions

[The International Education Show](#)

Date: February 2018 (TBD)

Venue: Expo Centre Sharjah

Organized by: Sharjah Chamber of Commerce & Industry

[Global Education and Skills Forum](#)

Date: March 17-18, 2018

Venue: Atlantis the Palm

Organized by: GEMS Education

[Global Education Supplies and Solutions \(GESS\)](#)

Date: February 27 – March 1, 2018

Venue: Dubai World Trade Center

Organized by: F&E Education

[Gulf Education and Training Exhibition \(GETEX\)](#)

Date: April 2018 (TBD)

Venue: Dubai International Convention & Exhibition Centre

Organized by: International Conferences & Exhibitions IC&E

Web Resources

[Abu Dhabi Education Council](#)

[Knowledge & Human Development Authority](#)

[Ministry of Education](#)

[U.A.E. Embassy in Washington DC](#)

[UNICEF](#)

[Indalytics Education Sector Research Report 2016](#)

Energy & Power

Overview

The U.A.E. is investing heavily in its Energy and Power sectors. The goal of the U.A.E. *Energy Plan for 2050* is to achieve a balance between the country's energy production and consumption by diversifying its energy mix to include clean coal, gas, nuclear energy, solar and wind power, and biofuels. The energy equation targeted by the plan is: 44 percent clean energy, 38 percent gas, 12 percent clean coal and 6 percent nuclear.

A primary objective of the plan is to improve U.A.E.'s power and water security given the growth of its urban population. Growing solar capacity will dominate the government's renewable energy drive, while investment in nuclear will help to reduce the market's dependency on gas for electricity generation.

Growth opportunities in the power sector through 2017 will stem from the U.A.E.'s focus on expanding its nascent nuclear and solar industries as well as its efforts to improve the existing transmission and distribution network. While almost all electricity generation in the U.A.E. is thermal-fired, with gas fueling the bulk of it and oil playing a secondary role, the government is beginning the move away from using its gas reserves for domestic power generation to free up stocks for exports. It is projected that the total contribution of gas to the electricity mix will decrease slightly over our forecast period as new technologies gain traction, which means opportunities within energy infrastructure will stem from the need to construct power plants using alternative fuel sources.

It is likely renewable energy will not only increase generation capacity, but also play an important role in powering water desalination plants. According to *Business Monitor International* (BMI), the U.A.E.'s continued push to introduce renewable energy-powered desalination facilities makes both economic and environmental sense. Water scarcity is a deep-rooted and highly politicized issue in the U.A.E., and the wider Gulf region. The sector as a whole faces few risks, given its importance to the U.A.E.'s continued economic growth and the strong government support it has received.

Power Generation

The U.A.E. plans to expand its installed capacity more than 50 percent over a 10-year forecast period. The Power Generation market is expected to be increasingly attractive to international and regional developers as more than USD 8 billion are allocated for investment. The thermal sector has become well established in the U.A.E. and many top players in the industry competing to enter this segment, including the emerging sectors of nuclear and renewables.

Within the next few years, the U.A.E. will experience annual production increases and by 2019 an overall power generation of more than 146.6TWh, compared to 2016's estimate of 126.4TWh. The country's power generation will reach 183.TWh by the end of 2026 as nuclear energy will be included.

Total Net Generation, By Type TWh

(2016–2026)

The U.A.E. Power sector is handled separately in each emirate; Abu Dhabi's power sector is set up according to a single-buyer model, with Abu Dhabi Water and Electricity Authority responsible for overseeing the sector through its subsidiaries, which includes Abu Dhabi Water and Electricity Company, Abu Dhabi Transmission and Dispatch Company (TRANSCO) and Abu Dhabi/Al Ain Distribution Company (ADDC/AADC) and TAQA. The sector is overseen in the Northern Emirates by the Federal Electricity and Water Authority (FEWA), while the Sharjah Electricity and Water Authority (SEWA) supplies power in the Emirate of Sharjah. Lastly, Dubai Electricity and Water Authority (DEWA) plays a cardinal role in the respective emirate.

Leading Sub-Sectors

Coal

In July 2016, the Hassyan Energy Company (a joint venture between DEWA and the Saudi-based ACWA Power Harbin Holding Company, or ACWA Power) awarded an engineering, procurement and construction (EPC) contract to carry out the 2,400MW Hassyan Clean-Coal Power Project, to Harbin Electric International (China) and General Electric (US). The project has been under consideration since 2013. The EPC agreement follows the signing of a 25-year power purchase agreement between DEWA and ACWA Power. Phase 1 consists of four units of 600MW each and is scheduled to start operating in March 2020. It started construction in November 2016.

The project is a gas-fueled power plant currently being constructed. The project integrates a power island and a desalination island. The production capacity of the desalination island is 720 million imperial gallons per day (MIGD). When fully operated, Hassyan PP will be one of the largest power plants in the world with a production capacity of 9,000MW. The power plant, which is being built on the shores of the Arabian Gulf, is owned by the Dubai Electricity and Water Authority (DEWA). (BMI)

The growing economy and population of the U.A.E. have called for new power and water projects in Dubai, such as the Hassyan PP and desalination facility. DEWA may privatize 1,500MW of the plant. It is currently looking to appoint a consultant to suggest on the privatization. For more information, see the Power Technology [website](#).

Gas

As of April 2015, DEWA awarded a USD400 million contract to Siemens to expand the M-station power and desalination plant. The expansion project includes an additional 600MW power generation units to the station's current capacity, to generate 2,660MW power by 2018. The project is under construction.

The strong U.A.E. power and water generation base and support from the Abu Dhabi government has underpinned the Group's growth into a diversified international energy business.

TAQA has a 54 per cent interest in each of its eight U.A.E. power generation and water desalination plants, with Abu Dhabi Water and Electricity Authority (ADWEA) having a 6 percent interest in each such plant. The remaining 40 percent interest in each of these plants

is held by various international partners. Their total power generation capacity is 12,487 MW, and total desalination capacity is 887 million imperial gallons per day (MIGD).

The plants sell all their electricity and water production under power and water purchase agreements (PWPAs) with Abu Dhabi Water and Electricity Company (ADWEC), under which their compensation is based primarily on the availability of generation and desalination capacity rather than the amount of electricity and desalinated water produced. Each of these plants is managed, operated and maintained by international partners under long-term operations and maintenance agreements between the relevant international partner and the generation subsidiary concerned.

Location	Asset	Ownership	Fuel	Gross capacity
Abu Dhabi	Taweelah A2	54%	Natural gas	770 MW (50 MIGD)
Abu Dhabi	Taweelah A1	54%	Natural gas	1,600 MW (84 MIGD)
Abu Dhabi	Taweelah B	54%	Natural gas	2,000 MW (163 MIGD)
Abu Dhabi	Shuweihat S1	54%	Natural gas	1,500 MW (100 MIGD)
Abu Dhabi	Umm al Nar	54%	Natural gas	2,256 MW (160 MIGD)
Fujairah	Fujairah 1	54%	Natural gas	861 MW (100 MIGD)
Fujairah	Fujairah 2	54%	Natural gas	2,000 MW (130 MIGD)
Abu Dhabi	Shuweihat S2	54%	Natural gas	1,500 MW (100 MIGD)

As of April 2017, United Arab Emirates Power Projects are the following,

Opportunities

The U.A.E. is will be part of a \$1 billion plan to build a regional power grid throughout the Gulf Cooperation Council. This will assist with the demand for Energy and increase in population of the U.A.E.

There are plans to issue the world's first *sukuk (bonds)* to finance renewable energy projects which could set a model that will open up a new flow of finance into the Middle Eastern renewables markets.

The U.A.E. government aims to boost investment in clean energy technology over the next few years and attract AED367 billion (\$100 billion) of investment in alternative and sustainable energy projects by 2020.

The U.A.E. is currently working on plans to have four nuclear power reactors operational in Barakah by 2020 to generate 5.6GWh of electricity.

Renewable energy sources (namely solar) are gaining momentum in an attempt to diversify the energy mix and ensure sustainability.

Tade Shows & Exhibitions

Water, Energy, Technology and Environment Exhibition ([WETEX](#))

Date: October 23rd, 24th and 25th 2017

Venue: Dubai World Trade Centre

Organized by: Dubai Electricity and Water Authority

Abu Dhabi International Petroleum Exhibition & Conference ([ADIPEC](#))

Date: October 23rd, 24th and 25th 2017

Venue: Dubai World Trade Centre

Organized by: Dubai Electricity and Water Authority

[World Future Energy Summit \(WFES\)](#)

Date: January 15th, 16th, 17th and 18th, 2018

Venue: Abu Dhabi National Exhibitions Center (ADNEC)

Organized by: REED Exhibitions

[Middle East Electricity Exhibition \(MEEE\)](#)

Date: March 06th, 07th and 08th, 2018

Venue: Dubai World Trade Centre

Organized by: INFORMA Exhibitions

Web Resources

[Gulf News](#)

[United Arab Emirates Ministry of Energy](#)

[The National](#)

[TAQA](#)

Healthcare

Overview

The creation of a world-class healthcare infrastructure is a top priority for the government of the United Arab Emirates (U.A.E.) and, as a result, the sector has advanced and expanded significantly during the past few years. The World Health Organization determined that a third of adults in the U.A.E. are obese, and one out of five people live with diabetes. As the incidences of lifestyle diseases increase, these populations, supported by relatively high levels of income, will demand greater quality of healthcare. The government's focus is on developing a healthcare infrastructure to address this demand.

Healthcare in the U.A.E. is regulated at both the federal and emirate levels. Federal-level legislation dates back to the 1970s and 1980s and there are pending legislative reform initiatives to facilitate the development of the healthcare industry. The U.A.E. Government is liberalizing policies to attract foreign investments in order to improve the healthcare standard and boost the healthcare industry.

The U.A.E.'s health expenditure reached a value of AED 59.15 billion (\$16 billion) in 2016. This includes healthcare expenditure from all the seven emirates in addition to their contribution to the federal budget. In 2017, according to *Business Monitor International* (BMI) health expenditures increased by percent, reaching AED 62.2 billion (\$17 billion), it is forecast to rise to AED 78.1 billion (\$21.3 billion) by 2021, which translates to a compound annual growth rate (CAGR) of 5.7 percent. Overall healthcare spending is expected to account for 4.6 percent of a country's GDP by 2026 from 4.2 percent in 2016.

In June 2015, the U.A.E. government launched a new health insurance program in Dubai to support nationals not covered under any other government funded health insurance scheme. This scheme is expected to benefit 130,000 by offering healthcare at 23 private hospitals and more than 500 medical clinics in and around Dubai. The Dubai Health Authority (DHA) announced in June 2016, that all Dubai residents should be covered by health insurance that will be tied to the renewal and issuance of their U.A.E. residence visas.

The U.A.E. government wants to boost the number of medical tourists coming to the U.A.E. by establishing Dubai as a center of healthcare excellence in the region. The country has a robust transportation and logistics infrastructure and is geographically well positioned to be the center of a transportation network that links the economies of India and China to Europe and the United States. These factors also make the country an attractive location for establishing a regional distribution center for medical devices. While the U.A.E. is a zero tax country, the government is expected to implement 5 percent value added tax (VAT) in 2018.

According to investment experts, some of the biggest U.A.E. opportunities are likely to be found in healthcare projects. For instance, "Unison", a public-private partnership between GE Healthcare, the U.A.E. Ministry of Health (MOH) and Abu Dhabi International Medical Services (ADI) aims to bring together the best of healthcare technology, hospital management, and patient care into one group of eleven radiology departments spread across the U.A.E. These types of partnerships are emblematic of the government's efforts to privatize the public healthcare sector in the country.

Medical Devices

Definition: any product, including accessories, used in healthcare for diagnosis, prevention, monitoring or treatment of illness or handicap excluding drugs. Medical devices can be consumables, diagnostic imaging, dental products, orthopedic & prosthetic products, and patient aids.

In terms of medical devices, the U.A.E. is an import driven market that is growing rapidly to keep pace with the country's expanding healthcare infrastructure. The government and private healthcare sector are investing heavily to provide countrywide healthcare solutions to the residents, expats, and medical tourists. Orthopedic devices are expected to register the highest growth specifically due to aging population.

Regulations

All medical devices must be approved by the U.A.E. MOH Drug Registration and Control Department. Imported medical devices will not be cleared by Customs unless a pre-approval for importation of the consignment is issued by MOH.

If the exporter company/manufacturer has no legal presence in the U.A.E., it will have to appoint a local representative to act on its behalf to register the devices. The local representative must be appointed by written contract stating the appointment of the local authorized representative by the company. The local representative should be licensed by the MOH.

Qualification of Registration of Medical Devices

An application to register a medical device in the U.A.E. must be made by the device manufacturer or its local representative/distributor. The local representative/distributor must be formally authorized by the manufacturer to handle the application process and the manufacturer's legal obligations and responsibilities with regard to placing the medical device in the U.A.E. market. The authorized representative/distributor must be available to interact between the medical device manufacturer and the MOH.

Market Entry

As a general rule, a foreign company intending to conduct business in the U.A.E. must do so either by:

Incorporating a local entity "Onshore"

Incorporating an entity in one of the UAE's many free zones

Establishing a branch of representative office (either "onshore" within the UAE, or in one of the free zones

Establishing a Local commercial agent

Restrictions on foreign ownership limit foreign companies' participation to a maximum of 49 percent of the equity in a U.A.E. "onshore" company. While an entity within one of the UAE's free zones can be wholly owned by a foreign company.

Supporting Documents Required by the Medical Devices Committee

The applicant (exporter company/manufacturer or distributor) must provide the committee with the following documents:

The application form duly filled, signed and stamped by the responsible person in the company

Notarized letter issued by the company on its original letterhead, signed and stamped by the responsible person in the company, authorizing a person or a local establishment to submit the registration files on their behalf to the Drug Department & Distribution Rights

Notarized Valid ISO13485 certificate issued by the competent authority in country of origin for each site involved in the manufacturing process

Legal and valid business licenses (manufacturing license issued by the competent authority in country of origin and attested true by the U.A.E. Embassy in Washington, DC) for legal manufacturer, final releaser & assembling site, if the site different than legal manufacturer

List of the products manufactured and/or assembled by the site

Detailed company profile

Medical Device Registration Process

Current U.A.E. medical device regulations are based upon EU, Australian TGA and U.S. (FDA) regulations. Products with EU, Australian, Canadian, and U.S. approval are eligible for a shortened registration process in the U.A.E. Furthermore, once the exporter company/manufacturer or distributor has been approved by MOH committee, a registration number will be given that is valid for five years. The application approval issuance depends on the completion of the required documents by MOH.

Barriers

Registration: The U.A.E. Commercial Companies Law requires that each company established in the U.A.E. have one or more U.A.E. national partner(s) who hold at least 51 percent of the company's capital. Foreign companies may engage in a commercial agency arrangement whereby a foreign company is represented by a U.A.E. agent to distribute, sell, offer, or provide goods or services within the U.A.E. The agent must either be a person holding U.A.E. nationality or a company that is 100 percent owned by U.A.E. nationals.

Customer Price Sensitivity: Most patients who travel to the U.A.E. for healthcare are from the Middle East and North Africa, Jordan, Thailand and India – all of which are cheaper healthcare destinations than the U.A.E. The U.A.E. maintains an advantage over these competitor nations vis-à-vis middle-to-high income patients. The U.A.E. must attract patients from the wealthy upper tier of Africa, the Middle East and Asia, which is not easy as many of them can afford to go to Europe for treatment. Where U.A.E. will be able to outperform European providers is in offering culturally-suitable care for Muslim patients and high quality specialized services.

Main Players

In 2017, the major players in the private healthcare market in the U.A.E. are Al-Noor Medical Company, Al-Zahra Group, Belhoul Lifecare, Emirates Healthcare, Gulf Healthcare International, Gulf Medical Projects Company, Zulekha Hospital, Saudi German Hospital Group, GE Healthcare and Aster DM Healthcare.

Leading Sub-Sectors

The U.A.E. suffers from a shortage of trained medical personnel. There are numerous hospital construction and renovation programs underway as a result of public and private investment. A growing medical tourism sector is generating demand for modern facilities with state-of-the-art medical equipment. Medical device production will continue to be low, and only limited to basic items such as various types of syringes, and IV sets will be locally produced.

Opportunities

One of the important emerging segments in the U.A.E. is the pre-hospital equipment such as ventilation and resuscitation equipment for use in police and ambulance vehicles or at home. These devices are gaining popularity among local citizens and expatriates alike as part of every home's first aid kit.

For a country with one of the highest diabetes rates in the world (estimated at 25 percent of local population), glucose monitoring devices, insulin pens, and insulin syringes are becoming a significant segment of the market.

There is demand for innovative technology to facilitate remote treatment of patients and medical device e-commerce. For example, AlMazroui Medical Group and Chemical Supplies started the first online store for medical equipment and supplies in U.A.E., called "Hejama," in 2016.

The present tech-savvy generation has encouraged the use of innovative healthcare information technology such as visits, digitization of electronic medical records (EMR), data analytics, and mobile applications for patient engagement. The adoption of such technologies has the potential to improve the quality of care and reduce the cost substantially for both patients as well as providers.

Demand of medical home care is growing: doctors and nurses visiting patients at home (elder care, speech therapy, post-surgical nursing care & rehabilitation from injuries); medical advice and services remotely using telemedicine (for remote areas, potentially enabling provision of quality diagnosis and treatment of patients)

Trade Shows & Exhibitions

[Arab Health](#)

Date: 29th Jan – 1st of Feb 2018

Venue: Dubai World Trade Center, Dubai – UAE

Organized by: Kallman Worldwide Inc.

[Med Lab](#)

Date: 5th Feb – 8th Feb 2018

Venue: Dubai World Trade Center, Dubai – UAE

Organized by: Scherago International

[OBS –GYNE](#)

Date: 19th Apr – 21st Apr 2017

Organized by: Informa Life Science Exhibitions

[Building Healthcare](#)

Date: 30th May – 1st June 2017

Organized by: Informa Life Science Exhibitions

Web Resources

[U.A.E.-Ministry of Trade](#)

[Ministry of Health](#)

[Health Authority Abu Dhabi](#)

[Dubai Health Authority](#)

[Gulf News](#)

[Dubai Healthcare City \(Free Zone\)](#)

[Abu Dhabi Health Authority](#)

[Abu Dhabi Health Service Company](#)

[Sharjah Health Care City](#)

[Tejari Solution](#)

[Emirates Medical Association](#)

[Dubai Autism Center](#)

[Emirates Autism Center](#)

Oil and Gas Field Machinery and Services

Overview

Compared to global averages, the United Arab Emirates (U.A.E.) holds considerable energy reserves. The U.A.E. is the world's seventh largest crude oil producer and the fourth largest producer of petroleum liquids in the Organization of the Petroleum Exporting Countries (OPEC). In addition, the U.A.E. holds the seventh largest natural gas reserves globally. Hydrocarbon production remains critical to the U.A.E. economy, amounting to \$65 billion or approximately 20 percent of all export revenue, according to the U.S. Energy Information Administration (EIA). As a result of low oil prices, these revenue figures are down from a peak of \$123 billion in 2013.

The U.A.E. controls its own oil and gas production and resource development. Abu Dhabi holds 94 percent of the U.A.E.'s oil reserves, or about 90 billion barrels (2017), which can be found both offshore and onshore. Additionally, Dubai holds an estimated 4 billion barrels of oil, followed by Sharjah and Ras al-Khaimah with 1.5 billion and 100 million barrels of oil, respectively. In Abu Dhabi, the Supreme Petroleum Council (SPC) establishes the Emirate's petroleum-related objectives and policies. Abu Dhabi's position as a central player in the U.A.E.'s oil industry and wider economy means that the SPC is considered the country's most important entity in regards to energy policy.

The U.A.E. produced 3.7 million barrels per day (b/d) of petroleum and other liquids in 2016, of which 2.9 million b/d was crude oil and remainder was non-crude liquids. The state-owned Abu Dhabi National Oil Company (ADNOC) and its operating companies are in the process of expanding the output of crude oil to 3.5 million bpd by 2020, which the country aims to maintain until 2027. As proven reserves are expected to remain relatively constant, increased production will therefore rely on enhanced oil recovery (EOR) practices in the present fields. Carbon dioxide (CO₂) injection projects in Rumaitha and Bab are examples of such initiatives. ADNOC is also developing the country's downstream industries, with emphasis on petrochemicals and plastics.

The U.A.E.'s natural gas reserves are estimated at 6.0 trillion cubic meters. Abu Dhabi holds the majority of the reserves (94 percent), with Sharjah (4 percent), Dubai (1.5 percent) and Ras al-Khaimah (0.5 percent) holding the remaining amount. The U.A.E. produces 4.65 billion cubic feet (bcf) a day of gas – 3.85 bcf a day in Abu Dhabi and 0.5 bcf a day in Dubai.

Most of the U.A.E.'s natural gas has a relatively high sulfur content (described as sour), which makes the development and processing of the country's vast reserves economically challenging. Consequently, nearly 30 percent of the U.A.E.'s gross production has been re-injected into oilfields as part of the nation's EOR techniques. Based on this practice and growing domestic energy demand, the U.A.E. is itself a net importer of natural gas. The U.A.E. trades primarily with Qatar for gas and has two LNG storage terminals, in Dubai and Ruwais.

The U.A.E. has a well-developed domestic pipeline network that links producing oil fields with processing plants and seven export terminals. In June 2012, the 230 mile Abu Dhabi Crude Oil Pipeline (ADCOP) began operations, with the pipeline running from the rich fields located in

the Habshan to Fujairah. Given its strategic positioning and exceptional bunkering capacity, Fujairah is a growing energy trading and refining hub.

The U.A.E.'s refining capacity increased significantly in 2015 with a 417,000 bpd expansion of the Ruwais facility, bringing the U.A.E.'s total refining capacity to 1.12 million bpd. Four other refining projects are currently being proposed, though notably among them a 200,000 bpd facility at Fujairah, proposed by Abu Dhabi's International Petroleum Investment Company (IPIC), was canceled in February 2017. The *Economist Intelligence Unit* ascribed the project's cancellation to the downturn in oil prices and a lack of investor interest. An additional 70,000 barrel expansion of the Jebel Ali refinery is set to come online by the end of 2019, and the Emirates National Oil Company (ENOC) awarded the project's engineering contract to Singapore-based Rotary Engineering in April 2017.

ADNOC continues to face pressure to cut costs to offset the fall in global oil and gas prices. The company cut up to 5,000 jobs in 2016, according to MEED reports, and major changes have swept across ADNOC and its associated companies. These changes include the appointment of a new Director General and the replacement of six CEOs across the group of companies. The Minister of Energy further noted that mergers between these companies have been and will continue to be used as a tool to cut costs and raise efficiency through consolidation.

The U.A.E. continues to pivot heavily toward Asian markets. The U.A.E. exports 96 percent of its crude oil to Asia, and the government has steadily increased contracts to Chinese, Korean and Japanese firms.

Despite a slow start in January, the U.A.E. met and exceeded its OPEC-mandated production cuts in the first half of 2017. This relates to a mandated 139,000 bpd reduction, though the Minister of Energy claims the country cut a full 200,000 bpd in March. The production cuts were expected to be extended three to six months at OPEC's monthly meeting on May 25, 2017.

Leading Sub-Sectors

Although the global average for oil recovery stands at about 35 percent, ADNOC is looking to increase recovery rates to 70 percent at its fields. Given this, there are excellent prospects for U.S. firms that offer:

New EOR technologies that will help lower operational expenditure and extend the lifespan of producing fields

Advanced technologies that provide alternatives to using gas to maintain oil well pressure

Technologies for more economical development of sour gas fields

Drilling equipment and chemicals

Natural gas processing facilities, needed to meet growing domestic electricity demand

U.S. firms are highly regarded for their high levels of research and new technology development. In general, companies are urged to establish a presence in Abu Dhabi.

Opportunities

ADNOC's expansion of production in oil and gas fields, both onshore and offshore, provides opportunities across a wide range of technologies and services. As costs of field exploitation rise, technologies that improve yield and drive costs down will be particularly attractive. A number of major contracts have been let in the past months, but there are still opportunities for investors and contractors.

The Abu Dhabi Company for Onshore Oil Operations (ADCO) has filled the remaining foreign equity positions of its onshore concession. China National Petroleum Corporation (CNPC) and CEFC China Energy were awarded eight and four percent stakes, respectively. With Japan's Inpex and South Korea's GS Energy already granted shares, Asian energy firms make up 20 percent of the concession, equivalent to the combined interest of BP and Total.

A joint venture between ADNOC and Occidental Petroleum Corporation announced in November 2016 its intention to expand the capacity of its Al Hosn sour gas plant by 50 percent. The plant already produces one bcf of gas per day, and the expansion is meant to be concluded within five years. Additionally, the Bab sour gas project is scheduled to come online by 2020, producing a total of five bcm of gas.

A key focus for ADNOC is its Upper Zakum field, operated in conjunction with ExxonMobil and Inpex. The field has an estimated 50 billion barrels of reserves, making this project a target for expanded production. The concession necessitates technical expertise in practices such as long-range horizontal drilling, water flooding and even artificial island development.

ADNOC plans to increase petrochemical production from 4.5 million tons per annum (mtpa) in 2016 to 11.4 mtpa in 2025. To streamline its portfolio, ADNOC has overseen important mergers among its group of companies in 2016 and heading into 2017. Notably, ADNOC recently combined its two largest offshore operations, Abu Dhabi Marine Operating Company (ADMA-OPCO) and Zakum Development Company (ZADCO), becoming the largest offshore company in the world. Another merger is that of Abu Dhabi National Tanker Company (ADNATO), the Petroleum Services Company (Esnaad) and the Abu Dhabi Petroleum Ports Operating Company (Irsahd). Finally, Mubadala and IPIC are set to merge into a US\$125 billion company in May 2017.

The International Trade Administration's (ITA) *2016 Upstream Oil and Gas Equipment Top Markets Report* ranked the U.A.E. first among 74 markets based on export potential for U.S. oil and gas equipment through 2019. The U.A.E.'s biggest imports of oil and gas equipment are boring and sinking machinery, line pipe for oil and gas lines, sub-sea line pipe and casing and tubing for oil and gas drilling. The U.A.E.'s oil and gas sector is recognized as a low-risk, high-reward investment destination.

Trade Shows & Exhibitions

ADIPEC 2017

November 13-16, 2017

Abu Dhabi, U.A.E.

Venue: Abu Dhabi National Exhibition Center

Web Resources

[Abu Dhabi National Oil Company](#)

[Middle East Business Intelligence \(MEED\)](#)

[International Petroleum Investment Company](#)

[The National Newspaper](#)

[Organization of the Petroleum Exporting Countries](#)

[U.S. Energy Information Administration](#)

Pharmaceuticals

Overview

The U.A.E. pharmaceutical market is the second-largest in the Gulf Cooperation Council (GCC) after Saudi Arabia. Business Monitor International (BMI) estimates the U.A.E. pharmaceutical market reached a value of \$2.6 billion in 2016, representing 16.3 percent of healthcare expenditure and 0.7 percent of GDP. For 2017, BMI projects year-over-year growth of 8.5 percent. Market dynamics – including rapid approval times, increasing insurance penetration and a strong patented drug market – will ensure the country's pharmaceutical market remains of interest to innovative drug makers.

The U.A.E. imports pharmaceutical products from 72 countries, and 10 countries account for approximately 80 percent of the entire supply: United Kingdom, Switzerland, Germany, Belgium, USA, France, Spain, Italy and Australia. Most major research-based firms have a long-standing presence in the U.A.E., either via contract manufacturing or local distribution channels. Leading multinationals include Pfizer, Novartis, Sanofi, GlaxoSmithKline (GSK), Bayer, AstraZeneca, Merck, Abbvie, Eli Lilly, BMS, and Amgen.

The domestic sector is small. Currently, the local manufacturing industry's clear leader is Gulf Pharmaceutical Industries, followed by Neopharma, Global Pharma, specialty generic injectable maker Gulf Inject, and Julphar Pharmaceuticals. In January 2017, the U.A.E.'s Ministry of Health (MoH) announced plans to increase the number of pharmaceutical manufacturing facilities to 30 by 2020 – up from 16 in 2017.

The U.A.E. government has taken continuous measurements to ensure long-term growth for this key sector. Beyond revisiting the drug approval processes, the MoH intends to work with local companies to improve the licensing policy for existing drug manufacturers.

According to Dr Amin al-Amiri, assistant undersecretary of Public Health and Licensing Policy at the MoH, “Organizations will exchange knowledge and remove any barriers to the development of the pharmaceutical sector in the free zone. The MoH is keen to partner with international companies to establish research centers for the production of innovative and generic drugs in cooperation with local drug makers.”

It is unknown whether innovative medicines will be given prioritization for approval, and there are significant questions about the UAE government's commitment to protection of patents, which creates a degree of uncertainty regarding the implications for multinational drug makers in the near term. An industry source reported that there are plans underway to allow the registration of generic drugs one year before patents on original products expire in the U.A.E. This would advantage local generic firms over multinationals and boost generic sub-sector growth.

As of August 2016, the MoH cut the prices of 762 innovative and critically required medicines by up to 66 percent as part of the seventh initiative of “Reduction in Medicine Prices”. During 2016, MOHAP allocated approximately AED 462 million (\$125 million) for procurement of medicines and medical supplies in order to ensure an uninterrupted supply.

The country's accelerated drug-registration system applies to both innovative and generic medicines that have been approved by the U.S. Food & Drug Administration. Recent examples of fast-tracked products in the U.A.E. include Eli Lilly's Trulicity (dulaglutide), AbbVie's Viekirax (ombitasvir/paritaprevir/ritonavir), and Exviera (dasabuvir) for hepatitis C.

The MoH has warned against the rise of counterfeit drugs online and the ministry is currently keeping a close monitoring on websites suspected of this activity. According local media, most of the counterfeit drugs sold online and smuggled into countries are medicines used to treat chronic diseases such as diabetes, hypertension and obesity.

Leading Sub-Sectors

In June 2017, the Ministry of Health (MoH) signed a memorandum of understanding with Jebel Ali Free Zone Authority (Jafza) for the development of the pharmaceutical and healthcare sector, with a particular focus on reducing the regulatory barriers. As part of the agreement, the UAE states it is aiming to attract 75 innovative drug makers to the Jebel Ali free zone by 2021, with the number of companies producing patented drugs locally expected to double

Opportunities

Trade Shows

Dubai Pharmaceutical & Technologies' Exhibition ([DUPHAT](#))

Dates: 27th Feb – 1st Mar 2018

Venue: Dubai World Trade Center, Dubai-U.A.E.

Show Organizer: Index Conference & Exhibitions Org.

Venue: Dubai World Trade Center Dubai - U.A.E.

Web Resources

[U.A.E.-Ministry of Trade](#)

[Ministry of Health](#)

[Health Authority Abu Dhabi](#)

[Dubai Health Authority](#)

Renewable Energy

Overview

The U.A.E. has one of the highest sun exposure rates in the world, giving it a high potential for renewable energy development. With a large oil and gas reserves, the nation used to disincentive the adoption of renewable energy technologies. However, economic diversification from an oil-based economy, rapid industrialization, growing population, and increasing demand from water desalination facilities have led to an increasing demand for energy.

As of January 2017, the U.A.E. has set an Energy Plan for 2050 to balance between production and consumption of energy. The strategy will diversify the energy mix as it will include clean coal, gas, nuclear energy, solar and wind power, and biofuels. The energy equation targeted by the plan is as follows: 44 percent clean energy, 38 percent gas, 12 percent clean coal and 6 percent nuclear.

Growing solar capacity will dominate the government's renewable energy drive, while investment in nuclear will help to reduce the market's dependency on gas for electricity generation.

The Clean Energy Strategy 2050, launched by HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the U.A.E. and Ruler of Dubai, foresees to provide 7 percent of Dubai's total power output from clean energy sources by 2020, 25 percent by 2030, and 75 percent by 2050.

In its *The State of the Future* report, released at Davos in January 2017, the U.A.E. predicted, "Nearly 20 percent of households in the world will run on solar power, 90 percent of vehicles on road will be electric, self-driving cars by 2035 and the first Hyperloop will be ready by 2020."

In February 2017, U.S. electric car maker Tesla opened for business in Dubai with plans to launch a shop and service center in Abu Dhabi next year. Company CEO Elon Musk noted, "The company planned to invest millions in the U.A.E. on infrastructure including recharging stations."

The country has been at the forefront of the developing renewable energy in the MENA region. This is reflected by the following milestones: the establishment of the Abu Dhabi Future Energy Company Masdar and the first carbon-neutral zero waste city Masdar City in 2006, the hosting of the annual World Future Energy Summit in Abu Dhabi since 2008, the establishment of the Emirates Nuclear Energy Corporation (ENEC) in 2009, the International Renewable Energy (IRENA)'s designation of Abu Dhabi as its headquarters in 2009 and relocating to Masdar City campus in 2015, and the development of strategic mega solar projects.

In July 2016, the achievement of Solar Impulse 2 (the only airplane of perpetual endurance able to fly day and night on solar power) was a symbol of Masdar's accomplishment and capability of creating and efficiently using renewable energy.

Leading Sub-Sectors

The U.A.E. has announced plans to invest \$163bn in projects in a bid to generate almost half the country's power needs from renewable sources, including Solar, Geothermal, Nuclear, and Waste-to-Energy

Solar

The U.A.E. has established itself as a key solar market over the past couple of years and will continue to show leadership in 2017, in particular in Dubai with the start of construction of Phase III and in Abu Dhabi with the award of Sweihan solar power plant.

The Dubai Mohammed Bin Rashid Al Maktoum Solar Park is a major part of the Green Economy for Sustainable Development initiative, launched by Sheikh Mohammed Bin Rashid Al Maktoum to build a green economy in the U.A.E and to meet 25 percent of the country's total electricity demand from clean energy sources.

After a landmark Power Purchase Agreement (PPA) of only 5.85 cents per kilowatt-hour was signed in 2014 for the second phase, 2016 saw Phase III awarded with 800 megawatts for delivery over three phases until 2020 at 2.99 US\$ cents per kWh. The final size of the park in 2030 was also upped from 1 GW originally to 3 gigawatts in early 2015, and to 5 gigawatts by the end of 2015. Based on the latter figure, the solar park will be the largest of its kind in the world.

The Solar Park is expected to host an Innovation Center and a Research and Development Center by 2017. After its completion, the Innovation Center will hold a permanent convention center for conferences, business meetings, training, and events related to solar and renewable energy. It will act as a museum and exhibition center on renewable energy by hosting interactive shows and educational tours for visitors.

As part of Dubai Clean Energy Strategy to generate 75 percent of Dubai's power from clean energy by 2050, Dubai will build the largest Concentrated Solar Power (CSP) project on a single site in the world, which is expected to begin power generation within the next five years. The new CSP project, will deliver inexpensive power at less than 8 US cents per kilowatt-hour as it is generated from the site to be located at the existing Mohammad Bin Rashid Al Maktoum Solar Park. The benefit of using concentrated solar power is that it can be stored for 8 to 12 hours after generation, which can help power the emirate through the night. The first phase of the new CSP project should be operational by 2021.

When completed, the CSP and Solar Park are expected to slash carbon emissions in Dubai by more than 6.5 million tons of harmful CO₂, helping Dubai and the U.A.E. meet its commitment to the Paris Agreement to keep global warming temperature increases below 2 degrees Celsius this century.

The Dubai Electricity and Water Authority (DEWA) announced plans to pilot multiple 1megawatt battery photovoltaic (PV) projects to study the reliability and cost effectiveness of the technology.

In 2016, Abu Dhabi Water and Electricity Authority (ADWEA) has tendered out its first utility scale PV project: a minimum 350 MW Sweihan solar power plant. Given the evaluation formula

in the tender documents, bidders were encouraged to maximize the utilization of the site and offer proposals with higher capacity. As per the bid read-out information, bidders submitted proposals with capacities of above 1 GW.

Shams 1 opened in March 2013 as the world's largest concentrating solar power (CSP) plant. The project was developed largely on the basis of ADWEA's independent power project model for conventional power, by the Shams Power Company, a subsidiary of Masdar. It is a 100-megawatt facility with 258,048 mirrors covering an area of 2.5 square kilometers. In 2014, Shams 1 produced 210 gigawatt hours, enough electricity to power 20,000 homes and to supply 0.5 percent of all electricity in Abu Dhabi. The plant will displace approximately 175,000 tons of CO₂ per year. Masdar has a 60 percent stake in the plant while the French company Total and the Spanish firm Abengoa each have a 20 percent stake. No official decision has been announced regarding the construction of Shams 2 or Shams 3, as the Abu Dhabi government's original plan had intended. Shams 2 and 3 are undergoing feasibility studies whereby the government is analyzing the practicability of their construction.

On 28 February 2017, ADWEA signed a PPA with Marubeni Corporation and Jinko Solar to develop the world's largest photovoltaic solar plant, with a capacity of 1,177MW. Exceeding its intended capacity at 350MW, the project is also set to bring the world's cheapest PV solar power at 2.42 \$c/kWh.

Geothermal

Geothermal energy is the thermal energy generated and stored in the earth, and it is known as a clean and sustainable form of energy.

In July 2016, DEWA requested proposals for an early-stage feasibility study on geothermal energy and its use in domestic power generation, especially for water desalination. The DEWA study is also expected to assess the potential for tidal and ocean currents in the Arabian Gulf to be used as a source for power generation.

Masdar is also evaluating geothermal energy as a possible power source for district cooling. With geothermal wells already sunk to a depth of 2,500 meters within the ground of Masdar City, the research initiative is the first of its type in the Middle East and may be converted into a full-fledged demonstration project.

Nuclear

The U.A.E. government has taken deliberate steps, in close consultation with the International Atomic Energy Agency, to develop a civil nuclear power program, and is currently building its first four nuclear reactors at a site called Barakah. By 2020, 12 percent of Dubai's electricity supply capacity is expected to be nuclear. The Korea Electric Power Corporation (KEPCO) led a consortium to design the Barakah plant, which includes four APR-1400 reactors to be built at Barakah site with a total of 4 GWe by 2020. The first reactor is scheduled to commence operations in late 2017, and the fourth by 2020. The original plan included building another four reactors, but the tender date is not yet known.

U.A.E. Nuclear Industry Structure:

Federal Authority for Nuclear Regulation (FANR): Established in 2009 as the regulatory body for the nuclear sector in the U.A.E. in accordance with Federal Law by Decree No 6 of 2009, Concerning the Peaceful Uses of Nuclear Energy, which was issued by H.H. Sheikh Khalifa bin Zayed Al Nahyan President of the U.A.E.

Emirates Nuclear Energy Company (ENEC): Established in 2009, ENEC is responsible for the design, construction and ownership of the U.A.E.'s first nuclear energy plant. Its mission includes coordination with the educational sector in the U.A.E. to develop U.A.E. human resource capacity needed to operate the nuclear energy program. ENEC also serves as the investment arm of the Government of Abu Dhabi, making strategic investments in the nuclear sector, both domestically and internationally. ENEC and KEPCO) launched Barakah One Company as the entity mandated to manage the commercial interests of the Barakah project, secure project finance from institutional and commercial leaders and receive funds for the electricity generated at Barakah's four units.

NAWAH: Formally established as a subsidiary of the Emirates Nuclear Energy Corporation (ENEC) in 2016, and mandated to operate and maintain the Barakah Nuclear Energy Plant, NAWAH is a multinational, multicultural and Emirati-led company.

Despite losing the bid for the Barakah plant to the Korea consortium, U.S. companies have had a high level of involvement in the U.A.E. nuclear energy program. This promises to remain the case for years to come, especially if U.A.E. builds additional plants. A favorable economic and financial environment, as well as the presence of a 123 Agreement, makes the U.A.E. a highly desirable market for U.S. exports. The chief obstacle is heavy foreign competition.

ENEC awarded six contracts related to the supply of natural uranium concentrates, conversion and enrichment services individually, and the purchase of some enriched uranium product. A spread of suppliers is involved for each stage of the front-end fuel cycle. The company estimates the contracts are worth some \$3 billion and will enable the Barakah plant to generate up to 450 billion kilowatt-hours of electricity over a 15-year period from 2017. The contracts involve Canada-based Uranium One, UK-based Rio Tinto, France's Areva and Russia's Techsnabexport (Tenex) for supply of uranium concentrates. For conversion services, contracts utilize the USA's Converdyn, Tenex and Areva. Enrichment will be by Europe-based Urenco, Areva and Tenex. Areva said that its contract involved supply of enriched uranium worth some \$500 million, and Tenex claimed to have secured half of the supply.

In October of 2016, ENEC and KEPCO signed a joint venture agreement establishing a long-term partnership, including the set-up of Barakah One PJSC, an independent subsidiary owned by both companies, to represent the commercial and financial interests of the nuclear power plant project. The agreement entitles KEPCO to an 18 percent stake in ENEC's subsidiary, NAWAH.

To promote the development of nuclear power, the U.A.E. government has offered joint-venture arrangements to investors for the construction and operation of nuclear power plants. The structures will be 60 percent owned by the government and 40 percent owned by partners.

Waste-to-Energy

Waste-to-energy is the process of generating energy in the form of electricity or heat from the primary treatment of waste. Masdar signed a strategic partnership agreement with Sharjah's municipal waste management company Beeah to develop the U.A.E.'s waste to energy (WtE) sector. This partnership will help contribute to the U.A.E. Government's Vision 2021 which targets, among other goals, diverting waste from landfills by 75 per cent by 2021.

A 100 megawatt facility, one of the world's largest, is under development in Abu Dhabi by Abu Dhabi National Energy Company PJSC Taqa, in coordination with the Center of Waste Management (Tadweer). The plant would be up and running by 2017, generating enough power for 20,000 households in Abu Dhabi as well as cutting greenhouse gases. It is expected to reduce CO₂ emissions by more than one million ton per year. The project will be set near the Mussafah Sea Port, and it will be one of the biggest waste-to-energy facilities in the world, stretching across an area of 100,000 square meters.

By the second quarter of 2020, Dubai is expected to have the largest plant in the Middle East to convert waste to energy. The plant will be located in Al Warsan 2 and will be built at a cost of AED 2 billion. The project is in line with Dubai Municipality's vision to make Dubai the most sustainable and smart city by 2021, which will in turn achieve National Agenda's objectives for a 75 per cent reduction in the number of landfills by 2021. This will provide more land plots that are currently being used to store waste, in addition to protecting the environment from methane emitted by landfills. The plant will begin its operations by the second quarter of 2020, and that it will be able to process 2,000 metric tons every day during the first phase of operations, producing 60 megawatts of energy.

In October 2011, Sharjah announced an ambitious plan for 100 per cent landfill diversion by 2015. To attain this goal, Bee'ah developed a state-of-the-art waste management center to process and recycle waste. In 2012, the company introduced two-stream waste collection and a new tipping fee structure to incentivize waste reduction and to closely regulate landfill contents. Improved blue and green colored odor-proof bins have been deployed across the emirate. In addition, Sharjah is constructing a Waste-to-Energy (WtE) plant in in Sajja area that will eventually convert 400,000 tons of waste per year into 80 megawatts of electricity. The project will convert 99 per cent of organic waste into energy. After using some of the generated power for the plant's own needs, the electricity will be exported to Sharjah.

A 2-megawatt facility is operational in Ras Al Khaimah.

Opportunities

The U.A.E. is a promising renewables market. There is strong government support for the industry, pressing need to meet energy demands while conserving natural gas reserves, favorable climatic and geographical conditions, and the growing cost-competitiveness of clean energy. There is a trend towards increased participation of the private sector in the U.A.E.'s energy sector.

The Ministry of Energy announced in 2015 that the country's investment in solar and nuclear energy will reach \$35 billion by 2021. The boost will provide opportunities for contracts in designing and construction of infrastructure, provision of technology, training, consulting and legal services.

A significant portion of Abu Dhabi's existing electricity and water production capacity was installed by private developers. In most public private partnership projects, ADWEA retains a 60 percent ownership and remains the single buyer of power and water. Stimulating corporate demand for renewable power in the U.A.E. is a challenge, but the increasing adoption of solar power technologies indicates growing interest from the private sector.

Last year, Abu Dhabi announced plans to develop an energy policy that would establish subsidies for renewable power, but it is still yet to materialize.

Note: In European jurisdictions the cost of funding such subsidies is borne by consumers. In comparison, grid operators across the GCC are constrained by legislative obligations to purchase power for the lowest price available from generators.

The implementation of a regulatory regime providing for a fixed feed-in tariff will necessitate considerable time and cost in reviewing and amending energy legislation in the U.A.E. In addition, the introduction of a feed-in tariff runs other risks. If the electricity price is too low then developers will not build renewables projects and the government is in danger of not meeting its energy demands. If on the other hand the tariff is too high, developers will overbuild, putting a strain on government resources. This raises particular issues for GCC countries, where electricity consumers have benefited from long term heavily subsidized electricity prices, and accordingly transferring the burden to consumers in the form of higher electricity prices is not politically feasible.

Nevertheless, Abu Dhabi does have an established track record in bringing projects - in particular IWPPs - to market, with its power (and water) procurement model being recognized as the most bankable model in the GCC region. A program for the delivery of energy from renewables sources based on the existing IWPP model used for the procurement of power and water with an individually negotiated green tariff payable may constitute a sustainable and appropriate strategy for a country wishing to development a significant (if not large-scale) renewable energy program.

Small-scale deployment in the solar rooftop market is a promising area because it has a lower investment threshold and generates power using unused rooftop space. Abu Dhabi has launched a government-sponsored financial incentive program in the form of a solar rooftop plan designed to make the use of solar photovoltaic technology on rooftops more affordable to Abu Dhabi building owners. This project is led by Masdar and the Abu Dhabi electric utility ADWEA. The program aims at achieving 500 megawatt PV on rooftops within 20 years.

Opportunities exist in the replacement of diesel generators in off-grid settings. At a currently deployed capacity of 5 megawatts, this market has the potential to generate more than 500 megawatts of energy in the U.A.E. For small-scale projects, auctions can be implemented along with feed-in tariffs and net-metering. The success of net metering relies on favorable financing conditions to lower the upfront costs of installing the systems and on U.A.E. electricity tariffs.

Opportunities also exist for U.S. companies in new desalination technologies, innovative advanced cooling for buildings, innovative and coating on PV panels.

Trade Shows & Exhibitions

[InterSolar Middle East 2017](#)

Date: September 26-27, 2017

Venue: Conrad Dubai

Intersolar Middle East, formerly called GulfSol, will showcase the latest solar thermal and photovoltaic (PV) technologies. The exhibition will host panel discussions and seminars that will help businesses to capitalize on the Middle East's \$155 billion solar industry. In the upcoming conference, over 70 exhibitors are expected to display innovative solar technologies and to share information and strategies about technological trends, market developments, sustainable business models, and financing solutions.

Water Energy Technology Environment Exhibition ([WETEX](#))

Date: October 23-25, 2017

Venue: Dubai International Convention and Exhibition Center

In line with the directives of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the U.A.E. and Ruler of Dubai, and under the patronage of HH Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai, Minister of Finance and President of Dubai Electricity and Water Authority (DEWA), DEWA organised the 18th Water, Energy, Technology, and Environment Exhibition (WETEX) from 4-6 October 2016, at the Dubai International Convention and Exhibition Centre. The exhibition has established itself as one of the largest exhibitions of its kind worldwide as 1,900 exhibitors from 46 countries participated in the event. WETEX serves as a global platform for exhibitors to show the latest technologies, raise corporate profiles and promote products and services while sharing ideas and best practices with the world's leading players in water, energy, and environment.

World Green Economy Summit ([WGES](#))

Date: October 24-25, 2017

Venue: Abu Dhabi National Exhibition Center

Hosted by the Dubai Electricity and Water Authority, the WGES welcomes delegates from 60 countries to explore paths toward a sustainable economy using best environmental and business practices and invites participants to discuss and plan the global shift to a greener economy. The theme for this year's two days of intense plenary sessions and workshop driven discussions will be 'Driving the Green Global Economy.'

[Abu Dhabi Sustainability Week](#)

Date: 13-18 January, 2018

Venue: Abu Dhabi National Exhibition Center

Abu Dhabi Sustainability Week (ADSW) is a global gathering that unites leaders, policy makers, and investors to address challenges and celebrate achievements in sustainable development and renewable energy. ADSW is the largest gathering on sustainability in the Middle East and a significant forum for stimulating international dialogue and action. The annual event

features established gatherings like the General Assembly of the International Renewable Energy Agency, the awards ceremony for the Zayed Future Energy Prize, and the World Future Energy Summit.

[World Future Energy Summit 2017](#)

Date: January 15–18, 2018

Venue: Abu Dhabi National Exhibition Center

World Future Energy Summit (WFES) is the world's leading global exhibition dedicated to advancing future energy, energy efficiency and clean technology. WFES brings together over 30,000 visitors from 175 countries attracting government leaders, policy makers, entrepreneurs and thought leaders. It is the perfect opportunity to network and source products from 639 exhibiting companies from 30 countries and uncover the latest advances in future energy.

Web Resources

[BMI Research](#)

[Abu Dhabi Water and Electricity Authority \(ADWEA\)](#)

[Bee'ah](#)

[Dubai Carbon Center of Excellence](#)

[Dubai Electricity and Water Authority \(DEWA\)](#)

[Dubai Supreme Council of Energy \(DSCE\)](#)

[Irena](#)

[Masdar](#)

[Mesia](#)

[Ministry of Energy](#)

[Ren21](#)

[State of the Future Report](#)

Safety & Security

Overview

Safety and Security is a priority sector in the United Arab Emirates (U.A.E.) in response to rapidly-evolving security threats worldwide and continued growth in the country's commercial, shipping, property, financial, and tourist sectors. The U.A.E. is now expertly contributing to the security and stability of the Gulf and playing a vital role in the global security infrastructure surrounding the global war on terror. Despite the continued importance of this sector, the U.A.E. has only minimal local capacity for security-related production. Given this, the country has attracted many foreign security and safety companies. In general terms, the U.A.E.'s safety and security sector is comprised of five segments: Commercial Security & Information Security; Aviation Security; Homeland Security & Policing; Fire & Rescue and Safety & Health.

Market Entry

There are no trade barriers against U.S. products. Imported goods are subjected to 5 percent customs duties on CIF value. The U.A.E.'s Offsets Group Program (now renamed as "[Tawazun Economic Council](#)") requires defense/security contractors which are awarded contracts valued at more than \$10 million to establish commercially viable joint ventures with local business partners that would be projected to yield profits within a specified period.

Competition

Competitors in the sector include specialized security and technology systems integrators from various U.S, European, Asian, South African and Australian product manufacturers. Supplied products include: high-end IP camera systems, automatic number plate recognition, video analytics, radar systems, real-time IP based access control solutions, traffic bollards, turnstiles and gates, road blockers, tire killers/spikes, security crash barriers, and metal and passenger baggage detectors.

Many successful American firms rely on technological, qualitative advantages in facing often less expensive, low-quality foreign competition.

U.A.E. Government Procurement

Various U.A.E. government entities contract with private sector vendors for the procurement of goods and services for performing public works. The U.A.E. is not a signatory to the WTO Agreement on Government Procurement. Depending on the nature and scope of the work, government entities offer two types of tenders for selecting qualified vendor(s):

Public Tenders: Procurement and contracting processes in public tenders involve four main steps: announcement of tenders, evaluation of proposals, awarding contracts, and supplying items or performing work. Public tenders can be either global or local. Global tenders are open to suppliers and contractors from within the country and abroad and advertised in the local as well as international media; local tenders are restricted to all suppliers and contractors within the country and advertised in the local media only.

Restricted Tenders: For restricted tenders, calls for bids are sent only to suppliers and contractors (at least three) whose names are registered and are selected by the concerned

entity. Except for public advertising, all the rules and procedures pertaining to public tenders apply to restricted tenders.

The concerned entity publishes a written invitation to tender in newspapers, magazines and its official website (in case of public tenders) or sends the invitation directly to a specific number of suppliers or contractors (in case of restricted tenders) in order to get detailed offers.

To be qualified to work with any government entity in the U.A.E., contractors and suppliers must register with the concerned entity by submitting a completed pre-qualification application form to the procurement department. Prior to that, they must have obtained all necessary licenses to practice the type of activity from the Department of Economic Development (DED), the Chamber of Commerce and Industry or any other competent authority in that Emirate. They should also be adequately staffed with qualified technical personnel having the necessary skills, in addition to the availability of proper equipment, workshops and warehouses.

Since direct purchases from foreign suppliers is rare, it is important to work through a local agent/distributor that has the ability not only to supply/install goods but also provide proper and timely after-sales service. Therefore, selecting a local partner can be a critical first step in operating in the U.A.E. A reputable agent with good contacts can provide timely information, which is often very important for foreign companies. In addition, in view of increased importance to provide adequate after-sales service, choosing a competent agent who has the resources and ability to 'qualify' is of high importance. Not only do the local agents provide knowledge of the market, they greatly assist in managing technological and cultural differences, while at the same time sharing local marketing and sales support tools.

Sub-Sector Best Prospects

With security remaining an integral concern in this part of the world, it is estimated that investment in advanced security solutions, primarily in government-initiated projects in the U.A.E., will continue. Also, with a large expatriate population, the possibility of reaction to events in their home countries cannot be totally ignored. In order to combat any negativity and to curtail cross border infiltration, the U.A.E. continues to intensify security at airports, land routes, seaports and coastline patrols.

Having major infrastructure and oilfield installations, the U.A.E. offers the greatest potential for Security Risk Management of major infrastructure projects. The value of these assets and the threat profiles of recent attacks by terrorist groupings in the region indicate that major infrastructure projects are the most likely targets.

There are also great prospects for Crisis Management and Incident Management preparedness based on software solutions that aid commanders' decision making. Subsequently, interest in new technical solutions is growing to a greater extent than previously experienced, resulting in tremendous opportunities for U.S. companies.

The market for security consultancy services in the U.A.E. is one other area that is likely to experience a period of significant growth as understanding of threats and their approach to risk management becomes more valuable.

With the growth witnessed in the infra-development sector, system integrations and security systems have gained high prominence in the region. The U.A.E. market is constantly in search of products to create a niche in the region with global standard solutions catering to commercial buildings, residential properties, shopping malls, hospitals, parks, museums, hotels, and industrial facilities among others.

There is demand for various security products, especially unmanned vehicles, drones, closed circuit television sets (CCTV), surveillance cameras, perimeter control and access control systems have shot up sharply, with the hospitality sector leading the demand.

Opportunities

Commercial Security & Information Security which includes Cloud-based solutions, CCTV, Video Surveillance equipment (VSaaS), drone technology, internet security, anti-virus software, SPAM filters, Biometric Identification Systems, digital signature, data security/protection/ recovery, system back-ups, software protection, and user right management are considered good prospects in the U.A.E.'s ever growing surveillance sector.

Aviation Security: The U.A.E. Aviation Safety Affairs consists of the following departments Air Navigation and Aerodrome (ANA), Airworthiness (AW), Flight Operation (FOP), Licensing (LIC) and Policy, Regulation and Planning (PRP) and reports directly to the Director General (DG). The Executive Director has been appointed is responsible for the regulation and oversight of the safety of the aviation industry in the U.A.E.

Homeland Security & Policing: The growing internal security challenges in the Middle East have raised demand among the region's authorities and security agencies for innovative products to improve Homeland Security. Both government law enforcement agencies and private companies are allocating more budgets to control terrorist attacks. The U.A.E.'s spending for Homeland Security products is set to double from \$5.5 billion to \$10 billion in the next ten years.

Fire & Rescue: According to media reports, the U.A.E.'s fire safety market was worth \$394.4 million in 2015. The market is estimated to grow annually by 14-16 percent due to improvements in the enforcement of fire codes in the construction sector and constant need for fire protection and life safety. The ongoing investments in the commercial, retail, industrial, hospitality, and the healthcare sectors and the upcoming Dubai Expo 2020 is likely to create robust demand for the latest equipment, fire protection and firefighting systems.

Safety & Health: As U.A.E.'s construction industry prepares to deliver multi-billion dollar projects, the health and safety regulations in the country are becoming increasingly stringent. That in turn is reflected by an increased investment in more health and safety products such as jackets, shoes, helmets, and services to help ensure safety at work.

Web Resources

[INTERSEC, Dubai](#)

[IDEX, Abu Dhabi](#)

[ISNR, Abu Dhabi](#)

[E-Crime & Cyber Security, Dubai](#)

[GISEC, Dubai](#)

[ISS World Middle East, Dubai](#)

[National Security Middle East, Abu Dhabi](#)

Water

Overview

The United Arab Emirates (U.A.E.) faces several water management challenges, including the scarcity of groundwater reserves, high salinity levels in existing groundwater, the high cost of producing drinking water, limited re-use of water, and limited collection and treatment of wastewater outside the urban areas. With water demand growing annually, the country's water infrastructure is under significant pressure. There is an increasing need to invest in infrastructure and water efficiency technology to meet the future demand and to avoid a shortfall. However, budget cuts, as a result of falling government revenues due to low oil prices, have affected existing projects resulting in calls for proposals and more innovation. The government is managing the demand by investing in water efficient technology, energy efficient seawater desalination and in education. To address the high cost to the government has reduced subsidies for water and power since January 2015 and increased tariffs in 2016 and 2017.

Published by Environment Agency Abu Dhabi (EAD), *Environment 2030* forecasts that both fresh and brackish underground water from U.A.E. aquifer systems will be exhausted within fifty-five years if mitigation measures are not taken. The government has addressed this issue, by using waste treated water to increase the efficiency of water use for irrigation. In 2017, the Abu Dhabi Municipality reported that 76 percent of the water use in landscapes in treated water and plans to have all fresh water replace by treated sewage effluent by the year 2030.

The U.A.E. has one of the highest per capita water consumption rates in the world (550 liters per day). As a result, the government is working to reduce demand by educating youth, reducing cost by eliminating subsidies, storing water in aquifers, regulating groundwater extraction, and investing in new energy efficient sea water desalination. As the main source of drinking water is from desalinization, the capacity is expected to increase steadily over the next few years, contributing 96.5 percent of all water produced by 2019. By 2019, total production is expected to reach 2.19 bn cubic meters of water (up 205 mn on 2015 production projections). Currently, substantially all of the drinking water used in the Emirate is produced through thermal desalination, requiring the combustion of fossil fuel. Measures to find alternative energy-efficient ways to produce drinking water are being explored.

In 2015, Masdar awarded contracts to four water technology companies to build four small-scale desalination plants, designed to test solar energy-desalination processes through reverse-osmosis: Spain's Abengoa and Degrémont, France's Veolia and US Trevi Systems. A fifth plant was launched in October 2016, run by the French engineering company Mascara, using forward osmosis. The combined daily output of all five pilot plants in Ghantoot is 1,500 cubic meters. If such desalination processes succeed in reducing energy consumption, this would lead to reduction of costs, a smaller carbon footprint, and the ability to power plants with renewable energy.

In the wastewater sector, one of the key projects undertaken by Abu Dhabi's Sewerage and Services Company (ADSSC), a wholly owned subsidiary of the Abu Dhabi Government established in 2005, is the Strategic Tunnel Enhancement Program (STEP) to collect and treat

wastewater discharged from residential, commercial and industrial buildings in Abu Dhabi to increase the capacity for wastewater collection and treatment. Completion of the next phase of STEP will expand its capacity to handle 1.7 million cubic meters of waste water per day by 2030.

According to an expert on water resources at EAD, wastewater is treated at the tertiary level and approximately 45 percent is re-used for non-potable purposes while the remaining 55 percent of wastewater is being discharged in the environment. ADSSC sources explained that additional investment is needed to connect the recovered water treatment plant in to the system and the potential irrigation sites for reuse, thereby reducing the quantity of desalinated water used and reducing the impact of discharges to the Arabian Gulf and desert receiving areas.

Regulatory Environment

The water sector in the U.A.E. is fully government-owned, regulated by a number of agencies, including ADWEA, ADSSC, EAD, and other agricultural organizations. Contracts are granted by both federal and Emirate government, with a rigid bidding process and price as the ultimate determinant. The U.A.E. has a distinctive system in place. Companies must be familiar with the business culture and the singular way of negotiating contracts. In the past, the government has demonstrated high level of support of private sector involvement in water sector development.

Commercial environment

Pressure on meeting increasing demand makes providing clean water a priority for the U.A.E. The country has seen heavy investment from both the public and private sector. A large number of new projects are in the pipeline despite the financial pressure from the oil crisis. Opportunity exists for technology and innovations that can make drinking water production more efficient, solutions for storage, and wastewater treatment and reuse. The wastewater treatment and sanitation sectors are also in need of large investment. The integration of water and sewage networks offers potential synergies for infrastructure companies in the sector over the long term.

Sub-Sector Best Prospects

Ground Water: Investment in groundwater infrastructure needs to be minimized because the aquifers are deteriorated. However, the Abu Dhabi government is interested in enhancing desalination at the farm level for cropping through hydroponic or soilless systems according to an EAD expert in water resources.

Drinking Water: The country is looking at new desalination technologies (solar-powered and nuclear) to produce drinking water. It is also interested in harvesting brine water from the desalination units to produce salt.

Waste Water: The government is looking at new technologies to recycle wastewater and improve wastewater treatment, as wastewater treatment facilities are far cheaper to construct and maintain than desalination plants. They are also more environmentally friendly, as less water needs to be extracted from the surrounding environs. Treated wastewater caters to much

of the industrial and agricultural requirements. This would free up freshwater and desalinated water supplies for domestic consumers.

Opportunities

Opportunities lie in technology and innovations that can make drinking water production more efficient, solutions for storage, and wastewater treatment and reuse:

Companies that build water plants and desalination plants.

Firms that offer solar-powered, reverse-osmosis desalination technologies and other cutting-edge technologies to produce drinking water.

Companies that offer the technology to separate black water networks from grey water networks and to treat the black water at the treatment plant level and the grey water at the district level.

Companies with new and efficient technologies to recycle wastewater and improve water treatment.

Water/Wastewater equipment opportunities to supply membranes, pipes and components to build tertiary wastewater treatment plants or water desalination plants.

Water monitoring equipment such as auto samplers and flow meters, as well as more water efficient faucets, flushing toilets and pipes with low leakage. High competition is anticipated in terms of pricing and offers.

Technologies to enhance and capture rainfall, store it and pump it underground to replenish the groundwater and use it as needed.

Ground Water: International consulting engineering firms can detect engineering problems such as the problem faced with residuals and design evaporation ponds to deal with the brine solution.

Trade Shows & Exhibitions

Water Energy Technology Environment Exhibition ([WETEX](#))

Date: October 23-25, 2017

Venue: Dubai International Convention and Exhibition Center

Web Resources

[WETEX](#)

Customs, Regulations & Standards

Trade Barriers

In order to do business in the U.A.E., outside one of the free zones, a foreign business must have a U.A.E. national sponsor, agent, or distributor. Once chosen, sponsors, sales agents, or distributors are given exclusive rights for non-food products only – Agency law does not pertain to food products. Terminating a non-performing agent, or a distributor, is extremely difficult in the U.A.E. In March 2010, the U.A.E. issued Federal Law No. 2 of 2010 amending certain provisions of the Commercial Agency Law. The amendments prevent the termination, or non-renewal, of a commercial agency unless the principal has a material reason to justify the termination or non-renewal. Further, a principal may not re-register the commercial agency in the name of another agent even if the previous agency was for a fixed term unless: (i) it is amicably terminated by the principal and the agent; (ii) termination or non-renewal is for justifiable reasons that are satisfactory to the Commercial Agencies Committee; or (iii) a final judicial judgment is issued ordering the termination of the agency. The 2010 Amendments also reinstate the specialized Commercial Agencies Committee which had been revoked in 2006. The Commercial Agencies Committee has original jurisdiction over disputes involving registered commercial agents. Any commercial dispute should be referred first to the Commercial Agencies Committee.

In 2011, the U.A.E. Cabinet issued Resolution No. 3 of 2011, Concerning the Commercial Agency Committee. The Committee is responsible for receiving applications for settling agency disputes and responsible for the process of cancelling registered agencies. The Committee is permitted to abstain from settling a dispute referred to it and can advise the parties to refer the matter to litigation. A party may challenge the determination of the Committee by bringing a matter to the U.A.E. courts within thirty (30) days of the date of receiving notice of the Committee's resolution. The Resolution sets out the process for submitting agency dispute applications and sets a fee of \$ 1,634 (AED 6,000) before an application shall be recorded. Once recorded, the Committee shall schedule a date for examining the dispute within sixty (60) days. The Committee is permitted to seek the assistance of any expert or "appropriate person" for performing its duties. It also has the right to demand the submission of further information and documentation involved in the dispute.

The U.A.E. requires a company be pre-qualified, and registered, in order to be invited to participate in a government tender. 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 U.A.E. national or a company in which U.A.E. nationals own at least 51% of the share capital. Federal tenders must be accompanied by a bid bond in the form of an unconditional bank guarantee for 5% 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 U.A.E. has no formal requirement that a portion of any government tender be subcontracted to local firms, but local companies clearly enjoy a competitive advantage.

The U.A.E. government is working hard to encourage more employment of U.A.E. nationals. More and more private companies are asked, and sometimes obliged, to hire U.A.E. nationals, and retain a certain percentage of them to the total work force of the company.

In the past in a number of the emirates, some American companies were asked to sign on a document that proves that they actively boycott the State of Israel, and are not doing any business there. This violates the U.S. Export Administration Act (50 U.S.C. §§2401-2420 (2000)) and Export Administration Regulations (15 C.F.R. Parts 730-774 (2014)).

For more information and help with trade barriers please contact:

International Trade Administration

[Enforcement and Compliance](#)

(202) 482-0063

ECCcommunications@trade.gov

Import Tariff

Effective January 1, 2003, the United Arab Emirates (U.A.E.) acceded to the Gulf Cooperation Council (GCC) Customs Union. The GCC consists of the U.A.E., Saudi Arabia, Kuwait, Bahrain, Qatar and Oman. The GCC Customs Union 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 U.A.E. destined for the Saudi market is subject to the 5 percent duty once it enters the U.A.E. market. In theory, the trader needs not to pay customs duties again to take the item across the border into Saudi Arabia.

The customs duties for most items are calculated on Cost, Insurance, and Freight (CIF) value at the rate of 5 percent. However, alcoholic products are assessed a 50 percent duty, while tobacco products are assessed a 100 percent customs duty. 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.

The GCC Common Customs Law provides guidance on goods that are exempted from Customs duties. Each member provides its own list of exemptions. Guidance on goods exempted from tariff upon entry to the U.A.E. can be found at the [Dubai Customs website](#).

There are various restrictions on the import of alcohol, tobacco, firearms, and pork products.

Import Requirements & Documentation

The consignee/agent should obtain a delivery order from the Shipping Agent and submit original standard trade documentation as per the following:

Commercial Invoice from the exporter addressed to the importer with details about quantity, goods description and total value of each imported item

Certificate of Origin, stating the country of origin and approved by the Chamber of Commerce in the country of origin

Detailed Packing List including weight, method of packing, and HS code for each item

Import Permit from the competent agencies in case of importing restricted goods or duty exempted goods

Bill of Entry or Airway Bill

For all food products, the following certificates are required in addition to the above:

Original health certificate issued by the appropriate government agency in the exporting country, attesting to the product's fitness for human consumption

Original Halal slaughter certificate for meat and poultry products

With the exception of food, all shipments of goods to the U.A.E. require "legalization" of documents. This is a two-step process:

Documents must be verified by Akin Gump Strauss Hauer & Feld LLP, the UAE Embassy's exclusive Verification Agent.

Upon completion of the verification process, documents must be legalized by the UAE Embassy for a fee.

For more information, please visit the UAE Embassy's [webpage](#).

As noted above, effective January 1, 2003, the U.A.E. 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. An item imported into the U.A.E. destined for any GCC country is subject to the 5 percent duty once it enters the U.A.E. In theory, the trader does not need to pay customs duties again to take the item across the border into another GCC country.

The customs duty for most items is calculated on CIF value at the rate of 5 percent. Imports of liquor are subject to a 70 percent customs duty on their CIF value while imports of tobacco products are subject to 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.

The U.S. Embassy Office of Agricultural Affairs (OAA) annually publishes the Food and Agricultural Import Regulations and Standards (FAIRS) report for doing business in the GCC-4 (Kuwait, Oman, Qatar and U.A.E.). The full report is available on their [website](#). The report covers topics, such as food laws, labeling requirements, shelf-life, food additives regulations, packaging and import procedures.

Restricted Imports: Alcoholic beverages, tobacco products, pork products

Prohibited Imports: Irradiated food products

Labeling/Marking Requirements

The Gulf Standardization Organization (GSO) sets the framework for the packaging and labelling requirements of the United Arab Emirates (U.A.E.). GSO's technical requirements for

food exports state that all U.A.E. food imports provide information in Arabic, either as part of the packaging or as an affixed label, detailing the:

Product and brand names

Lot identification/lot number

Production and expiry dates

Country of origin

Manufacturer name

Instruction for storage and use

Manufacturer address

Net content weight in metric units

List of ingredients and additives in descending order of proportion

All fats and oils used as ingredients

Product barcode

Name of the food, packer, distributor or importer

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. You should consider cultural norms and values when designing and developing product packaging.

U.S. Export Controls

All goods exported to or re-exported from the U.A.E. must have proper documentation issued by the Ministry of Economy and the various Chambers of Commerce in the respective emirates. U.S. firms seeking to export goods from the U.S. to the U.A.E. should consult the appropriate U.S. export control agencies regarding the need for an export license for the U.A.E.

The U.A.E. has a thriving transshipment and re-export business. U.S. firms should also consult the proper U.S. authorities regarding the need to obtain re-export authorization for items to be re-exported from the U.A.E. to other countries, as well as exercising caution that U.S. goods are not re-exported to prohibited countries without the proper permission. In addition to confirming the ultimate destination of exports to the UAE, U.S. exporters should ensure transactions do not involve any proscribed parties by consulting the [U.S. Government's consolidated export screening list](#). The Bureau of Industry and Security's (BIS) Export Control Officer at the Consulate General in Dubai is available to assist U.S. firms in compliance with U.S. and UAE export controls.

U.A.E. Trade Controls

Although not a participant in any of the multilateral export control regimes, the U.A.E. implements trade controls in line with the control lists established by these regimes (the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement). Permits or licenses are required to import and export-controlled items, including strategic goods, Chemical Weapons Convention scheduled chemicals, armored vehicles, and items controlled by the Nuclear Suppliers Group. In addition, authorizations are required for the transit or transshipment of Nuclear Suppliers Group-controlled items. These requirements apply equally in the free trade zones.

The U.A.E. licensing authority for nuclear-related items is the Federal Authority for Nuclear Regulation (FANR). The Export Control Executive Office (ECEO) is the permitting authority for all other items. For more information on the UAE export control system, see the [BIS website](#).

To apply for FANR licenses and authorizations, visit this [website](#).

FANR contact information:

import.export@fanr.gov.ae

fanr.licensing@fanr.gov.ae

ECEO contact information:

info@uaeiec.gov

Temporary Entry

As a general rule, imports of goods into the U.A.E. 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 customs authority on proof of re-export. Goods remaining in the U.A.E. after six months are liable for customs duty.

Goods may be imported duty free and stored in any of the several free zones in the U.A.E. Goods that enter the U.A.E. 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 be subsequently exported. As duties are already so low, this has not been a major impediment to manufacturing industries in the U.A.E.

For information on temporary admission of goods/items used for display at trade shows, please refer to the customs regulations section of this guide.

Prohibited & Restricted Imports

There are certain goods that cannot be imported, exported, transited or require permits from the competent authority. The restrictions and prohibitions of goods are determined in accordance with GCC Customs Tariff Codes. The classified goods under those Customs tariff codes will require a permit while submitting the online Customs Declarations.

Below is a list of banned items:

All Narcotic drugs (Hashish, Cocaine, Heroin, Poppy Seeds, Hallucination Pills, etc.)

Goods intended to be imported from boycotted countries

Goods from Israeli origin or bearing Israeli trademarks or logos

Crude ivory and rhinoceros horn

Gambling tools and machineries

Three layers fishing nets

Original engravings, prints, lithographs, sculpture and statues in any material

Used, reconditioned and inlaid tires

Radiation-polluted substances

Printed publications, oil paintings, photographs, pictures, cards, books, magazines, stone sculptures and mannequins, which contradict Islamic teachings or decencies

Any other goods, the importation of which is prohibited under U.A.E. customs laws or any other laws in the country

Forged and duplicate currency

Cooked and home-made foods

Permitting authorities and goods for permit requirements:

CONTROLLING AUTHORITIES	CATEGORIES
Ministry of Climate Change and Environment	Live Animals and products of animal origin
Ministry of Interior	Explosives, Arms, Ammunitions and their parts / accessories
Dubai Municipality	Vegetable Products, Prepared Food Stuff, Products of Chemical
Dubai Police	Alcoholic beverages
Ministry of Economy	Industrial Raw Materials
Ministry of Health	Pharmaceutical products and Medical/ Surgical instrumental and apparatus
Emirates Authority for Standardization and Metrology	Tires / Drinking Water

National Media Council	Printed books, newspapers and similar products, work art, collectors “Pieces and Antiques”
Dubai Multi Commodities Center Authority (DMCC)	Pearls, diamonds and rough diamonds
Telecommunications Regulatory Authority	Telecommunication equipment
Federal Authority for Nuclear Regulation (FANR)	Nuclear reactors and radio transmitters
United Arab Emirates Coast Guard Group	Boats, cruise ships

For more information, please refer to the [Dubai Customs website](#).

Customs Regulations

Depending on where goods are destined for, the U.A.E. can be classified as Mainland Customs Zones or Free Trade Zones with the distinguishing factors outlined below:

In general, goods destined for the U.A.E.'s Customs Zones are subject to duty under the GCC's Common Customs Law while goods destined for Free Trade Zones are exempt from duty. The U.A.E. is home to around thirty seven [Free Trade Zones](#).

Goods being imported into Free Trade Zones are exempt from duties. Also, re-exports from U.A.E. Free Trade Zones to a third market destinations beyond the GCC Customs Zones are also exempted from any duty. However, such goods when imported with the intention of re-exporting them as a whole or partially to another country, a Deposit or Guarantee equivalent to the applicable tariff amount on the goods shall be secured in lieu of Customs Duty. For this procedure, the Declaration Type “Import for Re Export to Local from ROW” needs to be cleared. Currently this declaration is limited to those with a value higher than AED 20,000 except in case of vehicles.

For goods destined directly for Mainland Customs Zones or to a Free Trade Zone for sale in the U.A.E. and/or re-exports to GCC Countries are subject to customs import tariff as per [GCC Common Customs Law](#) that sets the framework for the UAE's Import Regulations. Accordingly, goods can be moved intra-GCC Customs Offices allowing passage of the foreign goods from one member state to another. However, a Statistical Export Declaration must have been cleared from the exporting GCC country for inward movements of such goods and a copy of the same must be submitted to the Customs Office of importing country carrying the “Makasa Stamp” (set-off mechanism) on the Declaration in order to avoid the repeated payment of Customs Duty at the destination Country. The Declaration type “Import to Local from GCC” needs to be cleared for such transaction.

Effective January 1, 2018, the U.A.E. will start applying the Value Added Tax (VAT). The Ministry of Finance will start registering companies that are above the yearly threshold for VAT in the second half of 2017 as the country gears up for implementing the 5 per cent levy in January 2018. Companies that provide taxable goods or services, with annual revenue of more than \$102,000 will be required to register. Businesses with taxable supplies below \$102,000 but over \$51,000 will have the option to register. ⁽¹⁾ Businesses not registered for VAT cannot charge VAT on their sales and cannot claim any VAT incurred on their inputs. ⁽²⁾

Standards for Trade

Overview

The United Arab Emirates (U.A.E.) established the Emirates Authority for Standardization and Metrology (ESMA) as its sole national standardization body in 2001 under U.A.E. Law No. 28/2001. ESMA develops and adopts standards which are prepared by its technical committees at the request of the government, industry, and consumers.

In general, standards are developed according to existing international and regional standards (Gulf Cooperation Council/Gulf Standards Organization); however, if no international standards are available ESMA develops its own standards. Drafts are circulated to the relevant bodies for comments. There is no central body that coordinates preparation of technical regulations in the U.A.E. These may be developed by ESMA, initially in the form of a standard and then made mandatory, or may be devised directly by a Ministry; all technical regulations are approved by Cabinet decision for legal implementation.

ESMA monitors the application of standards and technical regulations and runs the Emirates Conformity Assessment Scheme (ECAS). This program determines whether imports meet national or international standards for products. ESMA also runs the Emirates National Accreditation Scheme (ENAS) which accredits conformity assessment bodies.

ESMA is a member of the International Laboratory Accreditation Cooperation (ILAC), as well as the International Organization for Standardization (ISO), the Codex Alimentarius Commission (Codex), International Electrotechnical Commission (IEC), the Arab Industrial Development and Mining Organization (AIDMO) and the Standardization Organization for the Gulf Cooperation Council (GSO).

Dr. Rashid Ahmed Bin Fahad is the ESMA Chairman of the Board, and ESMA reports directly to the U.A.E. cabinet. ESMA is managed day-to-day by a Director General. National and emirate level governments, regulatory bodies, and professional associations also review standards requirements. To promote transparency and industry and stakeholder input, ESMA has established Technical Committees in the fields of food products, construction and building materials, electrical and electronic products, chemical and plastic products, mechanical products, petroleum products and lubricants, metrology, and information technology.

ESMA is the World Trade Organization (WTO) Technical Barriers to Trade (TBT) inquiry point in the U.A.E., and a part of the Gulf Cooperation Council's standardization organization, the

Gulf Standards Organization (GSO). ESMA also functions as the National Accreditation Body to accredit testing and calibration laboratories and certification bodies.

As of June 2016, the U.S. was not engaged in any WTO TBT cases with the U.A.E., although the U.S. government maintains collaborative relations with ESMA to help ensure adopted standards do not act as technical barriers of trade to U.S. products.

ESMA Organizational Structure

ESMA is headquartered in Abu Dhabi, the capital of the U.A.E., and maintains a branch office in Dubai where its Director General is located. ESMA has recently formed four major divisions/departments within its organization, including standards, accreditation, conformity, and metrology.

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](#).

Standards

Conformity Assessment & Product Certification

ESMA's conformity assessment department is responsible for implementing specialized programs such as quality and conformity marks and certification according to internationally approved methods. Certificates of Conformity are issued for products that comply with National or GSO Standards. Whenever these standards are not available, ESMA uses international or foreign standards suitable to the U.A.E.

ESMA implemented ECAS as a system combining conformity assessment and product 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. Currently, ECAS applies to a number of products. Further information on ECAS can be found on their [website](#). Any proposed additions to the regulated products list will be publicized at least two months prior to implementation, in order to allow sufficient time to assess such products and demonstrate compliance.

ECAS procedures and guidelines explain the steps required for compliance, how certificates of conformity can be obtained and the requirements related to the self-declaration and registration processes. ESMA can provide comprehensive details on the scope of products regulated under the ECAS and can be contacted for any clarification concerning regulated products. In addition, ESMA can issue a formal clarification letter to illuminate whether the product is or is not regulated. 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.

Accreditation

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 not all the essential requirements are 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

ESMA 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

Testing, inspection and certification

ESMA implements the voluntary Emirates Quality Mark (EQM). EQM is a mark of conformity granted to products that comply with the relevant U.A.E. National Standards, regional (GCC/GSO) and/or international standards and are manufactured by an organization implementing an effective Quality Management System to ensure continuous compliance. The process of achieving the license to use the Emirates Quality Mark involves a comprehensive evaluation of the product as well as the quality system used by the manufacturer in production through testing, inspection. Further information on EQM can be found on their [website](#). The EQM is a voluntary mark, with the exception of drinking water.

Publication of technical regulations

Interested companies can find a list of regulated products on the [Regulated Products page](#) on the ESMA website. Standards are numbered and published in the [Official Gazette](#). Afterwards, standards are printed and are available for sale at ESMA's head office in Abu Dhabi and branch office in Dubai.

Further information can be found on their [website](#).

Companies and organizations do have the opportunity to engage with ESMA on draft standards (see contact information below). In general, comments on draft standards are accepted for 60 days.

Labeling and Marking

Labeling requirements in the U.A.E. apply mainly to toys, cigarettes, and food. All warning labels on toys are required to be in Arabic or in Arabic and English. Cigarette packages require

a special health warning in Arabic. ESMA has released labeling requirements for energy efficiency, in particular for air conditioning units and appliances.

Additionally, ESMA implements the voluntary Emirates Quality Mark (EQM). EQM is a mark of conformity granted to products that comply with the relevant U.A.E. National Standards, regional (GCC/GSO) and/or international standards and are manufactured by an organization implementing an effective Quality Management System to ensure continuous compliance. The process of achieving the license to use the Emirates Quality Mark involves a comprehensive evaluation of the product as well as the quality system used by the manufacturer in production through testing, inspection. Further information on EQM can be found on their [website](#). The EQM is a voluntary mark, with the exception of drinking water.

Contact Information

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

Abu Dhabi:

[Emirates Authority for Standardization and Metrology \(ESMA\)](#)

P.O. Box 2166, Abu Dhabi, U.A.E.

Phone: +971 2 671 1110 | +971 2 676 3743

Fax: +971 2 671 5999

Email: uaetbt@esma.ae

Dubai:

[Emirates Authority for Standardization and Metrology \(ESMA\)](#)

P.O. Box 48666, Dubai, U.A.E.

Phone: +971 4 294 9909

Fax: +971 4 294 4112

Email: esma@esma.ae

Emirates National Accreditation System (ENAS)

P.O. Box 48666, Dubai, U.A.E.

Phone: +971 4 294 4434

Fax: +971 4 294 4428

Email: accreditation@esma.ae

Emirates Conformity & Assessment Scheme

P.O. Box 48666, Dubai, U.A.E.

Phone: +971 4 295 1626

Fax: +971 4 294 1898

Email: conformity@esma.ae

Emirates Metrology Department

P.O. Box 48666, Dubai, U.A.E.

Phone: +971 4 294 4434

Fax: +971 4 294 4428

Email: metrology@esma.ae

Trade Agreements

On March 15, 2004, the United States signed a Trade and Investment Framework Agreement (TIFA) with the United Arab Emirates (U.A.E.) 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 can identify potential partners for further trade cooperation, such as free trade agreements (FTA).

The U.S. began negotiating a Free Trade Agreement (FTA) with the U.A.E. in March 2005. In early 2007, the U.S. and the U.A.E. 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. No further FTA negotiations have taken place. In 2012 the U.A.E., as a member of the Gulf Cooperation Council (GCC), became party to the U.S.-GCC Framework Agreement for Trade, Economic, Investment and Technical Cooperation. In 2014, the U.A.E. ratified this agreement via Federal Decree No. 86. Since 2012, the U.S. and U.A.E. have held the U.S.-U.A.E. Economic Policy Dialogue, which provides an additional platform to collaborate on economic issues and address irritants to the bilateral commercial relationship.

The U.A.E. is party to a number of multilateral and bilateral trade agreements, including with partner countries in the GCC. Under the Greater Arab Free Trade Area Agreement, the U.A.E. has free trade agreements with Syria, Lebanon, Iraq, Morocco and Jordan. According to the U.A.E. Federal Customs Authority, the U.A.E. has also signed agreements with the following countries: Islamic Republic of Pakistan (2006), Republic of Algeria (2007), Republic of Azerbaijan (2011), Republic of India (2012), Republic of Kazakhstan (2012), Republic of Armenia (2013), Republic of Maldives (2014), Republic of South Korea (2015), and Kingdom of the Netherlands (2015). In June 2009 the GCC signed an FTA with the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland), which was implemented beginning July 1, 2015.

In addition, the U.A.E. has signed free trade agreements with Singapore and New Zealand, and is in talks about the establishment of free trade zones with the European Union, Japan, China, India, Pakistan, Turkey, Australia, New Zealand, Korea, Brazil, Argentina, Uruguay and

Paraguay. It has also entered into a number of agreements on the protection and promotion of investment and the prevention of double taxation.

The U.A.E. became a contracting party to the General Agreement on Tariffs and Trade in 1994, and subsequently became a member of the World Trade Organization in April of 1996.

Licensing Requirements for Professional Services

All businesses require a license, and licensing procedures vary from one emirate to another. Specific information is available through the following Chambers of Commerce and Industry:

[Abu Dhabi Chamber](#)

[Ajman Chamber](#)

[Dubai Chamber](#)

[Fujairah Chamber of Commerce and Industry](#)

[Ras Al Khaimah \(RAK\) Chamber](#)

[Sharjah Chamber of Commerce and Industry](#)

[Umm Al Quwain Chamber](#)

[U.A.E. Ministry of Economy](#)

[Abu Dhabi Department of Economic Development](#)

[Dubai Department of Economic Development](#)

[Fujairah Department of Economic Development](#)

[Ras Al Khaimah Department of Economic Development](#)

[Sharjah Department of Economic Development](#)

Web Resources

[U.S. Embassy in Abu Dhabi](#)

[U.S. Consulate in Dubai](#)

[State Department Visa Website](#)

[Emirates Authority for Standardization and Metrology \(ESMA\)](#)

[UAE Ministry of Economy](#)

[Dubai Trade](#)

[Dubai Customs: \[www.dubaicustoms.gov.ae\]\(http://www.dubaicustoms.gov.ae\)](#)

Investment Climate Statement

Executive Summary

The Government of the United Arab Emirates (UAE) is pursuing an economic agenda that focuses on diversification and seeks to promote the development of the private sector as a complement to the historical economic dominance of the state. There have been numerous initiatives, laws and regulations throughout the seven emirates of the UAE that aim to develop a more conducive environment for foreign investment.

The UAE maintains a position as the major trade and investment hub for a large geographic region, which includes not only the Middle East and North Africa, but also South Asia, Central Asia, and Sub-Saharan Africa. The country ranked 17th of 143 economies in the World Economic Forum's 2015-2016 overall Global Competitiveness Index, and 31st of 189 on the World Bank's 2016 Ease of Doing Business report. Multinational companies cite the UAE's political and economic stability, rapid population and Gross Domestic Product (GDP) growth, fast growing capital markets, an absence of corporate and personal taxes, and the absence of evidence of systematic corruption, as positive factors contributing to the UAE's attractiveness to foreign investors.

The UAE continued to attract foreign direct investment (FDI), with inflows of FDI reaching USD 10.9 billion in 2015, largely focused on construction, finance, and wholesale and retail trade. FDI outflows from the UAE reached USD 9.2 billion in 2015 (the most recent information available). The FDI recovery coincided with economic growth driven by both oil and non-oil activities (including manufacturing), led by aluminum and petrochemicals; tourism and transportation; and real estate.

While foreign investment continued to grow, the regulatory and legal framework in the UAE favors local over foreign investors. There is no national treatment for investors in the UAE and foreign ownership of land and stocks remains restricted. 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, with at least a 51 percent ownership interest of the business. Foreign investors also expressed concern over weak dispute resolution mechanisms and insolvency laws, spotty intellectual property rights protection, and a lack of regulatory transparency. Labor rights and conditions, although improving, continue to be an area of concern as the UAE prohibits both labor unions and worker strikes.

The UAE is home to a large number of free zones, and U.S. and multinational companies report that these zones tend to have stronger and more equitable frameworks. For example, in the free zones, foreigners may own up to 100 percent of the equity in an enterprise; have 100 percent import and export tax exemption; have 100 percent exemption from commercial levies; and repatriate 100 percent of capital and profits. These free zones form a vital component of the local economy, and serve as major re-export centers to the Gulf region.

Measure	Year	Index/Rank
TI Corruption Perceptions	2016	24 of 175
World Bank's Doing	2016	26 of 190
Global Innovation Index	2016	41 of 128
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$15,622
World Bank GNI per capita	2015	\$43,090

Openness to and Restrictions upon Foreign Investment

Policies Toward Direct Investment

The UAE is generally open to FDI, citing it as a key part of its long term economic plans. The UAE Vision 2021 strategic plan aims to achieve FDI flows to the UAE of five percent of Gross National Product (GNP), a number one rank for the UAE in the global index for ease of doing business, and a place among the top 10 countries worldwide in the Global Competitiveness Index. UAE investment laws and regulations are evolving in support of these goals. However, current frameworks still favor local over foreign investors. While recently updated laws validate the practice of foreign-owned free zone companies operating “onshore” in some instances, and permit majority-Gulf Cooperation Council (GCC) ownership of public joint stock companies, there remains no national treatment for investors and foreign ownership of land and stocks is restricted. Non-tariff barriers to investment persist in the form of restrictive agency, sponsorship, and distributorship requirements. Investment promotion agencies exist based on the emirate. For example, the Sharjah Investment and Development Authority, or Shurooq, is an independent government agency that assists investors in finding partnerships in the emirate.

Limit on Foreign Control and Right to Private Ownership and Establishment

Foreign companies or individuals are limited to 49 percent ownership/control in any part of the UAE not in a free trade zone, pursuant to law. There have been waivers of the application of this law granted on a case-by-case basis. The 2015 Commercial Companies Law allows for full ownership by GCC nationals.

Other Investment Policy Reviews

The UAE government (UAEG) underwent a [World Trade Organization \(WTO\) Trade Policy Review](#) in 2016.

Business Facilitation

UAEG figures generally emphasize the importance of facilitating business, and tout the broad network of Free Trade Zones as being attractive to foreign investment. The UAE's business registration process varies based on the emirate. The business registration process is not available online. Generally registration happens through the particular emirate's [Department of Economic Development](#). At a minimum, a company must generally register with the Department of Economic Development, the Ministry of Labor, and the General Authority for Pension and Social Security with a required notary in the process. The time it takes to start a business was eight days in 2016, according to the World Bank.

Outward Investment

The UAE is an important participant in global capital markets, primarily through its various sovereign wealth funds, as well as through a number of emirate-level, government related investment corporations.

Bilateral Investment Agreement and Taxation Treaties

UNCTAD lists the UAE as currently having 48 bilateral investment treaties, of which 34 are in force, and 14 other international investment agreements (IIAs), of which seven are in force. There is currently no bilateral investment treaty between the United States and the UAE.

In March 2004, the United States signed a Trade and Investment Framework Agreement ([TIFA](#)) with the UAE to provide a formal framework for dialogue on economic reform and trade liberalization. As a member of the GCC, the UAE is also party to the U.S. - GCC framework agreement for trade, economic, investment, and technical cooperation, signed in September 2012.

State Department negotiated and signed a Memorandum of Understanding creating an Economic Policy Dialogue (EPD) with the UAE Ministry of Foreign Affairs in 2012, to address a variety of topics, including but not limited to trade, investment, sector-specific cooperation, competitiveness, and entrepreneurship. A CEO Summit process for the EPD was established in 2013, bringing recommendations from the private sector directly into the EPD discussions. The most recent meeting of the EPD was in December 2014.

Legal Regime

Transparency of the Regulatory System

As indicated elsewhere in this report, the regulatory and legal framework in the UAE is generally more favorable for local investors than for foreign investors.

The Commercial Companies Law requires all companies to apply international accounting standards and practices when preparing their accounts, generally International Financial Reporting Standards (IFRS). The UAE has never had local generally accepted accounting principles.

Legislation is only published when it has been enacted into law and is not available for public comment before that, although the press will occasionally report on some details of high-profile legislation. Final bills are published in an official register, usually only in Arabic, although there are private companies that specialize in translating laws into English. Regulators are not required to publish proposed regulations before enactment, but they share them either publicly or with stakeholders on a case-by-case basis.

International Regulatory Considerations

The UAE is a member of the GCC, along with Bahrain, Kuwait, Oman, Qatar, and Saudi Arabia. It maintains regulatory autonomy, but does coordinate efforts with other GCC members through the GCC Standardization Organization (GSO). Although not a member of the GCC, Yemen also participates in the GSO, with the same rights and obligations as GCC member states. During 2012-2015 the UAE made 207 notifications to the WTO Committee on Technical Barriers to Trade under Article 10.6 of the TBT Agreement. Of these, 28 were joint notifications made along with the other GCC states plus Yemen, according to the 2016 WTO Trade Policy Review of the UAE.

Legal System and Judicial Independence

French and Egyptian legal systems heavily influence the UAE legal structure, but its foundation is in Islamic (Shari'a) law. In the constitution, Islam is identified as the state religion, as well as the principal source of law. The legal system of the country is generally divided between off shore free trade zones, which use a British-based system of common law, and domestic law cases, which are governed by Shari'a – the majority of which has been codified into black letter law. The mechanism for enforcing ownership of property through either court system is generally considered to be both predictable and fair. As is the case with civil law systems, common law principles, such as adopting previous court judgments as legal precedents, are generally not recognized in the UAE – although lower courts typically apply higher court judgments. Judgments of foreign civil courts are typically recognized and enforceable under the local courts.

In April 2015, Dubai International Financial Center (DIFC) courts announced a wills and probate registry, making it the first jurisdiction in the region where a non-Muslim can register a will under internationally recognized common law principles. The United States District Court for the Southern District of New York signed a memorandum with the DIFC courts that

provides companies operating in Dubai and New York with procedures for the mutual enforcement of money judgments. A properly executed last will and testament will take precedence over Shari'a law, however, and is recommended by local attorneys as the best way for expatriates to ensure that the default inheritance laws of the UAE are not applied unless so desired.

The constitution stipulates that each emirate can decide whether to set up its own judicial system (local courts) or use federal courts (courts administered by the federal government) exclusively for cases involving both federal and non-federal cases. The Federal Judicial Authority has jurisdiction for all cases involving a "federal person," with the Federal Supreme Court in Abu Dhabi, the highest court at the federal-level, having exclusive jurisdiction in seven types of cases: disputes between emirates, disputes between an emirate and the federal government, cases involving national security, interpretation of the constitution, questions over the constitutionality of a law, and cases involving the actions of appointed ministers and senior officials while performing their official duties. Although the federal constitution permits each emirate to have its own judicial authority, all emirates except Dubai, Ras Al Khaimah, and Abu Dhabi have incorporated their local judicial systems into the Federal Judicial Authority. In doing so, the federal government administers the courts in Ajman, Fujairah, Um al Quwain, and Sharjah, including the vetting and hiring of judges there, and payment of salaries. Judges in these courts apply both local and federal law as warranted by the case. Dubai, Ras Al Khaimah, and Abu Dhabi emirates, on the other hand, administer their own local courts, hiring, vetting, and paying their own judges and attorneys. A slight anomaly, however, is that Abu Dhabi is the only emirate that operates both local (the Abu Dhabi Judicial Department) and federal courts in parallel. The local courts in Dubai, Ras al Khaimah, and Abu Dhabi have jurisdiction over all matters that the constitution does not specifically reserve for the federal system.

Laws and Regulations on Foreign Direct Investment

There are four major federal laws affecting foreign investment in the UAE: the Federal Companies Law, the Commercial Agencies Law, the Industry Law, and the Government Tenders Law.

The Federal Commercial Companies Law (Law No. 02, 2015) was issued in April 2015 and applies to commercial companies operating in the UAE. The new law, with which all companies had to come into compliance before July 1, 2016, provides a stronger, more up to date basis for corporate regulation. Companies established in the UAE are currently required to have a minimum of 51 percent UAE national ownership. Profits and management control may be apportioned differently and often are negotiated at fixed amounts. Branch offices of foreign companies are required to have a national agent with 100 percent UAE national ownership, unless the foreign company has established its office pursuant to an agreement with the federal or an emirate-level government. The new commercial law allows companies to offer between 30 and 70 percent of shares upon undertaking an initial public offering (IPO) and eliminates the requirement to issue new shares at the time of the IPO. The law also eases the process for forming a limited liability company by requiring between 1 to 75 shareholders (the

prior requirement was between 2 to 50 shareholders). Public joint stock company are required to have 51 percent GCC ownership at the time of listing, and UAE nationals must chair and be the majority of board members of any public joint stock company. A provision to allow 100 percent foreign ownership outside of free zones requires Cabinet approval on a case-by-case basis. For example, in 2015, a prominent American technology company secured permission to open stores outside free zones without any local partners, having secured permission to do so on an exceptional basis via a decree from the Ministry of Economy.

The Commercial Agencies Law's provisions 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 apply 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. The Commercial Agencies Law requires that foreign principals distribute their products in the UAE only through exclusive commercial agents who 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. The Ministry of Economy handles registration of commercial agents. It remains difficult, if not impossible, to sell in UAE markets without a local agent. Only UAE nationals or companies wholly owned by UAE nationals can register with the Ministry of Economy as local agents.

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 projects governed by special laws or agreements are exempt from the industry law.

To obtain an investor number from the [Abu Dhabi Securities Exchange](#).

To obtain an investor number for trading on the [Dubai Exchanges](#).

Competition and Anti-Trust Laws

The Ministry of Economy reviews transactions for competition-related concerns.

Expropriation and Compensation

The Mission is not aware of foreign investors involved in any expropriations in the UAE for at least the last five years. There are no set federal rules governing compensation if expropriations were to occur, and individual emirates would likely treat expropriations differently. In practice, authorities would be unlikely to expropriate unless there were a compelling development or public interest need to do so, and in such cases compensation would likely be generous in order to maintain foreign investor confidence.

Dispute Settlement

ICSID Convention and New York Convention

The United Arab Emirates is a contracting state to the International Centre for the Settlement of Investment Disputes (ICSID convention) and a signatory to the convention on the Recognition and Enforcement of Foreign Arbitral awards (1958 New York Convention).

Investor-State Dispute Settlement

The Mission is aware of several 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. Some observers have characterized dispute resolution as difficult and uncertain.

Disputes generally are resolved by direct negotiation and settlement between the parties themselves, recourse to the legal system, or arbitration. Small, medium, and some larger enterprises continue to fear being frozen out of the UAE market for escalating payment issues through civil or arbitral courts, particularly when politically influential local parties are involved. Some firms may feel compelled to exit the UAE market as they are unable to sustain the pursuit of legal or dispute resolution mechanisms that can add months or years to the dispute resolution process. 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. There have been no confirmed reports of government interference in the court system that could affect foreign investors, but there is a widespread perception that domestic courts are likely to find in the favor of Emirati nationals over foreigners.

International Commercial Arbitration and Foreign Courts

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 is now enforceable in all 138 states that have acceded to the Convention, and any award issued in another member state is directly enforceable in the UAE. The Convention supersedes all incompatible legislation and rulings in the UAE. The Mission does not yet have any experience with U.S. firms attempting to use arbitration under the UN convention on the recognition and enforcement of foreign arbitral awards. Concerns have been raised about delays and other obstacles encountered by firms seeking to enforce their arbitration awards in the UAE despite the recognition of progress in compliance with this convention.

Bankruptcy Regulations

A new bankruptcy law, Federal Decree Law No. 9 of 2016, came into effect in December 2016. The law covers companies governed by the Commercial Companies Law, most free zone companies, sole proprietorships, and civil companies conducting professional business. It allows creditors that are owed AED 100,000 (USD 27,225) to file insolvency proceedings against a debtor, thirty business days after notification in writing to the debtor.

The law decriminalized “bankruptcy by default,” requiring companies in default more than 30 days to initiate insolvency procedures rather than face fines and potential imprisonment, as

under the old law. Non-payment of debt, for example through “bounced checks,” remains a criminal offense in many cases.

Industrial Policies

Investment Incentives

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 could be considered an incentive aimed at attracting foreign investment. The federal government and the governments of the individual emirates promote a business environment largely free of taxation and exchange controls, although the UAEG has announced it will introduce a Value Added Tax (VAT) in 2018.

Foreign Trade Zones/Free Ports/Trade Facilitation

There are numerous duty-free import zones throughout the UAE. Foreign companies generally enjoy the same investment opportunities within those zones as Emirati citizens. Free zones, which are home to more than 20,000 companies, form a vital component of the local economy, and serve as major re-export centers to the Gulf region.

The chief attraction of the free zones is the waiver of the requirement for majority local ownership. In 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, free zone authorities provide significant support services, such as sponsorship, worker housing, dining facilities, recruitment, and security.

Free zones have their own independent authority with responsibility for licensing and helping companies establish their businesses. Investors can register new companies in a free zone, or license branch or representative offices. Free zones have limited liability and are governed by the laws and regulations of free zones. Companies in free trade zones seeking to operate within the UAE may be governed by the new Commercial Companies Law, if the laws of the relevant free zone permit companies to operate outside of the free zones.

Performance and Data Localization Requirements

There is a federal incentive program called Emiratization that aims to increase the number of jobs available for Emirati citizens within the private sector. Exact requirements vary by industry, but the Vision 2021 national strategic plan aims to increase the percentage of Emiratis working in the private sector from 5% in 2014 to 8% by 2021. Most Emirati citizens are employed by the government or one of its many GRES. There is a guest worker system in place, which generally guarantees transportation back to country of origin at conclusion of employment. There have been no reports of excessively onerous visa, residence, work permit, or similar requirements inhibiting mobility of foreign investors and their employees. There are government/authority-imposed conditions on permission to invest, in the form of a

general 49 percent limitation of ownership/control by foreign individuals or corporations. The UAE does not force foreign investors to use domestic content in goods or technology or compel foreign IT providers to turn over source code.

All foreign defense contractors with over USD 10 million in contract value over a five year period must participate in the Tawazun Economic Program, previously known as the UAE Offset Program. This program also requires defense contractors that are awarded contracts valued at more than USD10 million to establish commercially viable joint ventures with local business partners, which would be projected to yield profits equivalent to 60 percent of the contract value within a specified period (usually seven years).

Protection of Property Rights

Real Property

The UAE allows each individual emirate to decide on the form in which ownership of land may be transferred within its borders. Generally, Abu Dhabi has limited ownership to Emirati or other GCC citizens, who may then lease out the land to foreigners. The property reverts back to the owner at the conclusion of the lease. Although Dubai has identified such restricted areas within its borders, traditional freeholds, also known as outright ownership, are also available. Freeholders of land own the land. Subject to very few regulations, freehold owners may sell on the open market. The contract rights of lienholders, as well as ownership rights of freeholders, are generally respected and enforced throughout the UAE, which in some cases has employed specialized courts for this purpose.

Mortgages and liens are permitted, with restrictions. Each emirate has its own system of recordkeeping. In Dubai, for example, the system is considered extremely reliable, being mainly centralized within the Dubai Land Department. Land not otherwise allocated or owned is the property of the emirate, and may be disposed of at the will of its ruler, who generally consults with his advisors prior to disposition.

The World Bank Ease of Doing Business Report notes that not all privately held land plots in the economy are formally registered in an immovable property registry. Much of the country is unregistered desert; such land is generally owned by the emirate government.

Intellectual Property Rights

With respect to intellectual property rights (IPR), the UAE's legal regime is generally considered fair and in compliance with international obligations. Enforcement of IPR takes place generally at the emirate level. In 2016, a Dubai government agency, the Intellectual Property Rights Protection Division of the Dubai Department of Economic Development (DED), reported that it had seized counterfeit goods worth over USD 435 million within the emirate of Dubai. The Dubai Police, Dubai Customs, and the Dubai Department of Economic Development share the power to search for and seize counterfeit products. Dubai Customs has authority to do so at the emirate's borders and in free trade zones, while Dubai Police and DED authority only applies to non-free trade zone areas. A 2014 law combatting commercial fraud strengthened the UAE's legal framework for IPR protection and enforcement, but

implementation of the law has heightened concerns about whether an adequate distinction has been made between defective or substandard goods (which may be returned to their point of origin) and counterfeit goods (which must be destroyed to prevent resale). The law offered tougher sentences for selling counterfeit goods, with increased fines of up to USD 272,000 (AED 1 million). Each emirate works with individual stakeholders regarding counterfeits of its brands, and the government publicly reports only the largest seizures of counterfeit goods. The UAE is not currently listed in the United States Trade Representative's (USTR) Special 301 report, or in its Notorious Markets report.

The two main challenges IPR holders face in the UAE are in the areas of counterfeit goods and royalty payments for copyrighted music. The practice of fining shippers of counterfeit goods and permitting re-exportation of those goods subjectively deemed too hazardous to destroy has occurred regularly during the reporting period, primarily in the emirate of Dubai. As to royalty payments for copyrighted music, although the UAE has generally been responsive when encountering pirated physical CDs, DVDs, and software, the lack of a copyright collecting society, which is allowed for under UAE's existing copyright law, is a major obstacle to adequate protection of IPR. An operator requested a license in 2016 under legislation passed 15 years ago, but has not received a response.

In the UAE, the government has long recognized country of origin patents per a 2000 decree. However, the UAEG recently approved two generic versions of Cialis just prior to the expiration of their foreign patents. As 90% of pharmaceutical products in the UAE market do not have locally-registered patents, the government should provide a transition period and a clear path toward a local patent law, or simply require filing under the GCC patent law.

Financial Sector

Capital Markets and Portfolio Investment

The UAEG is focused on building infrastructure to create an environment conducive to economic growth and outside investment. It is also collaborating with its partners in the GCC to support ventures in the region. UAEG efforts to create such an environment for investments resulted in: i) no taxes or restrictions on the repatriation of capital; ii) free movement of labor and low barriers to entry (effective tariffs are five percent for most goods); and iii) an emphasis on diversifying the economy away from oil, which offers a broad array of investment options for FDI. Drivers for the economy include real estate, tourism, manufacturing, and financial services.

The UAE has three stock markets: Abu Dhabi Securities Exchange, Dubai Financial Market, and NASDAQ Dubai. The regulatory body, the Securities and Commodities Authority (SCA), raised capital requirements to operate a brokerage house from AED 20 million (USD 5.5 million) to AED 30 million (USD 8.2 million) and in July 2014 classified brokerages into two groups: "those which engage in trading only while the clearance and settlement operations are conducted through clearance members" and "those which engage in trading clearance and settlement operations for their clients." Under the regulations, trading brokerages require paid-up capital of AED 3 million (USD 820k), whereas trading and clearance brokerages need

AED 10 million (USD 2.7 million). Bank guarantees required for brokerages to trade on the bourses are AED 1 million (USD 367k).

The UAE issued investment funds regulations in September 2012, known as the “twin peak” regulatory framework. The framework is designed to further govern the marketing of investment funds established outside the UAE to investors in the UAE and the establishment of local funds domiciled inside the UAE. This regulation set forth several key changes such as giving the SCA, rather than the Central Bank, authority over the licensing, regulation and oversight of the marketing of investment funds. The marketing of a foreign fund (including “offshore” UAE-based funds, such as those domiciled in the DIFC) now requires the appointment of a locally licensed placement agent. Other restrictions contained in the regulations, such as limitations on funds investing more than 15 percent in any one underlying issuer, have led fund managers to question whether the UAE is seeking to attract international or regionally focused investment funds to be domiciled in the country. The federal government has also encouraged certain high-profile projects to be undertaken via a public joint stock company in order to allow the issue of shares to the public. Further, any company carrying out banking, insurance or investment for a third party must be a public joint stock company.

The UAE has no restriction on the making of payments and transfers for current international transactions, according to the IMF, except for those restrictions for security reasons that have been notified by authorities. There are no restrictions on the transfer of funds into or out of the UAE and currencies are traded freely at market-determined prices.

Credit is generally allocated on market terms, and foreign investors are able to access local credit markets. There have been complaints that the large number of GREs has sometimes crowded out private sector borrowers.

Money and Banking System

The UAE has a robust banking sector, with 46 banks currently listed on the website of the Central Bank of the UAE (CBUAE), many of them foreign banks. Non-performing loans made up 5.3% of total loans in 2016, according to the World Bank, and one local bank estimated that banking sector assets totaled USD 662 billion in the third quarter of 2016.

Local media reported that global financial institutions were increasingly terminating or restricting correspondent banking relationships with remittance companies and smaller local banks (so-called “de-risking”).

There are no restrictions on a foreigner’s ability to establish a bank account, although legal residents and Emiratis can access a wide array of account types with more favorable terms than non-residents.

Foreign Exchange and Remittances

Foreign Exchange

The UAE has no restriction on the making of payments and transfers for current international transactions, according to the IMF, except for those restrictions for security reasons that have

been notified by authorities. There are no restrictions on the transfer of funds into or out of the country and currencies are traded freely at market-determined prices. The UAE dirham has been de jure pegged to the dollar since 2002. The mid-point between the official buying and selling rate for the dirham (AED or Dhs) is fixed at AED 3.6725 per 1 USD.

Remittance Policies

The UAE Central Bank initiated the creation of the Foreign Exchange & Remittance Group (FERG), made up of various exchange companies, which is registered with the Dubai Chamber of Commerce & Industry. Unlike their counterparts across the world that deal mainly in money exchange, exchange companies in the UAE are the primary channels for transferring large volumes of remittances through official channels. It is estimated that more than USD 30 billion (AED 110 billion) is transferred annually by expatriate workers in the UAE to home markets. Exchange companies are important partners in a unique Wages Protection System of the UAE Government. They also handle various ancillary services ranging from credit card payments, national bonds, and traveler's checks.

Sovereign Wealth Funds

Abu Dhabi is home to three sovereign wealth funds—the Abu Dhabi Investment Authority (ADIA), the Abu Dhabi Investment Council (ADIC), and Mubadala Investment Company (formed from the merger of the International Petroleum Investment Company and Mubadala Development Company)—with total assets of approximately USD 1 trillion. Each Abu Dhabi fund is comprised of a chair and board members who are appointed by a decree of the Ruler of Abu Dhabi. President Khalifa Bin Zayed Al Nahyan is the chair of ADIA, and Abu Dhabi Crown Prince Mohammed Bin Zayed Al Nahyan is the chair of ADIC and Mubadala. Emirates Investment Authority, the UAE's federal sovereign wealth fund, has assets of about USD 15 billion. The Investment Corporation of Dubai (ICD) is Dubai's primary sovereign wealth fund, with an estimated USD 70 billion of assets.

UAE funds are involved in their investments to varying degrees. ADIA does not actively seek to manage or take an operational role in the public companies in which it invests, while Mubadala tends to take a more active role in particular sectors, including oil and gas, aerospace, and infrastructure, among others. ADIA exercises its voting rights as a shareholder in certain circumstances to protect its interests or to oppose motions that may be detrimental to shareholders as a body. According to ADIA, the fund carries out its investment program independently and without reference to the government of Abu Dhabi.

ADIA in 2008 agreed to act alongside the IMF as co-chair of the International Working Group of sovereign wealth funds, which eventually became the International Forum of Sovereign Wealth Funds (IFSWF). The IFSWF, which is comprised of representatives from 28 countries, was created to demonstrate that sovereign wealth funds had robust internal frameworks and governance practices and that their investments were made only on an economic and financial basis.

State-Owned Enterprises

State-owned enterprises (SOEs) are a key component of the UAE economic model. There is no published list of SOEs or GREs, either for the country as a whole or at an emirate level. Some SOEs, or GREs as they are referred to locally, such as the Abu Dhabi National Oil Company, are strategically important companies and a major source of fiscal revenues. Mubadala Development Company established Masdar in 2006 to develop renewable energy and sustainable technologies industries. A number of SOEs such as Emirates (the airline) and Etisalat (a large telecommunications firm) have in recent years emerged as internationally recognized brands. Some, but not all of these companies, compete, and in a number of cases against other state-owned firms (Emirates and Etihad airlines, for example, or Etisalat telecom against majority UAEG-owned du). While they are not granted full autonomy, they are integrated in a system where the state leverages synergies among entities it controls to foster national economic development. Perhaps the best example of such an economic ecosystem is Dubai, where SOEs have been used as a motor of diversification and are present in a number of sectors, including construction, hospitality, transport, banking and telecommunications.

Sectoral regulations in some cases address governance structures and practices of state-owned companies. For example, the Dubai Real Estate Regulatory Agency (RERA) developed a code of corporate governance for real estate developers in 2011. In doing so, RERA has considered that the peculiarity of the real estate sector, which includes many actors such as developers and promoters, merits specific guidelines. The UAE is not party to the WTO Government Procurement Agreement.

Privatization Program

There is no privatization program. There have been several listings of portions of SOEs, on local UAE stock exchanges, as well as some “greenfield” IPOs that are focused on priority government projects.

Responsible Business Conduct

There is a general expectation that businesses in the UAE adhere to responsible business conduct (RBC) standards, and the UAE’s Governance Rules and Corporate Discipline Standards (Ministerial Resolution No. 518 of 2009) encourage companies to apply social policy towards local society. Many companies maintain corporate social responsibility (CSR) offices and participate in CSR initiatives, including mentorship and employment training; philanthropic donations to UAE-licensed humanitarian and charity organizations; and initiatives to promote environmental sustainability. The UAE’s rulers actively support such efforts through official government partnerships, as well as their own private foundations.

The 2015 Commercial Companies Law requires managers and directors to act for the benefit of the company and makes any company provisions exempting a directors and managers from personal liability voidable.

In April 2015, the Pearl Initiative and the United Nations Global Compact (UNGC) held their inaugural Forum in Dubai. The Pearl Initiative is an independent, private sector-led not-for-profit organization working across the Gulf region to encourage better business practices. The UAE has not subscribed to the OECD Guidelines for Multinational Enterprises and has not actively encouraged foreign or local enterprises to follow the specific United Nations Guiding Principles on Business and Human Rights. The UAE government has not committed to adhering to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Afflicted and High-Risk Areas nor does it participate in the Extractive Industries Transparency Initiative. The Dubai Multi-Commodities Center (DMCC), however, passed the DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain, which it claims are fully aligned with the OECD guidance.

Corruption

The UAE has stiff laws, regulations and enforcement against corruption, and has pursued several high profile cases. For example, the UAE federal penal code and the federal human resources law criminalize the acceptance of bribes by public and private sector workers and embezzlement. The Dubai financial fraud law applies to persons convicted of a crime in Dubai and criminalizes receipt of illicit monies or public funds. There is no evidence that corruption of public officials is a systemic problem. The State Audit Institution (SAI) and the Abu Dhabi Accountability Authority investigate corruption in the government. The Companies Law requires board directors to avoid conflicts of interest. In practice, however, given the large number of roles occupied by many senior Emirati government and business officials, some conflicts of interest exist.

The monitoring organizations GAN Integrity and Transparency International describe the corruption environment in the UAE as low-risk, and rate the UAE highly with regard to anti-corruption efforts both regionally and globally. Third-party organizations note, however, that the involvement of members of the ruling families in certain businesses can create economic disparities in the playing field, and most foreign companies outside the UAE's free zones must rely on an Emirati national partner who retains 51 percent ownership. The UAE has ratified the United Nations Convention against Corruption. There are no civil society organizations or NGOs investigating corruption within the UAE.

The Mission has not received any complaints from U.S. firms identifying corruption as an obstacle to FDI.

Resources to Report Corruption

Resources to Report Corruption: Dr. Harib Al Amimi, President, State Audit Institution, 20th Floor, Tower C2, Aseel Building, Bainuna (34th) Street, Al Bateen, Abu Dhabi, United Arab Emirates; +971 2 635 9999; info@saiuae.gov.ae

Political and Security Environment

There have been no reported instances of politically motivated property damage in recent years.

Labor Policies and Practices

The UAE economy is robust, with low unemployment among the country's citizen population. Expatriates, who represent over 85 percent of the country's 9.24 million residents, account for more than 95 percent of private sector workers. As a result of this ratio, there would be large labor shortages in all sectors of the economy if not for the large number of expatriate workers. Most expatriate workers derive their legal residency status from their employment.

A significant portion of the country's expatriate labor population is comprised of low-wage workers, primarily from South Asia, who work in manual labor industries such as construction, maintenance, and sanitation. In addition, several hundred thousand domestic workers, primarily from South and Southeast Asia and Africa, work in the homes of both Emirati and expatriate families. Federal labor law does not apply to domestic, agricultural, or public sector workers. In 2014, the federal government implemented a law mandating a standard contract for all domestic workers. Various regulations require businesses in certain sectors (i.e. financial services) to employ minimum quotas of Emiratis.

Under UAE labor law, employers must pay severance to workers who complete one year or more of service, except in cases of termination under certain conditions described in Article 120 of the federal labor law, which relate to misconduct by workers. Expatriate workers do not receive UAE government unemployment insurance. Termination of UAE nationals in certain situations requires the prior approval of the Ministry of Labor.

In January 2016, the UAE implemented three new labor laws that amend Federal Law No. (8) of 1980. The first law seeks to restrict employers from engaging in "contract switching;" it requires companies to provide job offers that mirror a standard employment contract in a language that prospective workers understand. Employers must then submit the signed contracts to the Ministry of Human Resources and Emiratisation (previously the Ministry of Labor) at the time of the workers' visa applications. Workers sign the contract a second time after entering the UAE. The second and third laws concern the termination of an employment relationship, and are intended to increase the laborers' job mobility. Under the second law, workers may seek a new job if an employer fails to meet certain contract terms, or if the worker reaches an agreement with the employer or provides stipulated notice. Under the third law, employees who legally terminate an employment contract may obtain a new work permit with a different employer in the UAE.

Although UAE federal law prohibits the payment of recruitment fees, many prospective workers continue to make such payments in their home countries. There are no minimum wages legally mandated by the UAE; however, some labor sending countries require their citizens to receive minimum wage levels as a condition for allowing them to work in the UAE.

Federal Law No. 8 of 1980 prohibits labor unions. The law also prohibits public sector employees, security guards, and migrant workers from striking and allows employers to suspend private sector workers for striking. In addition, employers have the ability to cancel the contracts of striking workers, which can lead to deportation. Despite this, some labor protests and strikes have occurred, though these are typically resolved through government

mediation. According to government statistics there were approximately 30 to 60 strikes per year between 2012 and 2015 (the last year for which data is available).

Mediation plays a central role in resolving labor disputes. The federal Ministry of Human Resources and Emiratisation and local police forces maintain telephone hotlines for labor dispute and complaint submissions. Disputes not resolved by the Ministry of Human Resources and Emiratisation move to the labor court system.

The Ministry of Human Resources and Emiratisation inspects company workplaces and company-provided worker accommodations to ensure compliance with UAE law. Emirate-level government bodies, including Dubai Municipality, also carry out regular inspections. The Ministry of Human Resources and Emiratisation also enforces a midday break from 1230-1500 during the extremely hot summer months. The federally mandated Wage Protection System electronically transfers and monitors wages to approximately 4.5 million private sector workers (about 95% of the total private sector workforce).

The multi-agency National Committee to Combat Human Trafficking is the federal body tasked with monitoring and preventing human trafficking, including forced labor. Child labor is illegal and rare in the UAE.

[Section 7 of the Department of State’s Human Rights Report](#) describes more information on worker rights, working conditions, and labor laws in the UAE. [The Department of State’s Trafficking in Persons Report](#) details the UAE government’s efforts to combat human trafficking.

OPIC and Other Investment Insurance Programs

The UAE does not have a bilateral agreement with OPIC after having its agreement suspended in 1995 for not meeting statutory "taking steps" standards on worker rights grounds.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Economic Data	Host Country	Year	Amount	USG or International Source of Data:	
				USG international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Host Country Gross Domestic Product (GDP) (\$M USD)		2015	370,545	2015	\$370,296 World Bank data

Foreign Investment	Direct Host Country	Statistical source*	USG international statistical source	or USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A		2015	\$15,622 BEA data
Host country's FDI in the United States (\$M USD, stock positions)	N/A		2015	\$ 3,008 BEA data
Total inbound stock of FDI as % host GDP	N/A		2015	2.38%

*GDP sourced from Central Bank of the UAE Annual Report, 2016, Selected Macroeconomic Indicators, January 2017 Edition. This includes newly revised GDP figures for 2015.

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data

From Top Five Sources/To Top Five Destinations (US Dollars, Millions)

Inward Direct Investment			Outward Direct Investment		
Total Inward	73,107	100%	Total Outward	N/A	100%
United Kingdom	9,688	13.3%			
India	4,258	5.8%			
France	4,084	5.6%			
Japan	3,991	5.5%			

United States of America	3,110	4.3%
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"0" reflects amounts rounded to +/- USD 500,000.

Table 4: Sources of Portfolio Investment

The UAE does not report data to the IMF's Coordinated Portfolio Investment Survey and does not publish data on foreign portfolio investment sources or destinations. FPI in the UAE in 2012 was USD 15.1 billion, according to official government statistics.

Contact for More Information on the Investment Climate Statement

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Trade & Project Financing

Methods of Payment

The United Arab Emirates (U.A.E.) may be a challenging place for American firms to do business, especially if they are unfamiliar with banking practices in the region. Payments recovery tends to be slower than in the U.S. and Europe. Payment delays of many months (sometimes years) are not uncommon.

Trade financing has become increasingly common in the U.A.E., and most local and international banks offer services to small and medium-sized enterprises, allowing them to trade with local and international markets. Commercial Letters of Credit (LCs) are extensively used as a means of payment in overseas trade. The most commonly used types of LCs include: Sight, Deferred Payment, and Revolving. Provisions of the Commercial Transactions Law (CTL) are complementary to the parties' intentions and who often elect to be governed instead by International Chamber of Commerce (ICC) Uniform Custom and Practice for Documentary Credit. According to the CTL, in absence of any clear indication, the LC is considered be irrevocable in contrast to international standards.

Checks are an important payment instrument in the U.A.E. for transactions of large amounts. The Image Check Clearing System (ICCS) introduced in 2008 greatly accelerated checks processing. Bounced checks are considered a criminal offense and could be punished by prison sentences.

Electronic fund transfers are also widely used in the U.A.E. The Central Bank operates the U.A.E. Funds Transfer System (U.A.E.FT) the only Real-time gross settlement (RTGS) system serving retail and large value payments. It also introduced the International Bank Account Numbers (IBAN) system for use by all bank customers in the country in November 2011. The system is designed to minimize the risk of errors during cross-border transactions.

In 1996, the Central Bank launched the U.A.E.SWITCH scheme which now connects the ATMs of all but 3 small foreign banks. The scheme allows cardholders to withdraw cash from any of the 4500 ATMs in the U.A.E., and through its connection to GCCNET, allows cardholders to obtain service at ATMs throughout the Gulf region.

VISA and MasterCard credit cards are widely accepted by businesses and government services. American Express, Diners and Discover are less widely accepted. Small establishments only accept cash. In 2016, the Central Bank mandated that all cards issued in the U.A.E. must comply with EMV standards (Europay, MasterCard and Visa global standard for chip-secured credit cards). Almost all the backend systems, all POS terminals, and more than 80 percent of cards in use are currently compliant.

Various digital payments initiatives have emerged in the last few years (The government's Mobile Wallet, Etisalat Wallet, Beam Wallet, NOL cards, Apple Pay and Samsung Pay), but they are not very widely used yet. In 2017, the U.A.E. Central Bank issued the "e-Payment Regulation" to facilitate the adoption of digital payments and regulating its infrastructure. It is still unclear if virtual currencies are prohibited in the U.A.E.

The three major global credit rating agencies (S&P, Fitch, and Moody's) have regional presence in the U.A.E. and rate most sovereigns (local and federal governments) with the notable exception of the government of Dubai and some of its GREs. The Chambers of Commerce of Dubai and Abu Dhabi also offer customized credit reporting to their members. The government owned Al Etihad Credit Bureau started operations in 2016 and began providing financial institutions with credit scores of entities and individuals. Many international trade credit insurers and trade credit risk management providers are also present in the U.A.E.

Banking Systems

The U.A.E. has a robust banking sector regulated onshore by the U.A.E. Central Bank, established in 1980. The Central Bank directs monetary, credit and banking policy and supervises its implementation in accordance with the state's general policy in such a way that it supports the national economy and stability of the currency. It maintains the U.A.E. government's reserves of gold and foreign currencies, acts as the bank for banks operating in the U.A.E., and serves as the state's financial agent at international financial institutions.

Banks in the U.A.E. fall in four broad categories: commercial, merchant or investment, Islamic, and industrial. The onshore banking sector is considered overcrowded by many analysts considering the size of the population. It is dominated by local banks most of which are state-owned. As of April 2017, more than 85 percent of the total gross assets of the sector and 90 percent of the network of branches belong to the 23 licensed local banks. In addition, the Central Bank lists 26 licensed foreign banks with 85 branches. A majority of these licenses date from before the establishment of the Central Bank. There are seven banks from Britain, France and the United states, while the rest of the foreign banks are from the Middle East, North Africa and South Asia. Since 2010, two western banks stopped their onshore operations, and two others curtailed their retail and SME operations citing tougher competition from local banks, money laundering and terrorism finance risk exposure, and difficult working environment. Foreign banks pay a 20 percent tax on their profit and are allowed to open no more than 8 branches. Local banks are exempted from these restrictions.

Banks in the U.A.E. were mandated by the Central Bank to adopt International Accounting Standard (IAS) since 1999. The Commercial Companies Law of 2015, made the adoption of International Financial Reporting Standards (IFRS) mandatory for all companies including banks. In 2006, the Central Bank started implementing capital requirements in line with the second accords outlined by the Basel Committee on Banking Supervision ('Basel II'). In 2017, the Central Bank introduced new Capital Adequacy Regulations in line with 'Basel III'.

Islamic banking has expanded considerably in recent years and has become an important element in the U.A.E. banking industry. The number of dedicated Islamic banks in the country has now risen to seven. In addition, a number of conventional banks offer Islamic banking and financial services. Some financial institutions in the Dubai Financial Market use Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Traditionally, 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.

Decreases in oil prices since 2015 have slowed overall economic growth and driven a dramatic decrease in government projects and a restructuring of private businesses affecting the liquidity, profitability and asset quality of local financial institutions. Since 2015 the number of foreign and local licensed bank branches and the number of employees in the banking sector decreased significantly as banks try to cut costs. Results from the March quarter Credit Sentiment Survey 2017 published by the Central Bank revealed “a modest demand growth in overall credit appetite. The demand for both business and personal loans has improved slightly, moving back into the positive territory for the first time since Q3 2016, partially reflecting the recovery of the oil price and the moderation in the pace of fiscal consolidation”.

During the global economic downturn in 2008, non-performing loans became a burden for a number of Emirati banks. In some cases, expatriate borrowers defaulted and fled the country. The federal government, through the Central Bank, stepped in to guarantee the deposits in all local banks.

Public sector transactions in the emirates of Sharjah, Fujairah, Ras Al-Khaimah, Umm Al-Qaywayn, and Ajman require the guarantee of the federal government. Therefore, coverage under EXIM’s Working Capital Guarantee Program (WCGP) for public sector transactions for the above may be considered if supported by an irrevocable LC.

Foreign Exchange Controls

The Emirati Dirham (AED, sometimes abbreviated Dhs) has been pegged to the U.S. dollar since 1980. The mid-point between the official buying and selling rate for the dirham has been fixed at AED 3.6725 per 1 USD since 1997. The authorities believe this promotes stability and confidence in the currency. Interest rates in the U.A.E. tend to parallel those in the U.S.

There are no currency restrictions in the U.A.E. as residents and non-residents are entitled to hold fully convertible off shore or on shore bank accounts in the U.A.E. or overseas in dirhams or in foreign currency.

US Banks & Local Correspondent Banks

Citibank is the only U.S. bank established on shore in the U.A.E. that offers full banking services. To service international clientele, The Bank of New York Mellon, Perella Weinberg Partners Group LB, J P Morgan Chase Bank National Association, Bank of America National Association, in Abu Dhabi, and Citigroup Global Markets Inc. in Dubai have a licensed on shore representative office.

Citibank, Morgan Stanley, Bank of America Merrill Lynch, JPMorgan Chase Bank, Goldman Sachs International in Dubai International Financial Center, and Northern Trust and Perella Weinberg in Abu Dhabi Global Market have an offshore presence offering various financial services.

A number of U.A.E. 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.

U.S. government trade financing resources are available to U.S. firms seeking to do business in U.A.E. The U.S. Export-Import Bank (EXIM) provides direct loans and loan guarantees to U.S. firms exporting to the U.A.E., and is active with regard to U.A.E. The Small Business Administration's (SBA) Office of International Trade also provides loans on a smaller scale, with a focus on new-to-export firms. The Overseas Private Investment Corporation (OPIC), on the other hand, is not authorized to operate in U.A.E. due to ongoing compliance issues in U.A.E. with prevailing international labor standards. In 2013, Dubai Economic Council (DEC), inked a \$5 billion memorandum of understanding (MOU) with EXIM to support procurement of U.S. goods and services by DEC's members and customers for a variety of Dubai infrastructure projects.

Project Financing

The U.A.E. holds title to major government owned corporations to which many projects are affiliated. Mubadala Investment Company, the Abu Dhabi sovereign wealth fund resulting from the merger of Mubadala Development Company with International Petroleum Investment Company in January 2017, launched multiple projects in the U.A.E. ranging from aerospace, renewables, petrochemicals, utilities, metals and mining, to healthcare, technology, real estate and infrastructure, finance, defense, and education. The three major holding companies wholly owned by the Emirate of Dubai, Dubai World, Dubai Holding, and Investment Corporation of Dubai, launched projects in the U.A.E. ranging from aerospace and air transport, maritime transport and logistics, real estate and urban development, investments and financial services, metals and construction material, to hospitality and leisure, retail, technology and communications, and energy and natural resources.

The development of projects requiring financing is growing ever broader. From nuclear 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. Major international and local banks are behind these projects advising and arranging for the major part of the financing using a variety of sophisticated instruments: Bonds, sukuks (Islamic bonds), loans, syndicated loans, murabaha (Islamic loans), initial public offerings, etc. The proportion of financing and the transaction leadership is steadily shifting towards local and regional banks, including in some cases, Islamic banks.

Securities and Commodities Markets

Emirates Securities and Commodities Authority (SCA) is the governing body for all the stock exchanges, securities and commodities listed in the U.A.E except for the ones that are in the financial free zones. The Dubai Financial Market (DFM) and the Abu Dhabi Securities Exchange (ADX) that opened in 2000 are regulated by the SCA. The SCA electronically links both bourses in what it calls the Emirates Securities Market (ESM). They are the most prominent stock exchanges in the country. More than 200 stocks and a dozen of sukuks and bonds are listed in the DFM and ADX combined. The Dubai Gold and Commodities Exchange

(DGCX), founded in 2005 in the Dubai Multi Commodities Centre (DMCC) as the region's first commodity derivatives exchange, is also regulated by the SCA.

The Dubai International Financial Centre (DIFC) is a financial free zone that opened in 2004 under the regulatory authority of an independent body, the Dubai Financial Services Authority (DFSA). In 2005, Nasdaq Dubai stock exchange opened in DIFC under DFSA's regulatory authority. After years of low trading volumes, all clearing, trading, settlement and custody functions for Nasdaq Dubai equities have migrated and are being outsourced to the DFM's systems. To date, only 8 stocks are listed in Nasdaq Dubai, and most securities traded are sukuks and bonds.

Borse Dubai is a subsidiary of the Investment Corporation of Dubai (ICD), the investment arm of the Government of Dubai and controls directly or indirectly DFM and NASDAQ Dubai.

Similar to DIFC, The Emirate of Abu Dhabi launched the operations of the Abu Dhabi Global Market (ADGM) in October 2015. This new financial center is also regulated by its own independent body, the Financial Services Regulatory Authority (FSRA). ADGM did not announce yet if it will incorporate a stock exchange.

Financing Web Resources

[Abu Dhabi Global Market](#)

[Abu Dhabi Securities Market](#)

[Borse Dubai](#)

[Dubai Financial Market](#)

[Dubai Gold and Commodities Exchange](#)

[Dubai International Financial Center](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[NASDAQ](#)

[SBA's Office of International Trade](#)

[Securities & Commodities Authority \(SCA\)](#)

[Trade and Development Agency](#)

[U.A.E. Central Bank](#)

[Credit Sentiment Survey:](#)

Business Travel

Business Customs

With expatriates from over 150 countries forming over 80 percent of the population, the United Arab Emirates (U.A.E.) is a largely tolerant, multi-cultural society. The Emirati culture itself is a conservative Muslim culture, but relatively tolerant of foreigners. Both men and women work together in offices, and you will see women in positions of responsibility. U.A.E. nationals wear the traditional national dress and women usually dress conservatively and modestly. Western women traveling to the U.A.E. for business should dress conservatively.

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

In a meeting, the host will offer tea or coffee upon arrival. It is rude to refuse this beverage. If Arabic coffee is on offer, you will be handed a coffee cup which should be held in your right hand, and when the coffee is poured from an elegant coffeepot, you should accept at least one cupful. It may be considered discourteous to refuse. Your cup will be refilled at frequent intervals. If you do not want any more coffee, shake the cup slightly to show that you have had enough.

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 U.A.E. than in typical U.S. business meetings. It is not customary to inquire about a man's wife. Business cards and gifts should be offered with the right, not left, hand. Never sit with the sole of your foot facing someone.

Travelers can visit the [website](#) of the U.A.E. Embassy in Washington for additional useful cultural tips.

Travel Advisory

There is no specific travel advisory in effect for the U.A.E. A general worldwide advisory concerning terrorism is in effect and travelers should contact the U.S. Department of State's Office of Citizen Services or the nearest U.S. Embassy or Consulate for an update.

The website for the U.S. Department of State (for travel advisory) is <http://travel.state.gov/>

Visa Requirements

U.S. citizens holding valid passports may obtain visitor visas at the port of entry, if the duration of the stay is less than 30 days. This visa does not permit employment in the U.A.E. For a longer stay, a traveler must obtain a visa before arrival in the U.A.E.

A medical exam, including an HIV/AIDS test, is required for work or residence permits; testing must be performed after arrival. This is a requirement for all expatriates and their dependents

living in the U.A.E. The test must be conducted in the U.A.E. by the Preventive Medicine Unit of the U.A.E. Ministry of Health. A U.S. HIV/AIDS test is not accepted.

For further information, travelers should visit the website of the Embassy of the United Arab Emirates (<http://www.uae-embassy.org>) or contact them at 3522 International Court, NW Suite #100, Washington, DC 20008 3522; Tel (202) 243-2400.

The Government of the U.A.E. requires that all persons residing in the U.A.E., including U.S. citizens, have a national identification card. Americans who are working or living in the U.A.E. should visit the Emirates Identity Authority website for more information on card registration procedures and requirements: <http://www.emiratesid.ae/en/home.aspx>.

Currency

The local currency is the U.A.E. dirham (AED sometimes abbreviated Dhs) which is divided into 100 fils and is pegged to the US\$ at \$1: AED 3.6725 since 1980.

Credit and debit cards are widely accepted. Foreign currencies and travelers' check can be exchanged in licensed exchange offices, banks and hotels, a passport is required. Personal checks can be a bit trickier and many places won't accept them. If you're shopping in the souks (markets) or in smaller shops, local currency cash is the best option.

A well-structured and expansive network of local and international banks, strictly controlled by the UAE Central Bank, offers a full range of commercial and personal services. Transfers can be made easily as there is no exchange control and the dirham is freely convertible. Banking hours are generally Saturday to Thursday, 8am - 1pm (some banks also keep later hours). Some banks have small branches based in malls, which are open till late in the evenings.

Most banks operate ATMs, which accept a range of cards. Most ATMs, although linked to a specific bank, are part of a central network so you can transact with a bank card for a nominal charge. Common systems accepted around UAE include American Express, Cirrus, Global Access, MasterCard, Plus System and VISA. ATMs can be found in all shopping malls, major supermarkets, most petrol stations and the airport. For international cards, the exchange rates used in transactions are normally competitive and the process is faster and far less hassle than using traditional travelers' check.

Money Exchange

Currency exchange offices are all over Abu Dhabi and offer rates often better than the banks. You'll find them in all major malls and popular shopping districts. They are usually open Saturday to Thursday, from 8 am - 1 pm and 4:30 pm to 8:30 pm, and on Friday evenings. Many hotels will also exchange money and travelers' checks at standard (non-competitive) rates.

Telecommunications/Electric

There are two telecommunication providers in the U.A.E.:

Etisalat (Emirates Telecommunications Corporation) and;

Du (Emirates Integrated Telecommunications Company)

Broadband and wireless connections are widely available at most hotels, airports and malls.

The U.A.E. government restricts access to any content deemed “inappropriate” or “offensive” to the U.A.E.’s religious, cultural, political and moral values. These also include access to adult content, selected social, networking and dating websites, some religious and political websites, VoIP provider websites, selected media sites, websites related to gambling and also content that constitutes a risk such as phishing websites, hacking tools and spyware. Use of a Virtual Private Networks (VPN) for access to blocked websites is illegal and punishable under the UAE law.

For information on Etisalat check their [website](#).

For information on Du check their [website](#).

The U.A.E. also has an excellent and extensive mobile phone network. Pay-as-you-go cards are available for visitors who do not wish to use their home services.

Most hotels offer guests internet access and Wifi hotspots are provided at many cafes and malls.

Domestic supply is 220 volts. Sockets suitable for three-pin 13 amp plugs of British standard design are the norm. Appliances purchased in the U.A.E. will generally have two-pin plugs attached.

Transportation

Getting around the UAE is easy and taxis are reasonably priced and plentiful. They can be flagged down at the roadside, booked by phone or via the taxi apps available for both iOS and Android platforms.

24 hour dispatch centers:

In Abu Dhabi 600 535353

In Dubai 04 2080808

Many taxi drivers speak fluent English, but are not always familiar with street names, so it helps to know exactly where you are going. It's also helpful to take the phone number of your destination with you in case you get lost. When using a taxi, always take a receipt in case you leave something behind in the vehicle. It's then much more likely that you will get your items back quickly, as the call center will be able to identify the vehicle and call the driver immediately.

Dedicated family taxis available in 4-seat or 7-seater options provide services dedicated to women and those travelling with children under 10 years old. They also run a fleet of specially adapted luxurious Mercedes Vito cars equipped with trained drivers and the latest technology providing wheelchair users and passengers with disabilities safe, secure and convenient

options. It is recommended to book either service in advance to ensure specific requirements are met.

Uber operates a luxury chauffeur-driven service where passengers are charged by credit card via a downloadable app, available for Android, Blackberry and IOS operating systems, which is used to place orders. There's a minimum fare of AED 35 (US \$9.50) increasing by AED 2.50 (70 cents) per kilometer, or AED 1.50 (45 cents) per minute if travelling under 18 kmph. For more information please visit Uber's [website](#).

Careem operates a satellite mapping system and 24 hour call-center to match customers to private chauffeur driven cars closest to them across Abu Dhabi, Dubai & Sharjah, with real-time tracking for an accurate estimated time of arrival. Bookable online or via a downloadable app, available on Android and IOS platforms, fares - charged by credit card - start at AED 35 (US \$9.50) increasing by AED 2.50 (70 cents) per kilometer, or AED 1.50 (45 cents) per minute if travelling below 16kmph. For more information please visit Careem's [website](#).

All taxi companies service the airport in addition to specially registered airport taxis. The journey into town from the airport costs AED 80-100 (approximately US \$30).

Language

Arabic is the official language, although English is widely spoken and most road and shop signs and restaurant menus are in both languages. Arabic can be a difficult language for westerners, but if you can throw in a couple of Arabic words here and there they will be warmly received.

Hi	Salam
Good morning	Sabah el kheer
Good evening	Masaa el kheer
Welcome! Hello!	Marhaba
How are you?	Kaifa alhal
I'm fine, thanks	Ana bekhair, shukran
Thank you!	Shukran (jazeelan)
You're welcome!	Afwan

Goodbye Ma'a salama

A mini Arabic phrase book is available at the Abu Dhabi Tourism [website](#).

Health

Health care services in Abu Dhabi and Dubai overall are adequate: there are numerous privately, and publicly operated facilities that are currently open to both Emiratis and expats*. This includes both outpatient clinics and hospital facilities. Although quality of care varies

between hospitals and providers, major hospitals have modern equipment and are staffed by a mix of Western and non-Western trained personnel. Well-known U.S. brands such as Cleveland clinic and Mayo Clinic now have a presence in UAE. Many facilities have achieved certification with well-recognized organizations such as the Joint Commission International. However, the care of complex patients may not be well coordinated, communication between providers is not optimum, and use of EMR is not universal which can lead to redundancy, or gaps in care. There does not appear to be a strong Primary care health system and outpatient care is mostly specialty-based. Many medications which are routinely available in the other regions, such as anti-depressants, psychiatric, pain and hormonal medications are illegal, and have limited or no availability.

Most Western expatriates use private medical facilities and carry private health insurance. Some choose to return to their countries of origin for complex care, or to access providers with whom they feel more culturally comfortable. Significantly, for expats, health care is run as a business, and access to care is a privilege and not a right. Individuals without locally accepted insurance (including major US insurance carriers) may be denied care even in emergencies if they are unable to provide up-front payment.

The bigger picture of public health services shows a trajectory of steady improvement. Clean water, healthy food supplies and adequate housing are the norm. Childhood vaccination programs are well-established. There is a push to provide adequate and safe recreational venues to promote physical activity. There is adequate planning for disasters and trauma care. Pre-hospital care and ambulance services are catching up to western standards. However, roadways can be dangerous and erratic driving is the norm.

*historically, some public facilities have been open only to Emiratis, and access for non-Emiratis could change with the social and economic climate.

Local Time, Business Hours and Holidays

Local Time: GMT+4 hours

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 reopen for several hours. Visitors should plan appointments around these timings, as U.A.E. businesses may not adjust their schedules in order to meet during their closing time. Private U.A.E. companies close Friday and Saturday. Business meetings are rarely, if ever, held on Friday or Saturday, which U.A.E. nationals value as family time.

Listed below are the official U.S. holidays and the estimated U.A.E. holidays

New Year's Day Jan 1 Sunday

Birthday of Martin Luther King, Jr. Jan 15 Sunday

Washington's Birthday** Feb 19 Sunday

The Prophet's Ascension Day* Apr 24 Monday

Memorial Day May 28 Sunday

Eid Al Fitr* Jun 25-27 Sun-Tue
Independence Day Jul 4 Monday
Arafat (Haj) Day* Aug 31 Monday
Labor Day Sep 3 Sunday
Islamic New Year* Sep 21 Thursday
Columbus Day Oct 8 Sunday
Veterans Day (observed) Nov 12 Sunday
Thanksgiving Day Nov 23 Thursday
Martyr's Day Nov 30 Thursday
The Prophet's Birthday* Dec 1 Friday
National Day* Dec 2 Saturday
Christmas Day Dec 25 Sunday

* Denotes U.A.E. 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 or Personal Belongings

The ATA Carnet is an international customs document, issued by an authorized Chamber of Commerce that permits duty-free and tax-free temporary admission of goods into one or a number of foreign countries for up to one year. The initials "ATA" are an acronym of the French and English words "Admission Temporaire/Temporary Admission".

ATA Carnet covers almost everything like commercial samples, professional equipment and goods for use at trade fairs, shows, exhibitions, events. ATA Carnets cover the usual and unusual: computers, photographic and film equipment, musical instruments, industrial machinery, jewelry, clothing, medical appliances, aircraft, race horses, art work, etc. ATA Carnets do not cover perishable or consumable items, or goods for processing or repair. ATA Carnets are useful for traveling business/sales executives, technicians, professionals like surgeons, architects, engineers, educationalists, etc.

For more information, please visit the Passport for Goods [website](#).

Travel Related Web Resources

[Abu Dhabi Government](#)

[ATA Carnet](#)

[Du \(Emirates Integrated Telecommunications Company\)](#)

[Dubai Government](#)

[Emirates Authority for Standardization and Metrology \(ESMA\)](#)

[Etisalat \(Emirates Telecommunications Corporation\)](#)

[State Department Visa Website](#)

[U.A.E. Embassy in Washington](#)

[U.A.E. Government Portal](#)

[U.S. Consulate in Dubai](#)

[U.S. Department of State \(for travel advisory\)](#)

[U.S. Embassy in Abu Dhabi](#)

[Dubai Guide](#)