UAE is an oasis located in the deserts of the Middle East, where Bedouin tribes used to settle down. Its main production was once the pearls extracted from the Arabian Gulf. The discovery of petroleum in 1958 enabled the country to become a luxurious and rich paradise. As an example, Dubai is the city where one of the two six stars hotels –Burj Al Arab– in the world is located. The other one –Emirate Palace– and the leisure center Dubailand are in Abu Dhabi. Despite the modern image of its cities, it must not be forgotten that a bit more than sixty years ago Emirati were Bedouin merchants and had a distinctive way of doing business.

**KEY FACTS**

<table>
<thead>
<tr>
<th>POPULATION</th>
<th>4,3 Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>AREA</td>
<td>83,600 sq. Km.</td>
</tr>
<tr>
<td>FORM OF GOVERNMENT</td>
<td>Federation of Emirates. Federation of Absolute Monarchies</td>
</tr>
<tr>
<td>PIB PER CÁPITA (PPA)</td>
<td>USD 41,700</td>
</tr>
<tr>
<td>CURRENCY</td>
<td>Dirham = 100 fils</td>
</tr>
<tr>
<td>OFFICIAL LANGUAGE</td>
<td>Arabic</td>
</tr>
<tr>
<td>LANGUAGE FOR BUSINESS</td>
<td>English</td>
</tr>
<tr>
<td>RELIGIÓN</td>
<td>Muslims (96%), Christians, Hindus and others (4%)</td>
</tr>
<tr>
<td>CAPITAL</td>
<td>Abu Dhabi (1 Mill.)</td>
</tr>
<tr>
<td>MAIN CITIES</td>
<td>Dubai (2,2 Mill.), Sharjah (0,6 Mill.), Ajman (0,4 Mill.)</td>
</tr>
<tr>
<td>TELEPHONE CODE</td>
<td>971 + 2 (Abu Dhabi), + 4 (Dubai)</td>
</tr>
<tr>
<td>INTERNET CODE</td>
<td>.ae</td>
</tr>
<tr>
<td>NATIONAL HOLIDAY</td>
<td>2nd December (National Day)</td>
</tr>
</tbody>
</table>

© Global Marketing Strategies, S.L. No part of this information may be reproduced in any form or transmitted by any means.
BUSINESS ENVIRONMENT

- United Arab Emirates (UAE) is a Federation of seven Status-Kingdom, created under the Constitution of 1971. In this year, the UK left its political and military protectorate in the zone after more than one and a half century.

- Despite its small population and extension, UAE is the second largest economy in the Persian Gulf after Saudi Arabia. The country has become the economic hub of the area and provides distribution, consumption and business services to surrounding countries.

- The two most important Emirates are by far Abu Dhabi (the capital, head office of the Administration and center of gas and petroleum industry) and Dubai (the city with the fastest growth, specialized in service, construction and tourism sector).

- The exploitation and richness of its oil resources are overwhelming. It is estimated that UAE has 10 percent of the world’s oil reserves. UAE extracts nearly 2.5 million barrels every day, mainly with an average extraction cost of one dollar/barrel, opposite to a cost of twenty dollars for sea oil rigs. The high price of petroleum increases its richness, with reserves that could last for more than a century.

- UAE is part of the Gulf Cooperation Council together with Saudi Arabia, Bahrain, Kuwait, Oman and Qatar. This is custom union willing to turn into a common market with a common currency in a term of ten years. Among these countries, UAE is the one with more political proximity to the USA, what which could cause difficult concerning its relationship with some member of the Council and, eventually, become target of terrorist attacks.

- The Emirate of Dubai has become the main commercial and logistics center in the Middle East. It plays a similar role to the Netherlands in Europe, Singapore in Asia or Panama in America. Around 75 percent of imported products are re-exported to the countries of the area. Its harbour handles more than five million containers and its airport connects directly Dubai with 145 capitals in the five continents.

- Emirati comprise just 15 percent of the population. The rest of the people are expatriates mainly from Asian countries, such as India (52%), Pakistan (10%), Iran and the Philippines. There are also around one hundred thousand British people, playing an important role in the social and economic life of the country.

- Once the real state crisis was overcome with the iconic Palm Island complex (an artificial archipelago of villas and luxury hotels in Dubai), the country has embarked on a greater diversification of its economy projects, accepting foreign investment presence in certain manufacturing industries and infrastructures.
• Personal contacts and references are essential to get a first interview. It might be possible through other clients, suppliers, social relations, etc. They should be people with good reputation and image.

• Emirati related to the royal families of every Emirate control to a greater extent governmental entities, big companies and the main economic conglomerates. Nonetheless, in SMEs it is common to deal with Indian and Pakistani managers.

• The most common way to enter into the market is through a commercial agent, who might assume the functions of agent and distributor - according to Emirati legislation both terms mean the same -. Other possibilities are to form a Joint-Venture with a local partner, or to settle in one of the thirteen tax-free areas in the country. The principal tax-free area is Jebel Ali, which represents 40 percent of the international trade.

• UAE legislation largely protects local companies relations with foreign companies. It also restricts cancellations of agents’ contracts and offers high compensation for them. In Joint-Ventures, the local partner must own at least 51 percent of the capital. To avoid this protectionism some foreign companies get a non-official agent, with whom they establish no contract: everything is by word of mouth. This is frequent in imports of consumer goods (textiles, shoes, food, etc.). Joint-ventures are also formed with the so-called “sleeping partners”, partners who do not participate in the management, although apparently they control the capital. Even though these kind of companies are not allowed by the Law, they commonly exist.

• Meetings are friendly. The host usually takes the initiative and decides when to start talking about business. It is appreciated that the counterpart defends its arguments with determination but with no sign of anger or impatience. Stress situations must be avoided.

• Most negotiations are in English, therefore the ignorance of Arabic language does not constitute an obstacle. Negotiations are neither scheduled nor structured in advance. Emirati can easily expand on conversations. These two habits could make it difficult talking about interesting topics. It is advisable that the foreign negotiator gives priority to two or three key aspects and tries to control the conversation.

• Some Emirati businessmen give meetings in the so-called majlis (literally “to sit down”) or diwan (when the meeting takes place in the employer’s home), for about two hours at the end of the afternoon. These are a kind of audience for receiving, without prior appointment, those executives they have negotiated with. This can be a great opportunity to meet other local or foreign businessmen.
4

NEGOTIATION STRATEGIES

- Approaches should not be detailed but clear and reliable. The most important thing is to generate confidence. Emirati negotiate in dollars. UAE currency, the dirham, has a fixed exchange rate with the dollar. This is why dollar valuation directly affects the competitiveness of imports and exports.

- Besides personal contacts, another key factor is keeping high profit margins in negotiations, particularly with small companies or middlemen who resell goods. Even for the purchases of public institutions, it is common for suppliers to make a better bid.

- When negotiating prices, Emirati tend to use the practice of asking what is the unit price for a large order. Once they have got this price, they will try to apply it to any purchase order, even of small quantities.

- As well as the price, Emirati have special interest in aspects such as conformity with technical regulations, after-sales service, or foreign providers that keep stock in the country. In this way, there are more and more foreign companies working with distributors or creating subsidiaries in the country, mainly in one of the tax-free areas.

- In the Asian culture, “yes” does not have the same meaning as in the Western culture, since it rather means “perhaps”. To really know what Emirati are thinking in certain moments, it is better to ask open questions and to suggest different alternatives of doing business.

- In order to have no obligations, they use expressions like Insh´allah (“God willing”) or Bukra Insh´allah (“Tomorrow, God willing”). It is difficult to consider these expressions as good or bad news - it will depend on the conversation context.

- Negotiation process is a mix of the snail and snake strategies. Emirati take time on making a decision but once they have made up their mind, they want everything to be carried out quickly.

- It can be surprising that no more operations could be carried out even if the first one has been beneficial for both parties. The reason must be that they could have found a supplier offering better prices. To keep negotiations moving forward, it will be necessary to maintain the presence in the market and to offer competitive prices in every occasion.

- If the parties do not reach an agreement, Emirati will always be friendly, They will tell you that the rejected proposal has been analyzed and taken into account, although it is not really true.

- To maintain commercial relations, personal contact is essential: it is better a visit than a phone call and more effective a phone call than e-mails.
• The form of greeting is a short and soft handshake when you introduce yourself and when you leave. Among them, they bring noses together in a kiss on both cheeks. With women you must avoid any physical contact, just a gesture of courtesy.

• If the meeting is held in an office you should greet first the older person, even if he is not the host. If, on the contrary, it is held in a majlis or diwan, you should shake everybody’s hands counter clockwise. You do not have to offer a business card at the beginning of the meeting. It is better to wait for them to give theirs. You should keep the cards given to you as it is difficult to find their location data in phone directories.

• Greeting expressions are very elaborate. When saying Assalam Gualaikum (Hello – literally: “let peace be with you”) it is answered Gualaikum Assalam (“also with you”); then, it is said, kaif halak? (How are you?). Other common phrases are: Sabaah al-khayr (Good morning), Massa al-kayr (Good night) and shukran (Thank you).

• People are addressed as Mister Manssur, Sheikh Hamad or Prince Said followed by the name. The title of sheik (which means “expert of the Koran”) is used by high-ranking people, who do not belong to the Royal Family. The title Your Highness must be used for members of the Royal Family and Excellency for Government ministers. Other titles are Mohandas (Engineer) and Ustadh (Professor).

• Although punctuality is not a deeply-rooted custom, it is expected that the foreigner be punctual. In occasions, urgent commitments lead to cancellation of appointments without warning in advance. Therefore it is advisable to prepare a letter regretting the cancellation and wishing an alternative date. The letter and the contact details are given to the company so that it is easy for the counterpart to arrange other appointment. This strategy commonly works.

• It is very useful to know some Arab words to travel around the cities. It is also good to learn the spelling and pronunciation of Arab numbers to understand addresses and the floors of the buildings. On the other hand, you have to keep in mind that Arabic spoken in the UAE has certain influence of the farsi (Persian), then it sounds somehow different to Arab spoken in other Islamic countries. It is normal that meetings are interrupted because of phone calls, people coming into the meeting room, etc. This is their way of working. You should be patient, do not show anger, and take up the conversation again when possible. It is positive to keep strong visual contact with the speaker since this generates confidence. Otherwise, it could cause suspicion. At the beginning of the meeting it is frequent to offer very strong coffee, tea or an appetizer. Even if you do not
want to drink or eat, you should accept them as courtesy. If you do not want to drink/eat more, you just have to move slightly your cup.

- First meetings frequently start with an informal talk on the trip, family, etc. You should be calm and avoid gesture of impatience to start business, since this could communicate anxiety.

- Conversation topics to avoid are: politics, expatriates’ situation or their relationship with the US. You should ask for the family in general, not for the wife or the number of sons or daughters. Positive topics are: the country’s modernity, the tea or coffee quality, or the luxurious shopping centers, called gold souks (golden markets).

- When speaking about the countries of the area, you must say Arab Gulf states and not Persian Gulf states.

- Physical space between people is much more reduced than in the West and there is rather more contact: wrapping arms and shoulders, touching hands, etc. -these are signs of friendship, not sexual connotations-. However, clips on the back, typical in the West, should be avoided.

- Physical contact and giving objects with the left hand must be avoided. This hand is considered impure –it is the one used in the toilet-. You should neither sit cross-legged pointed out toward the speaker nor showing the soles of the shoes, as this is thought to be a derogatory gesture.

- Even though official religion is the Islam, there exists liberty of worship. The Koran Law is not as strict as in Saudi Arabia or Iran. For instance, you can drink alcohol, but you should not do it in their presence.

- Friday is holiday. Official institutions close on Thursday and Friday and those companies with foreign relations, on Friday and Saturday. It is advisable to check a timetable and calendar of public holidays before arranging a business trip to the country.

- During Ramadan (that lasts four weeks) one is not allowed to smoke, drink or eat in their presence. It is also common to interrupt meetings to pray.

- The weather is warm with cloudless skies for the whole year. During summer (from May to September) and especially during August, you should be ready to support temperatures up to 50 degrees, and humidity around 100 percent.

- The frequent way to travel around the cities is by taxi. They are not excessively expensive and render good service. Nevertheless, due to the economic boom of the country, it might be difficult to find a free taxi.
ETIQUETTE

- Be careful if you drive a car since the way of driving is deficient. UAE has one of the highest traffic accident rates in the world. It is common to change the lane without warning, to drive close to other vehicles and to use the mobile phone while driving.
- Business lunches and dinners are frequent. Emirati are used to giving invitations to their houses. When it is the foreign negotiator who invites, these dinners and lunches are in hotels. They start talking business once the meal is over.
- Unlike other Arab countries, you should not flatter excessively the food or the country. It is better to speak moderately as in the UK or Japan. It is usual to tip 5%.
- Giving presents is usual, either during the first contact or when closing a deal. It is difficult to find a suitable present since the country has all kind of products. A good choice could be aloe colognes. If the present is for a woman, it always has to be on behalf of another woman.
- The custom of tipping is not established in the country, although it is customary to tip in restaurants (around 5%), parking (5 dirhams) and other services such as taxis.
- Due to high temperatures, it is not necessary to wear a suit and a tie, except for high-level meetings and business dinners. Women must dress in a conservative way, although they do not have to obey the strict Arabian or Iranian rules.

PRACTICAL INFORMATION FOR BUSINESS VISITORS

ENTRY REQUIREMENTS
- All foreigners must show their passport with a minimum validity of 3 months from the planned date of arrival (6 months for job reasons). Citizens of most countries such as the EU, Australia, New Zealand, Canada, US or Japan do not need a visa for stays of less than 30 days. A 30 days visa can be acquired through a hotel or local company invitation.

TELEPHONE CODE (COUNTRY)
- 971 4

TELEPHONE CODE (CITIES)
- 2 (Abu Dhabi); 4 (Dubai).
WORKING WEEK

- Saturday to Wednesday and Thursday morning. Friday is a holiday. Nevertheless, companies doing business abroad are open Thursdays and Fridays.

WORKING HOURS

- 7.30-13.30h. Sat-Wed and 7.30-12.00h. Thu (public administrations)
- 8.00 – 13.00h. and 15.00/16.00- 18.00/19.00 (businesses)
- 8.00 – 12.00h. Sat-Thu (banks)

PUBLIC HOLIDAYS

Islamic year has got 354 or 355 days, therefore Muslim public holidays come around 10 and 12 days earlier than the Gregorian calendar. Holidays dates can vary depending on the moon position, then it is difficult to know exactly when they will be.

AIRPORTS

Abu Dhabi

Distance from the center: 32 kilometers

Most hotels offer transfer service from the airport. You can also take a taxi or a bus. The 24-hour, air-conditioned buses operate from all three terminals to the city center, with departures every 40 minutes. Journey time is around 45 minutes, depending on traffic. Metered taxis operate from outside all terminals. The fare into Abu Dhabi city starts at about 90 dirhams, and journey time varies between 35-50 minutes according to the time of day.

Dubai

Distance from the center: 4 kilometers

When arriving at the airport, you can get a taxi with taximeter to go to the city—it takes around 15 minutes. Taxis have reasonable prices. The journey time to the city is between 10 and 20 minutes, depending on the destination. The Metro link runs frequently between the airport and Dubai city. Stations are located in Terminals 1 and 3.
TRANSPORT IN THE CITY

Abu Dhabi
The most comfortable way to move around the city is by the golden taxis, since they are cheap and just last 15 minutes from one part of the city to the other. To avoid a higher fare, you have to ask the taxi driver to switch on the taximeter. Taxis with air conditioning cost extra money.

Dubai
Taxi is the best way to move around Dubai. There are many taxis along the day that can be stopped on the streets.
### USEFUL WORDS AND PHRASES

#### WORDS
- Yes = na’a
- No = laa m
- Thank you = shokran
- Thank you very much = shokran Gazillan
- You’re welcome = Ala ElRahib Wa ElSaa
- Please = Min Fadilak
- Excuse me = Ann Eazinak
- Hello = Ahalan
- Goodbye = Ma’a ElSalama
- So long = Wada’an
- Good morning = Saba’a AlKair
- Good afternoon = Masa’a AlKair
- Good night = Masa’a AlKair, Laila Tiaba
- A little = Kalil
- A lot = Kathir
- All = Kol
- So so = Eaini

#### USEFUL WORDS AND PHRASES (PRONUNCIATION)
- Departure = Al Mogadara
- Arrival = Al oso’ol
- Passport = Gawaz Safar
- Airport = Matar
- Train = Kitar
- Bus = Autobees
- Subway = Metro
- Street = Shari
- Square = Meedan
- Hotel = Fondok
- Parking = Mokaf
- Store, shop = Maha’al
- Restaurant = Matiam
- Open = Maftouh
- Closed = Mogilag
- Breakfast = iftar
- Lunch = Gadaa
- Dinner = Ashaa

### DAYS AND NUMBERS

#### Days
- Day = youm
- Week = Isbo’o
- Month = Sahir
- Year = Sana’a / Amm
- Monday = A Ithinin
- Tuesday = Al Tholatha’a
- Wednesday = Al Arbia’a
- Thursday = Al Kamis
- Friday = Al Gomia’a
- Saturday = Al Sabit
- Sunday = Al Ahad
- Yesterday = Amis
- Today = Al youm
- Tomorrow = Bokira

#### Numbers
- Zero = Sifer
- One = Wahid
- Two = Ithinin
- Three = Thalatha
- Four = Arba’a
- Five = Kamisa
- Six = Sita
- Seven = Saba’a
- Eight = Thamania
- Nine = Tisa’a
- Ten = Ashara
- One hundred = Mia’a
- One thousand = Alf
- One million = Millio’an
USEFUL WORDS AND PHRASES

PHRASES

- How are you? = Kaifa Halok?
- What is your name? = Ma Ismok?
- Nice to meet you. = Sorirart Biro'aitak
- Do you speak ... = Hal Tatakalm...
- I do not understand = Ana laa Afham
- How do you say this in [English]? = Kaif Takool Thalik Bil[arabia]?
- Where is ...? = Ain ...
- How much does this cost? = Bikam?

INTERNET INFORMATION

LOCAL PRESS

- www.gulfnews.com

INSTITUTIONS

- www.uae.gov.ae/Government/int_relations.htm (Ministry of Foreign Affaires)
- www.economy.ae (Ministry of Economy)

OTHERS

- www.abudhabichamber.ae (Chamber of Commerce of Abu Dhabi)
- www.dwtc.ae (Enterprises Directory)
- www.abcbusinesspages.com (Business Pages)
- www.uae-ypages.com (Yellow Pages)
- www.expo-centre.co.ae (Fairs)
- www.dubaitourism.ae (Touristic Information)
Global Marketing Strategies is a consultancy specialized in international negotiation and marketing. Our experience of over twelve years supports companies and executives in their international activities and helps them improve results. In our website www.globalnegotiator.com you can find useful publications for the international executive.

**NEGOITIATION & ETIQUETTE GUIDES IN 70 COUNTRIES**

Germany, Saudi Arabia, Angola, Algeria, Argentina, Australia, Belgium, Belarus, Brazil, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Cuba, South Korea, Denmark, Ecuador, Emirates, Egypt, Estonia, Spain, USA, Philippines, Finland, France, Greece, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Kenya, Latvia, Lithuania, Libya, Malaysia, Morocco, Mexico, Nigeria, Netherlands, Norway, Panama, Peru, Poland, Portugal, United Kingdom, Czech Republic, Dominican Republic, Rumania, Russia, Senegal, Singapore, South Africa, Slovakia, Sweden, Switzerland, Thailand, Taiwan, Tunisia, Turkey, Uruguay, Venezuela and Vietnam.

[Access to Business Culture & Etiquette Guides in 70 Countries](http://www.globalnegotiator.com)

**TRADE DOCUMENTS**

- **20 INTERNATIONAL CONTRACTS MODELS available in six languages**: English, Spanish, French, German, Portuguese and Chinese.
- **20 TRADE AND TRANSPORT DOCUMENTS** available in English and Spanish.
- **30 BUSINESS LETTER** for Exporters and Importers available in English and Spanish.
- **EXPORT PLAN**: step-by-step guide to lead the company through the process of exporting products and services to international markets.
- **EBOOKS on different topics of international trade**: Incoterms, negotiation, etiquette.

**FREE ACCESS TOOLS**

- **INFOTRADE**: tool whose purpose is to obtain information on the Internet about international markets: country information, international statistics, market research reports, tariffs and trade barriers, laws and regulations.
- **TRADE DICTIONARY**: Online with over 1500 useful terms for international trade, Contracts and Law, Logistics and Transport, International Banking, etc.

*info@globalmarketing.es*

*www.globalnegotiator.com*