

# THE UNITED ARAB EMIRATES

## MARKET GUIDE



NEW ZEALAND  
TRADE & ENTERPRISE  
Te Taurapa Tūhono

## ABOUT THE UNITED ARAB EMIRATES

From a quiet reserved market, the United Arab Emirates (UAE) has burst onto the scene and is now one of the most important economic centres in the Middle East. This presents growing and exciting opportunities for New Zealand exporters.

The UAE is made up of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Qaiwain, Ras al-Khaimah and Fujairah. Abu Dhabi is by far the largest and controls 90 percent of all oil and natural gas reserves in the country.

The UAE has high per capita income and a significant annual trade surplus. Its population is over 9 million and the majority are expatriate workers.

As well as the oil and gas sector, the country's main industrial activities are in construction, chemicals and plastics, commercial ship repairs, clothing and textiles, food processing, transport, tourism and logistics. It is one of the most liberal trade markets in the Gulf Cooperation Council and attracts strong international capital interest.

The UAE is the main entry point into the Middle East region for New Zealand, both for people and goods. Excellent trade and logistics infrastructure support the market's hub function; this is traditionally through Dubai but now also increasingly through Abu Dhabi. It is serviced by two major international airlines: Emirates Dubai and Etihad Abu Dhabi.

The UAE is among New Zealand's top 20 export destinations, with exports worth NZ\$874.5 million in the year to June 2017. Dairy is the largest sector, followed by meat. A range of manufactured goods, technology solutions, value added food and beverage products, and professional services are also provided.

Around 40 New Zealand companies are located in the UAE and many others work with local partners. New Zealand's relationship with the region was boosted by the opening

of the New Zealand Embassy in Abu Dhabi in early 2011. There is also a Consulate General in Dubai. Around 6,000 New Zealanders live in the UAE.

The oil and gas sector is the mainstay of the UAE economy and funds its diversification efforts. Abu Dhabi is home to the world's largest Sovereign Wealth Fund, the proceeds from which (and from other investments) now rival the oil and gas sector, by some estimates.

Currently all businesses operating within the UAE must be at least 51 percent owned by a UAE national, or have a majority of UAE nationals on their board of directors. Goods distribution must also be conducted through a UAE national.

The only exemptions to the foreign ownership rules are local branches of offshore companies and businesses operating within free trade zones (which allow full foreign ownership as well as other tax and legal exemptions). The UAE has around 40 free trade zones, which are home to about 10,000 businesses.

In May 2018, His Royal Highness Sheikh Mohamed Bin Rashid al Makhtoum, the Prime Minister of the UAE, passed a decree which will enable foreign investors and businesses to have 100 percent ownership of businesses in the UAE by the end of 2018. The proposed changes also include extended multi-year residency visas for investors and research and technical specialists.

Detailed rules and timelines for these legal changes are yet to be confirmed. Contact NZTE for the latest information if you're planning to set up a local presence in the UAE.

The UAE has a population of 9.2 million people (2016) and is heavily reliant on expatriate labour (over 80 percent of UAE residents), which has led to 'Emiratisation' employment policies to give preference to nationals.

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## QUICK FACTS

**GDP:** US\$378 billion (2017)

**GDP per capita:** US\$68,200 (2017)

**Official languages:** Arabic, English

**Currency:** Emirati Dirham (AED), which is pegged to the US dollar - US\$1 = 3.675 Dirham

**World Bank Ease of Doing Business ranking (2018):** 21 of 190 (NZ ranked 1 of 190)

**Corruption Perceptions Index ranking (2017):** 21 of 176 (NZ ranked 1 of 176)

**Free trade agreements:** NZ-Gulf Cooperation Council (Pending)

**Value of NZ exports:** NZ\$874.5 million  
New Zealand's 14th largest market in 2017

**Population:** 9.2 million

**Land area:** 83,600 sq km

**Density:** 109 people/km<sup>2</sup>

**The UAE is:**

- made up of seven states, each with its own monarch
- a leading economic centre for the Middle East
- a market that thrives on the oil and gas sector - the backbone of its economy
- a regional trading and tourism hub
- a diverse and exciting market that attracts business and investment
- home to a large expatriate population whose languages include English, Hindi and Urdu.

## TRADE AGREEMENTS

New Zealand concluded the NZ-Gulf Cooperation Council free trade agreement in 2009, but this is not yet in force. The Gulf Cooperation Council includes the UAE.

If you are a goods exporter, use the Ministry of Foreign Affairs and Trade [tariff finder](#) to find the applicable tariff rates for the UAE, as well as HS codes, document and shipping requirements.

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## OPPORTUNITIES FOR NEW ZEALAND BUSINESSES

### Building and construction

According to a 2016 Timetric report, the output value in real terms of the UAE's construction sector is expected to grow at a compound annual growth rate (CAGR) of 6.52 percent during 2015-2019. Investment in large-scale infrastructure projects, as well as the upcoming 2020 World Expo hosted in Dubai, are among the drivers of this growth.

Abu Dhabi's government, for example, has a long term investment programme to upgrade its airports, seaports and public transport system. Other investment projects in solar, water, waste and other infrastructural areas are also planned.

New Zealand companies have opportunities to partner with local major contractors to provide diverse, differentiated building products, components, technologies, appliances and services.

### Food and beverage

The UAE imports about 90 percent of its foodstuffs. The premium market (four- and five-star) is still growing, as is the food service market. This includes quick-serve restaurants, casual dining and airline catering. The food service market is larger in most categories than retail.

New Zealand is a leading supplier of dairy products, including powders, proteins, butter and cheeses. Local consumption of dairy is high. New Zealand is among the largest suppliers of meat to the retail and hotel markets. New Zealand fruit, vegetables and seafood are also increasingly available. In addition, a growing range of value added food and beverage products from New Zealand is now getting traction.

### Professional services

The UAE is going through a period of change in many areas. The population is growing rapidly, spending power is relatively high, and there are structural changes in various sectors. This opens the door to opportunities for New Zealand professional services companies. These range from high-value education training and research through to public sector consultancy services. Education, health, administration, food security, finance and tourism are all areas of potential.

### Health

The UAE public healthcare sector is administered in three zones: southern Abu Dhabi, central Dubai, and the northern Emirates.

In the north, the Ministry of Health and Prevention provides public facilities and regulates the private sector. In the central zone, the Dubai Health Authority provides the same functions. In the south the functions are split into

public health care delivery (Abu Dhabi Health Services Company) and private sector regulation (Health Authority of Abu Dhabi).

Each zone differs in many ways, from size and insurance funding, to history and governance. The one common theme is growth. New Zealand companies have many opportunities in niches across this sector, including outpatient services, expansion of primary care, e-health, and addressing the diseases of affluence (such as diabetes, heart disease and high blood pressure).

As the region is expanding its healthcare industry, there is an increased demand for healthcare goods and services. The [Dubai Healthcare Directory](#) is a great starting point.

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## TIPS ON BUSINESS CULTURE AND ETIQUETTE

There are some important points to be aware of when conducting business in the UAE.

The UAE is an Islamic country and most of its indigenous population are Sunni Muslims. Believers generally pray five times a day, although in the relatively pragmatic UAE this rarely interrupts a business meeting.

Business visits in summer (July-August) are not advised, as decision-makers may be away on holiday. Similarly, visits during Ramadan are not ideal as business schedules are shortened and disrupted.

Muslims who fast are not permitted to eat, drink or smoke between dawn and dusk during the month of Ramadan. Furthermore, it is illegal for anyone – Muslim and non-Muslim – to eat, drink or smoke in public during this month.

### Business culture

Normal business dress for men includes a shirt and tie. Suits should be worn to meet with high-ranking officials and senior businesspeople. Businesswomen should wear a conservative two-piece suit, preferably a skirt and jacket.

Women face no discrimination and can drive and move around freely. They are not required to cover their hair in public, and can wear Western swimwear to beaches and at hotel swimming pools. They are, however, expected to dress modestly in public. It is wise to check dress codes beforehand to avoid offence.

In business, it is traditional for visitors to be offered refreshments, usually coffee or tea. It is polite to accept at least one, but preferably two cups, before refusing a refill. Asking for water only is acceptable.

# TRAVEL AND VISITING THE UAE

## Visas and immigration

Multi-entry business visas are available for frequent business visitors to the UAE. These visas are valid for six months from date of issue.

Most Arab countries forbid entry to travellers with Israeli stamps in their passports. The UAE is relatively relaxed in such cases – however, entry is not permitted for Israeli nationals.

## Accommodation

There are plenty of accommodation options in the UAE, including those noted below. More accommodation choices can be found at [www.booking.com](http://www.booking.com)

Hotel	Category	Address	Website/Email
Dubai International Airport Hotel	5 star	Near Dubai airport	<a href="http://dubaiairporthotel.com">dubaiairporthotel.com</a>
Citymax Hotel	3 star	Dubai	<a href="http://citymaxhotels.com">citymaxhotels.com</a>
Towers Rotana	4 star	Dubai	<a href="http://rotana.com/rotanahotelandresorts/unitedarabemirates/dubai/towersrotana">rotana.com/rotanahotelandresorts/unitedarabemirates/dubai/towersrotana</a>
Abu Dhabi Airport Hotel	4 star	Abu Dhabi	<a href="http://abudhabiairporthotel.com">abudhabiairporthotel.com</a>

## Transportation

There are various ways to get around the UAE.

### Taxis

Taxis are the most common way of getting around. Recognised by their cream colour, metered cabs from Dubai Transport Corporation are efficient and regulated. Dubai Transport taxis also operate a service from the airport. The Roads & Transport Authority (RTA) has information on fares, as well as other transport options.

In addition, most hotels offer transport for their guests. There are also a number of radio taxi companies that have cars on call and whose numbers are available at all hotels. Uber and Careem are RTA-supervised ride booking apps that are also available to use in the UAE.

### Car rental

Cars are available from car rental companies for visitors who have an international driving licence.

Customers must produce their passport along with their valid licence.

Driving in the UAE is on the right side of the road (vehicles are left-hand-drive).

### Metro

Dubai Metro trains currently run at 10-minute intervals between stations located across the city. The service is fast and efficient.

### Water taxis

An interesting way to travel between Bur Dubai and Deira is by water taxi across the Dubai Creek.

## Public holidays

Temperatures during summer months are often in the mid to high 40 degrees Celsius range, so being outside for a long period is not a good idea.

There are two major religious celebrations in the UAE: Eid al Fitr, which lasts for three days, and Eid al Adha, which lasts for four days.

These are also the major public holidays. Eid al Fitr marks

the end of Ramadan, which is the holy month of fasting, and Eid al Adha follows about 70 days after.

These festivals are timed according to lunar months and moon sightings, so the days can move slightly and exact holiday dates are only fixed at the time.

A complete list of national holidays in the UAE can be found on the [Public Holidays Global website](#).

## Language

Arabic is the official language of the UAE. However, English is the dominant language of business, commerce and banking. It is spoken throughout the country.

## Working hours

Working hours for the Government sector are from 7:30am to 3:30pm. General business hours are 7:30am to 5pm, with retail 10am to 10pm, except on Fridays and during Ramadan. The UAE is four hours ahead of GMT, or nine hours behind New Zealand Standard Time.

The normal working week is Sunday to Thursday (weekend is Friday and Saturday), although some private-sector businesses may work Saturdays.

## IT, internet and communications

The UAE country code is +971 and the internet country domain extension is .ae. Mobile phone SIM cards are available at the airport and at the outlets of telecommunications companies Du and Etisalat.

## Currency, credit cards and ATMs

The currency is the UAE Dirham (AED).

Credit cards are widely accepted in stores, restaurants, hotels and bars. You can use ATMs of your bank and other banks (with small charges) to withdraw money with whatever limit your bank allows you per day. You can also access cash from ATMs with a charge card.

## Safety and security

For the latest UAE travel advisory updates please visit the [Safe Travel](#) website. New Zealanders in the UAE are strongly encouraged to register their details on Safe Travel.



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## MEDICAL SERVICES AND HOSPITALS

The UAE has high healthcare standards and is a popular medical tourism destination. Healthcare is free for all UAE nationals. The country has 40 public hospitals and a similar number of private facilities - a list can be found on the [Emirates Diary website](#). Health insurance has been mandatory for all UAE residents since January 2017; expats are typically insured by their employers. Business travellers should ensure they have comprehensive travel insurance including health coverage for the UAE.

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## TRADE SHOWS AND INDUSTRY EXHIBITIONS

The UAE's trade show and industry exhibition sector is an important part of its economy, and a variety of [shows and exhibitions](#) take place regularly.

[Abu Dhabi National Exhibition Centre](#) in Abu Dhabi and [Dubai World Trade Centre](#) in Dubai are the two leading show and exhibition venues in the Middle East. Generally, trade shows and exhibitions in the UAE are flexible in terms of visitors. However, a permit is required for all commercial and non-commercial events conducted in the market. An event permit can be obtained from [Abu Dhabi Tourism and Culture Authority](#) in Abu Dhabi, and [the Department of Tourism and Commercial Marketing](#) in Dubai.

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## PRODUCT REGISTRATION

Product registration is not necessary for all products imported from overseas or manufactured inside the UAE before launching to market. However, a number of products must be evaluated and registered with the [UAE Ministry of Health and Prevention](#) and the Federal municipalities. Products that must be registered include imported and manufactured cosmetics, food products, and dietary supplements.

The [Emirates Authority for Standardization and Metrology](#) is the authorised group for the registration of other products that are produced, manufactured or imported. It conducts an assessment and confirms the compliance of a product before issuing a certificate of conformity.

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## CUSTOMS AND IMPORT REGULATIONS

As an importer, you must ensure your merchandise meets the regulations set by the UAE Government and does not appear in [the list of prohibited / restricted goods](#).

Whether you are an individual or corporate, you must pay the imported goods tax. This varies depending on the import.

Import clearance can be done online or manually through the Ports and Customs documentation centres.

The [UAE Imports and Exports Guide](#) is an ideal starting point for all the details.

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## SETTING UP OPERATIONS AND ESTABLISHING A BUSINESS

To start a business in the UAE, you need to organise it as a legal entity. There are three types of licences:

1. Commercial licence (all kinds of trading)
2. Industrial licence (manufacturing or industrial)
3. Professional licence (professions, services, and craftsmen).

At present, foreign nationals can only own up to 49 percent of a UAE-registered company. The remaining majority stake must be held by a UAE national. The only exceptions are:

- free trade zone companies, which can be up to 100 percent owned by the person who set it up within UAE territory, including foreign nationals
- offshore companies operating local UAE branches which aren't registered businesses in their own right.

The UAE is transitioning to a new system that will allow 100 percent ownership for foreign investors by the end of 2018. Details are yet to be announced - contact NZTE for further advice if you're planning to set up or establish operations in the UAE.

Here is a great summary about [how to register a business in the UAE](#).

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## TAXATION

The UAE is widely known as a tax-free country for those who work. There is no tax on individuals' income; however, each individual Emirate has up to 20 percent corporate tax. This is currently enforced only on some foreign banks, oil, gas, and petrochemical companies.

All consumer purchases are now subject to value-added tax (VAT) at a rate of 5 percent, introduced on 1 January 2018.

Other current taxes include:

- a local municipal property tax of five percent of the rental value
- a 10 percent local hotel tax on hotel services
- a general rate of 50 percent on alcohol, and 100 percent on tobacco
- fees on government services.

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## OPENING A BANK ACCOUNT

The information you need to open a bank account in the UAE varies from bank to bank. It also depends on the type of account and holder (personal or business).

You must be a resident of the UAE to open a current/cheque account. However, some banks allow non-residents to open a savings account. Most of the banks will require a minimum balance to be kept in the account.

The basic requirements to open a bank account are:

- passport with residency visa (original and copy)
- a no objection letter from the employer/sponsor.

## NZTE/EMBASSY CONTACT DETAILS

Both New Zealand Trade and Enterprise and the New Zealand Embassy have offices in the UAE:

Organisation	Address	Telephone	Website / Email
New Zealand Trade and Enterprise	Office 6A, Level 6, Emirates Tower, Sheikh Zayed Road, Dubai, United Arab Emirates	+971 4 331 7500	<a href="http://nzte.govt.nz">nzte.govt.nz</a> <a href="mailto:exporthelp@nzte.govt.nz">exporthelp@nzte.govt.nz</a>
New Zealand Embassy	Office 2503 International Tower Capital Centre, Abu Dhabi Capital Centre	+971 2 496 3333	<a href="http://mfat.govt.nz">mfat.govt.nz</a>



**New Zealand Trade and Enterprise (NZTE) is the Government agency charged with a single purpose: growing companies internationally, bigger, better and faster, for the benefit of New Zealand.**

We employ 600 people, have over 200 private sector partners and draw on a global network of thousands more. We have people based in 50 offices, working across 24 time zones and 40 languages to support New Zealand businesses in over 100 countries. Our global presence lets us deliver value to the businesses we support, through our unique know-how (knowledge and experience) and know-who (networks and connections).

Our know-how and know-who is expressed in our Maori name: Te Taurapa Tūhono. Te Taurapa is the stern post of a traditional Māori waka, which records

valuable knowledge, and stabilises and guides the craft forward. Tūhono represents connections to people and an ability to build relationships.

We provide customised services and support to ambitious businesses looking to go global. We help them build their capability, boost their global reach, connect to other businesses and invest in their growth. We also connect international investors with opportunities in New Zealand through a global network of investment advisors.

We call on our Government network and work closely with our NZ Inc partners and the business community, to grow our national brand and help businesses to open doors in global markets.

[nzte.govt.nz](http://nzte.govt.nz)

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