



DOING BUSINESS IN THE UAE

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Market profile

United Arab Emirates (UAE) is the most diversified economy in the Middle East and a member of the Gulf Cooperative Council (GCC). UAE serves as a regional business hub for GCC and Eastern Africa and offers easy business setup and modern infrastructure.

Economy and business structure

The country has experienced significant economic growth during the last two decades, with GDP \$104.337 billion in 2000 to \$501.354 billion in 2022 (est), becoming the second-largest economy in the GCC after Saudi Arabia. Nowadays the UAE is one of the world's richest countries, with GDP per capita almost 80% higher than OECD average.

The UAE offers businesses a strong enabling environment: stable political and macroeconomic conditions, a future-oriented Government, good general infrastructure and ICT infrastructure. Moreover, the country has made continuous and convincing improvements to its regulatory environment lately.

Key industries and their trends

As for the distribution of GDP according to economic activity, the various non-oil sectors accounted for 70% of GDP, while the oil sector accounted for 30% of real GDP. Share of oil and non-oil sectors varies, oil sectors is specifically strong in Abu Dhabi emirate while Dubai has booming tourism and real estate markets as of 2022.

Major non-oil sectors include retail and services, tourism, construction and real estate and various sectors supporting the international trade.

In past two decades UAE's population has tripled which has created a rising consumer demand in many sectors. Current drivers in the market include de-carbonization, food safety and security and on-going efforts to increase local production of goods.

FACTS

- Merchandise exports 308 MEUR in 2022
- Capital: Abu Dhabi
- Official language: Arabic (English widely used)
- Area: 83 600 sq km
- Population: 9.3 million

Important things to consider when doing business in the UAE

Although Arabic is the official language, English is widely used in business transactions in the UAE. Other languages like French, Russian, Malayalam, Tamil, Hindi and Urdu are common among immigrants. Despite it is common for written correspondence to be in English, Arabic is often preferred within some public sector organisations.

United Arab Emirates changed to Monday to Friday working week starting 01.01.2022. However, Friday is often considered a half day and especially in public sector the offices close before the Friday prayers. In the emirate of Sharjah public sector working week is Monday to Thursday only.

Face-to-face meetings are preferred as phone or emails are sometimes seen as impersonal.

Personal relationships are key to doing business

Punctuality is not always a deeply rooted custom. Sometimes people are kept waiting before a meeting. Be patient, and do not take it as a lack of respect.

Better to avoid discussing politics.

UAE has wide variety of different ways to setup your business. These include various "Free zones" to a business which can be setup very quickly. However, opening a bank account can be a much more demanding task.

Generally, there is neither corporate tax not personal income tax in place. There are plans to introduce a corporate taxation from mid-2023 onwards. VAT rate is 5%.

Market data sources and other useful links

Finnish Business Council in the UAE	http://www.fbcuae.fi/
Steps to start up a business in UAE mainland start-a-business-on-the-mainland	https://u.ae/en/information-and-services/business/steps-to-start-a-business-on-the-mainland
Starting a business in a free zone a-business-in-a-free-zone	https://u.ae/en/information-and-services/business/starting-a-business-in-a-free-zone
Ministry of Economy UAE	https://www.moec.gov.ae/en/home
Abu Dhabi Chamber of Commerce	http://www.abudhabichamber.ae/
Dubai Chamber of Commerce	https://www.dubaichamber.com/