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# Introduction

## Country and people

The United Arab Emirates (UAE) is a country located in the Arabian Gulf, bordered by Saudi Arabia and Oman. Because it is located in the centre of the Gulf countries, Indian Sub-Continent, Commonwealth of Independent States (CIS) and Africa, the UAE enjoys a strategic position that allows it to present unlimited opportunities across a wide range of sectors. In fact, as this guide will indicate, the UAE is now a hotbed of innovation brimming with new ideas. Being a hub for new ideas is a reclamation of a long tradition of Arab thinking and research.

The UAE's surface area is 83,600 km², with diverse geographical terrains ranging from plains to mountains and from deserts to beaches. However, in spite of its limited area, it is this diversified landscape and strategic location which give the UAE a distinguished competitive advantage. The country has a significant coastline on the Gulf of Oman to the east and the Arabian Gulf to the west and northwest. Oil and natural gas are the primary natural resources in the UAE, and petroleum production is the most important industry. The UAE is also located next to the southern lines of the Strait of Hormuz, an essential passage for more than 40% of the world's crude oil. It is for these same reasons that the UAE's ports and airports today are ranked among the top choices for major carriers when planning their routes from the east to the west.

## Population

The population of the UAE is growing at a rapid rate, estimated at 8.3 million at midyear 2010, as strong economic growth is attracting workers from all over the world. The UAE hosts expatriates from over 150 countries, which make up approximately 80% of the overall population. These are predominantly nationals of South and Southeast Asia (60%), as well as other Arab nationalities such as Palestinians, Egyptians, Jordanians, Yemenis and Omanis, as well as many Iranians, Filipinos and Westerners.

The UAE's population is predominantly young, with approximately 75% between the ages of 15 and 64, and roughly 20% under 14. The majority of the population lives in urban areas and in the two largest emirates, Abu Dhabi and Dubai. The population of males living in the UAE is significantly higher compared to females, whilst the majority of the UAE's citizens are Muslims. Non-Muslims living in the UAE practice many different faiths without interference from the government.

## History and government

The United Arab Emirates was established in 1971 when the rulers of six emirates reached an agreement on forming the nation now known as the UAE. The seventh

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emirate joined the new federation in 1972. The UAE has a federal political system, where the constitution effectively brings together the seven emirates and lays the foundations for the UAE federal government.

Each individual emirate retains its judicial and political power. However, the federal government maintains exclusive jurisdiction in a number of areas, including foreign affairs, defence, health and education, while the individual emirates retain exclusive jurisdiction in other matters including those relating to municipal work and natural resources.

The former ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum, became the }401rst Vice President of the UAE, a post he continued to hold until his death in 1990. Sheikh Zayed Bin Sultan Al Nahyan, the ruler of Abu Dhabi at the time, was elected as the }401rst president of the UAE, a post that he ful}401lled with great achievement until his death in 2004. Both were succeeded by their Crown Princes, who became rulers of their emirates and were elected by members of the Federal Supreme Council to become President. In Abu Dhabi, H.H Sheikh Khalifa bin Zayed Al Nahyan became President. Sheikh Rashid's successor as Vice President, Sheikh Maktoum, died in early 2006, and was succeeded as ruler by his brother, the Crown Prince Sheikh Mohammed bin Rashid, who was then elected as the UAE's third Vice-President.

#### Political overview

The President of the UAE is the Ruler of Abu Dhabi, Sheikh Khalifa bin Zayed Al Nahyan. He has the full backing of the ruling families in the other six emirates. The Vice President and Prime Minister is the Ruler of Dubai, Sheikh Mohammed bin Rashid Al-Maktoum. His priority is Dubai's business development but he still takes a keen interest in regional politics. Both President and Vice President have appointed Crown Princes to ensure a smooth line of succession.

The Federation is governed by the Supreme Council, comprised of the rulers of the seven emirates. The Council is advised by the 40-strong Federal National Council (FNC), with 20 members elected by the citizens through the general election and 20 by the 6,689 handpicked members of the Electoral College and rulers of each emirate.

UAE foreign policy remains a balance between the maintenance of its strategic alliances with the west and the imperative of maintaining friendly relations with Iran, with whom the UAE enjoys strong historical trade relations.

#### UAE's federal structure

Federal Supreme Council: The Federal Supreme Council is a federation of the seven emirates. The Supreme Council ratifies federal laws and decrees, plans general policy and elects the President (who acts as head of state) and Vice President from among its

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members. During the initial discussions on forming a federation, the rulers of the seven emirates agreed that each of them would be a member of the Supreme Council, the top policy-making body in the new state, and that they would elect a President and a Vice President from amongst their number, to serve for a }401ve-year renewable term.

Federal National Council: The Federal National Council (FNC) is the parliamentary body responsible for reviewing federal legislation and federal budget among other responsibilities. It has 40 members drawn from each emirate, based on its population. The FNC plays an important role in consolidation of the principles of Shura (consultation) in the country, which was enhanced by the introduction of indirect elections for half the FNC members.

Federal Judiciary: The Federal Judiciary, whose total independence is guaranteed under the constitution, comprises the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council of Rulers. The Judges decide on the constitutionality of federal laws and arbitrate on inter-emirate disputes and disputes between Federal Government and the emirates. Parallel to and interlocking with federal institutions, each emirate has its own ruler and manages its own internal affairs including infrastructure development, civil defence and schooling. Defence, telecommunication and tertiary education are managed at the federal level by the UAE Government.

## The UAE today

Since its establishment, the UAE has transformed from a collection of small coastal and desert settlements dependent on meagre trade, pearling and subsistence farming into a nation characterised by its rapid economic growth, modern infrastructure and high standards of living. The property, harmony and modern development that characterise the UAE is often attributed to the discovery of oil in the 1960s and the role played by H.H. Sheikh Zayed prior to the formation of the federation and in the 33 years that followed until his death.

#### The seven emirates

The UAE is a federation of the following seven emirates, which came together as one state in 1971:

- Abu Dhabi
- Dubai
- Sharjah
- Ajman

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- Fujairah
- Umm Al-Quwain
- Ras Al-Khaimah

**Abu Dhabi** Abu Dhabi, the federal capital of the UAE, is the wealthiest and the largest emirate, and the principle petroleum producer and }401nancer of the federation, with approximately 10% of the world's proven oil reserves (98.2 billion barrels) and 5% of world's natural gas (5.8 trillion m³).

Source: IEA's Oil Market Report

The emirate also has an impressive investment portfolio financed from oil income, and has traditionally been the cornerstone of the economy. Abu Dhabi is diversifying its activities with the development of new industrial cities, real estate developments and other major projects including ports, airport expansion and new hotels.

It has been selected to house the secretariat of the International Renewable Energy Agency (IRENA), the }401rst time an international organisation has chosen a Middle Eastern city for its headquarters.

**Dubai** Dubai, the second-largest emirate, is a modern cosmopolitan city and a centre for trade in the UAE. It derives its wealth primarily from a service-based economy. Today Dubai is most famous for its man-made off-shore developments, such as the Burj Al Arab and Atlantis Hotels. In addition, Dubai is home to Burj Khalifa, the tallest building in the world.

Dubai's economy developed at a huge rate since 2000 and has established itself as the region's exhibition, financial, trade and tourism hub. It has a significant infrastructure base and is very accessible, with over 170 shipping lines and, as of early 2015, over 8,000 weekly flights operated by 140 airlines from over 270 destinations.

The northern emirates of Sharjah, Fujairah, Ajman, Umm Al-Quwain and Ras Al-Khaimah each have their own commercial profile and economic priorities. Each emirate has a port, most of which are running at near capacity and have expansion programmes to cope with increasing demand. Major industries for the smaller emirates include agriculture, tourism and manufacturing ventures.

**Sharjah** Sharjah is the third-largest of the emirates and home to two-thirds of the UAE's manufacturing base. It has a fast-growing international airport, two free zones and two active ports. The emirate is more conservative than Dubai; alcohol is illegal and Sharjah's decency law requires that people dress more conservatively than in Dubai.

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Sharjah's impressive architectural buildings, libraries, museums and distinctive Islamic souqs are world-renowned. UNESCO named Sharjah as the cultural Capital of the Arab world in 1998 in recognition of its commitment to art, culture and preserving the local heritage.

**Ajman** Despite being the smallest of the seven emirates, Ajman has experienced rapid growth in the construction sector, spurred by the offer of 100% freehold ownership of real estate for non-Emiratis.

Ajman is situated to the northwest of Sharjah and is home to a variety of factories producing goods including foodstuffs, beverages, tobacco, textiles, leather goods, paper products and ready-made garments. Ajman also has a thriving boat building industry, manufacturing boats ranging from traditional wooden dhows to more sophisticated luxury yachts.

**Fujairah** The fifth-largest emirate in the UAE, Fujairah is the only emirate that is almost totally mountainous. The free zones have flourished, partly due to the relaxation of ownership laws within the zones, allowing full foreign ownership.

Situated on the Gulf of Oman, Fujairah's port was deepened and extended in 1985 in order to attract new shipping lines and new business. The port gives access to the UAE without the need to enter the Gulf through the Strait of Hormuz and is among the top three bunkering ports in the world. A number of ongoing projects include power generation, water desalination and hotel construction.

**Umm Al-Quwain** Umm Al-Quwain, the least populated of the seven emirates, is famous for its multi-million Dirham Dreamland Aqua Park, beach resorts and a more restful and relaxed lifestyle which attracts thousands of visitors. It has a variety of industrial developments with a cement factory, manufacturing units producing pipes and corrugated sheets. Agriculture is an important part of the local economy too, and a number of different crops are grown. The emirate is also home to a large poultry farm.

Ras Al-Khaimah (RAK) RAK, the fourth-largest and most northern of the emirates, is north-east of Umm Al-Quwain and is the main farming area of the northern emirates. Mining is also one of the foremost activities; there are two quarries and four cement plants. There are also factories producing tiles and ceramics, glass tableware and pharmaceuticals. Some oil exploration is underway. With a deepwater port situated near the Strait of Hormuz, RAK is in a strategic location.

Education and healthcare are the key development initiatives of the RAK Government. Having the perfect combination of sun, sea, sand and mountains, RAK is rapidly reinventing itself as the Middle East's best tourist hub.

The emirate has established a free zone and is also developing a US\$1 billion resort and hi-tech port, Jazirat al Hamrah, combining luxury waterfront residential and resort apartments with a technology park. There is also considerable agricultural potential Introduction Page 6 of 7

with 15% of land under cultivation. Several large companies are also involved in dairy products, livestock and poultry production.

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