



Disentangling the Export Process to the United Arab Emirates

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The main objective of this product based thesis was to research the legal, cultural and other obligations when Finnish companies or entrepreneurs export goods or services to the United Arab Emirates (later referred to as the UAE) and to create a practical UAE guidebook for Finnish beginner exporters. Furthermore, the thesis explains the main risks and other key factors of international trade in general and examines them in relation to exporting to the UAE.

Although the UAE is a significant business hub in the world, Finnish companies may struggle with the export process due to being unaware of the country-related business factors, laws, and culture. The ultimate aim of the thesis was to research and explain these aspects, and to produce a guidebook entailing recommendations for Finnish companies and entrepreneurs on how to export to the UAE successfully. Relevant literature and other reliable sources of information were used when conducting the research. In addition, three separate interviews with experts were held. The thesis was conducted between the 1st of January and the 24th of May 2021.

The research demonstrates that the export and import laws enforced in the UAE are very business-friendly towards foreign traders. In order to attract more business from around the world, obligations related to customs duties, free trade zones and logistics are arranged to facilitate the trade process for foreign companies. The thesis proves that Islamic law does not create major disadvantages when it comes to international trading. The local culture and business norms might affect business relations in the UAE. However, understanding and respecting these aspects will go a long way.

The product of the thesis is a step by step guidebook explaining how to operate in the export process to the UAE. The contents and the layout of the guidebook were designed to be readable and user-friendly, and the layout was outsourced to a professional graphic designer. The product was published on several electronic platforms so that it will be available for as many users as possible.

Keywords

export, import, UAE, Finland, law, culture

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1 Introduction

The purpose of this product-based thesis is to create a guidebook for Finnish companies who are looking to export goods and services to the United Arab Emirates (later referred as the UAE). Finnish corporations or small to medium sized companies may bypass the UAE's markets in the expansion phase due to the legal obligations and laws of the region being completely unknown to them. The local laws, customs duties, and Islamic law in the UAE, for example, are quite unfamiliar to foreign companies, and the information is not easily available but spread out across many actors and channels. In addition, ignorance of the business culture of the area may be too great an obstacle for Finnish companies. This thesis aims to address the specific characteristics and issues which Finnish companies face when planning to export to the UAE.

The UAE has been an economic success in the Middle East for many years with substantial oil resources, high human development index and a need for foreign know-how and services (Othman 18.2.2021). Although Finland already exports to the UAE, the relatively different kind of regime, political system and business regulations makes the country somewhat hard to reach for Finnish small to medium sized companies. In addition, business is greatly influenced by culture and religion, and since companies may even face difficulties exporting inside the EU, trading to the UAE markets might be difficult.

According to the statistics provided by Finnish Customs (2021), the trade balance between Finland and the UAE is extremely uneven with Finland exporting much more than importing. In 2019, Finland's exports to the UAE mostly included chemical products, different machinery, electronic devices, and raw materials. Finland does not import petroleum from the UAE. Although the COVID-19 pandemic has had an effect on the world trade, exports and imports between the UAE and Finland increased in 2020. When comparing January 2020 and 2021, the imports to Finland from the UAE has seen over 50 percent increase while exports to the UAE from Finland have slightly decreased. (Finnish Customs 2021.)

The Dubai Expo 2020 offers a great opportunity for Finland and its companies to showcase their capabilities and further strengthen business connections in the country. Overall, the United Arab Emirates is Finland's third largest export country in the Middle East, and the two states share good relations. Finland's internationally well-known educational system, for example, helps to attract tourists from the Gulf countries including the UAE. (Embassy of Finland, Abu Dhabi, 2020.)

It is estimated that about seventy Finnish companies operate in the UAE, and there exists growing interest for doing business in the area. Finland is still relatively unknown in the UAE but nonetheless recognized for its education, expertise in technology and reliability as business partner. The United Arab Emirates offers significant business opportunities for Finnish companies especially in sectors such as healthcare, smart energy solutions and education. The UAE is also looking to boost 5G network implementation which creates additional opportunities for Finnish companies. (Embassy of Finland, Abu Dhabi, 2020.)

The UAE is located in the crossroads of Asia and Africa, and it has become a benchmark for rising markets (Joseph 12.2.2021). The country is a member of the Gulf Cooperation Council (later GCC) which, in addition to the UAE, consists of Bahrain, Kuwait, Oman, Qatar and Saudi Arabia. In the autumn 2021, the UAE hosts the next World Expo, Dubai Expo 2020 which is a global gathering of nations in which the participating countries present their various achievements. The event will last for several months and will be attended by almost 200 countries. Dubai Expo 2020 would be an excellent opportunity for Finnish companies to establish contacts. (Othman 18.2.2021.)

Today's companies need to be more active in finding new solutions to expand their business operations. Bigger corporations have understood that selling their products and services in the home markets is not sufficient enough, and hence they continuously search for new foreign markets to sell to. Finnish companies often negotiate and do business with countries where the business laws and requirements are very similar to the ones at home, often with countries from the European Economic Area. The European Economic Area consists of a set of countries that offer free movement of goods, services, persons, and capital inside its borders (European Free Trade Association 2021), which makes the process of export less complex. When Finnish companies export to more unknown markets, the business process becomes much more difficult in many aspects. Not only the distances grow but understanding the legal and cultural aspects of the foreign country becomes crucial. Furthermore, small to medium sized companies in Finland do not necessarily have the resources nor the know-how to begin implementing a foreign market research. Oftentimes, they will try to expand to foreign markets using the same methods as in the home markets. This usually leads to poor communication and business relations between the foreign customer, resulting in an unsuccessful venture for the company leaving the customer unsatisfied.

1.1 Aim and Objectives

The objective of the thesis is to answer the following main research question: How should Finnish companies operate in the export process from Finland to the United Arab Emirates? The two sub-questions are as follows: What are the main legal obligations for Finnish companies as they export products and services to the United Arab Emirates? How does the religion, and the local and business culture affect trade in the United Arab Emirates?

The aim of the thesis is to create an electronic guidebook for the use of Finnish companies. The guidebook will be published online, which will make it available for anyone interested. It will also be attached as an appendix at the end of the thesis. The aim of this thesis is to give companies comprehensive information on the UAE markets, its risks, laws, and other obligations. It is aimed that the findings presented in the thesis and the guidebook will help and encourage Finnish companies or companies based in Finland in their pursuit to expand to the UAE markets.

1.2 Delimitations

The thesis focuses on researching the legal and cultural obligations and the nuances of local business culture when companies export to the UAE. The thesis will not research Foreign Direct Investments (FDI), i.e., investments from a country into another country, usually done by companies. When a company does FDI, it establishes operations or acquires tangible assets such as stakes in other businesses. FDI requires investing larger resources abroad, and it is usually a long-term process. (Cavusgil, Knight & Riesenberger 2020, 39.)

Finnish companies do not always have the need to do FDI. Many companies or entrepreneurs simply want to sell their products through foreign trade which is the exchange of goods or services for money across international borders. Including FDI in the research would make the thesis too broad. Hence the thesis is limited to researching export and import which are the most common modes of international business. They are relatively easy, low cost and quick ways to engage in foreign markets. Exporting and importing also have smaller business risks, and they require less resources while they improve the market flexibility of a company. Moreover, international trade in form of import and export increases the sales and profits of a company. (Daniels, Radebaugh, & Sullivan 2015, 565.)

1.3 Structure of the Thesis

A product-based thesis is largely based on existing information, so it is important to practise strict source criticism while choosing the best possible sources. The main primary sources were three separate interviews with experts with knowledge on different subjects. The first interview was with professor Cicy Berly Joseph from the University of Calicut. She has many years of experience working in the UAE as a legal consultant as well as knowledge on the UAE's business environment. The second interview was held with lawyer and researcher Adham Othman from Egyptian Parliamentary Affairs who has wide knowledge on the UAE's exporting and business regulations and obligations. Additionally, important cultural information was obtained from that interview. The third interview was held with regional sales director Petri Snellman from LED Tailor who has years of experience working in the UAE. This interview gave very important information on doing business in the UAE from a company's point of view. Furthermore, Snellman had valuable information on how foreign companies should enter and succeed in the UAE markets. In addition to the interviews, primary sources included ministry and customs websites as well as other governmental sources. Other sources included relevant literature of the field and business articles.

The thesis is made of 6 chapters which are Introduction, Introduction to the United Arab Emirates, Exporting and Importing, Obligations for Exporting to the United Arab Emirates, Product of the Thesis, and Discussion. The first chapter addresses the background, objectives, and delimitations of the thesis while the second chapter introduces the UAE's economy, its future developments, and its country risks. Chapter three explains exporting and importing in international business in general while chapter 4 details the obligations for exporting specifically to the UAE. Chapter 5 discusses the product of the thesis and the final chapter is reserved for discussions.

2 Introduction to the United Arab Emirates

The purpose of this chapter is to introduce the United Arab Emirates and describe the country's economy, culture, and other important aspects. A PESTEL-analysis was used as the basis for examining the UAE's market and macro-environmental factors. A PESTEL analysis is a tool to assess the political, economic, social, technological, environmental, and legal factors of a country affecting business. Although a full scale PESTEL-analysis was not made, its categories were used as starting points when researching the topic. The next subchapters will explore the UAE from the point of view of the economy, future developments, country risks as well as religion and culture.

2.1 Economy of the United Arab Emirates

The UAE is widely known for its oil and gas resources, but it is also a regional centre for trade, finance, tourism, and logistics. The UAE consists of seven emirates which are political territories ruled by monarch-styled emirs. (Embassy of Finland, Abu Dhabi, 2020.) The capital of the UAE is Abu Dhabi whereas Dubai is the main business hub in the country, and the world. Unlike Abu Dhabi, Dubai is not known for its oil reserves but rather for tourism, finance, and trade. The UAE is considered a multicultural meeting place for people around the world, and it is one of the wealthiest countries in the world. The country has a population of nearly 10 million people including millions of expat workers from foreign countries. (Joseph 12.2.2021.)

Oil and natural gas production are still the backbones of the UAE's economy comprising more than one quarter of the country's GDP. The fear of running out of oil has, however, led the government to make diversification programs to strengthen the non-oil sector. Manufacturing, commerce and hotels, real estate, construction, transportation, finance, and insurance are some of the sectors that make up a major percentage of the country's GDP. (Othman 18.2.2021.)

The UAE ranks fourth globally and first in the Middle East in trading across borders, and it is considered as the economic forerunner in the Middle East. The strong economy is buffered by large foreign exchange reserves, extensive hydrocarbon reserves and a high-income level. In addition, the UAE has good infrastructure, promising development projects, and a stable political situation. (United Arab Emirates Ministry of Economy 2015, 83.)

The UAE is a member of the World Trade Organization, and it supports open trade while having steady relations with countries over the globe. Notable trading partners include

Japan, India, China, Germany, United States, Iran, South Korea, and Thailand. The UAE has been the largest export destination for the United States in the Middle East for ten years now. (UAE Embassy in Washington DC 2020.) The UAE also ranks first among the Arab countries in exporting to the European Union, accounting for more than 19.2 percent of exports. The UAE is responsible for 40 percent of exports to the European Union from the GCC countries. (Mohammed 2020.)

The country attracts many foreign businesses since its export and import processes are set up to serve foreign companies, and the country is one of the trade centres of the world. The UAE has set a list of visions and objectives that make it a very lucrative place to export to or do Foreign Direct Investments in. (Joseph 12.2.2021.) On the other hand, the worldwide pandemic has shaken up the country's economy, and many of the businesses are reducing salaries and even closing their operations. More than 50 percent of the expat workers have lost their jobs due to the pandemic and have returned to their home countries (Joseph 12.2.2021). The Purchasing Managers' Index Employment showed that employment in the UAE would decrease by 8.5 percent in 2020 (Knight Frank 2021, 2). The lack of customers and tourism has led Dubai to take up an economic stimulus of more than 400 million dollars. To make matters worse for the UAE, oil prices are plummeting with the demand decreasing around the world. Time will tell how the country will recover from the economic slump in the future. (Othman 18.2.2021.)

Before the COVID-19 pandemic, the UAE had a positive GDP growth partly due to higher oil prices and higher levels of production in the hydrocarbon sector and the reinforcement of the non-oil sector. Business regulations in Dubai and Abu Dhabi were also eased. As presented in figure 1, the UAE saw an increase in GDP every year from 2015 onwards until the spread of the coronavirus in 2020. In 2020, the GDP had an expected decrease due to the outbreak of COVID-19 which led to almost a standstill, with businesses closed, flights grounded and uncertainty around the globe. However, the UAE's efforts in combating the problems caused by the pandemic in the hydrocarbon, tourism and retail sectors have shown recovery. Forecasts also indicate an increase in the Emirati GDP in both 2021 and 2022. (Knight Frank 2021, 2.)



Figure 1. UAE GDP Year-on-Year Change (Knight Frank 2021)

2.2 Future Developments

The UAE has a project called UAE Vision 2021 which aims to make the country one of the best in the world to live in. The vision was introduced by Sheikh Mohammed bin Rashid Al Maktoum, Vice-President, and Prime Minister of the UAE. The vision has six national priorities: sustainable environment and infrastructure, world-class healthcare, first-rate education system, competitive knowledge economy, safe, public, and fair judiciary, and cohesive society and preserved identity. (UAE Vision 2018.)

The UAE is keen to improve its economic stance over the coming years. The country is looking to reduce dependence on oil and aims to build a more comprehensive economy by strengthening other sectors and improving important economic and social aspects. The future improvements are not only seen as a way to increase the economic capabilities but as a national matter of pride. (Othman 18.2.2021.) The UAE is aiming to be the economic, touristic, and commercial capital implementing a knowledge-based economy by promoting research and development as well as innovation. The importance of entrepreneurship plays a big role for the UAE, as it is one of the Vision's main focuses economically. The UAE seeks to be the best place also for entrepreneurship. It is after all small and medium sized companies that will be the driving force of the country's economic development. (UAE Vision 2018.)

Some of the environmental improvements the UAE is focusing on are improving the quality of air, preserving water resources, producing cleaner energy, and implementing growth plans. The UAE also aims to have one of the best quality airports, seaports, roads, and electricity infrastructure. The UAE is keen on implementing a top-notch healthcare system where all the public and private hospitals are accredited according to national as well as international quality standards. Improving the education system is also a top priority. The UAE Vision National Agenda also seeks to reduce smoking and improve the readiness for unpredictable events such as epidemics. (UAE Vision 2018.) Another UAE Vision Agenda is to have the safest country in the world. Abu Dhabi, the capital of the United Arab Emirates, was named the world's safest city in 2021 according to a global statistics database Numbeo which did a survey into the quality of life of the world's cities. The rankings were based on the responses of the websites' visitors on questions about cost of living, healthcare, crime, climate, traffic and pollution and safety (Nandkeolya 2021). On top of that the Agenda emphasises the importance of a fair legal system that guarantees the rights of companies and people (UAE Vision 2018).

The next World Expo, Dubai Expo 2020, is held in the UAE in the autumn of 2021, and the theme is "Connecting Minds, Creating the Future". The World Expo is a global gathering of nations where participating countries present their various achievements. The event will last for several months and will be attended by almost 200 countries. It will be the first world expo held in the Middle East region, and it is expected to receive approximately 25 million visitors during the six months, 70 percent of whom come outside of the UAE. (Business Finland 2018.) The sub themes of the expo will be sustainability, mobility, and opportunity (Expo 2020 Dubai). The expo was postponed due to the COVID-19 pandemic and is set to take place between 1st of October 2021 and 31st of March 2022. Business Finland promotes Dubai Expo as a once in a lifetime opportunity to showcase the Finnish know-how and companies. The objective for Finland is to make contacts and build networks while promoting Finland in general. (Business Finland 2019.) The GCC area is a growing economic market for many technology companies, and Finnish presence at the Dubai Expo 2020 strengthens the awareness of Finnish companies. The total budget for Finland for the expo is 10 million euros and many small to medium sized companies have signed up to join the expo. (Business Finland 2018.)

One of the more ambitious visions the country has is to send an unmanned spacecraft to Mars in 2021 and to become the first country in the Arab world to do so. The aim is to get to the planet Mars and to study the climate as well as find out the reasons for the planet being uninhabitable. The long-term vision extends to the year 2117 when the UAE aims to have established the first inhabitable human settlement on Mars (The Official Portal of the UAE Government 2021.)

2.3 Country Risk of the United Arab Emirates

Country risk can be defined as the economic, political, and social conditions and events in a country that may greatly affect a financial institution's operations in a negative way (OCC 2002). Country risks can lead to losses for investors and traders. The 2011 Arab Spring had a major effect on country-based risks, not only in the Arab world but also worldwide, and it still influences international trade in country-specific cases. Although the Arab Spring did not really affect the UAE itself, protests which swept over many Arab countries in the early 2011 kicked off a long-term period of political and social change, characterized largely by political instability, economic challenges, and even violence in some cases. (Othman 18.2.2021.)

In addition, the United Arab Emirates is located in the Middle East, historically a region which has seen conflicts, uprisings, and wars. Some countries in the region have been affected by the failure of governance, unmanageable inflation, and terrorist attacks. Unemployment and uncontrollable population growth are also issues that the region is struggling with. However, the UAE has been able to isolate themselves from most of the common problems in the region. (Othman 18.2.2021.) Unlike in some other countries in the region, there were zero terrorist attacks in the UAE in 2019 (United States Department of State 2020). An anti-terrorism law is used in the UAE and it entails heavy punishments for acts of extremism or acts related to it. Extremism is specified as illegal acts by individuals that cause terror in any way. (The Official Portal of the UAE Government 2020.) Although terrorist attacks can never be ruled out anywhere, they are very unlikely to occur in the UAE. The political situation in the UAE is also highly stable, and the probability of demonstrations is low. (Othman 18.2.2021.)

Corruption such as bribery may occur in the lower levels in the UAE. However, there are punishments for such acts, and corruption is still relevantly low in the UAE. (Joseph 12.2.2021.) According to the Anti-Corruption Statement, the consequences for bribery can be from fines to imprisonment (Global Compliance News 2016). However, currency risk in the UAE was rated as stable. Currency risk occurs when there are major changes in a price of one currency against another currency. The government's dedication to maintaining the UAE's currency price and stability was the basis for this ranking. The UAE is not interested in the suggested single GCC currency. (Hamdan 2012.) Currency risk in general will be addressed in more detail later in the thesis in chapter three.

3 Exporting and Importing

This chapter explains the main points of international trade. In order to understand exporting to the UAE, the basic terms and conditions of international trade should be understood. This chapter also discusses the different stages and potential risks of trading across borders. It is important to understand that the trade process and risks are interrelated but when dealing with them properly, risks are minimized, and trading can be profitable. Since International trade is a broad topic, only the factors important to the thesis subject will be explained.

3.1 International Trade

International trade is the exchange of goods and services across borders. The two components of international trade are exporting and importing. Exporting represents the outbound flow of products and services whereas importing is an inbound activity. (Cavusgil, Knight & Riesenberger 2020, 39.)

International trade is vastly different from domestic trade. Companies trading internationally operate in countries with different political, economic, cultural, and political circumstances. Companies find themselves in unknown terrain with a slew of uncontrollable variables, all of which pose new or increased business risks. Different conditions in each country require companies to adjust their operations depending on the trading country. (Cavusgil, Knight & Riesenberger 2020, 44.) An inexperienced trader might start doing business abroad with no previous knowledge, which is often the first mistake. Both the seller and buyer need to be educated of international trade, so that the process may proceed without unexpected problems.

Most of the time, the trading parties will have different views on at least some of the contractual aspects such as payment methods. The parties are aware that the main goal of international trading is getting paid with minimal risks and costs. In order to create long-term business relationships, exporters will need to accommodate at least some of the importer's demands resulting in a deal that is acceptable for both parties. Importers may turn to other companies if the exporter is too absolute during the negotiation process. However, exporters do not need to accept every condition the importer presents. The objective is to negotiate the golden mean. (Grath 2016, 11.)

The main purpose of exporting is to receive capital in exchange for goods or services. While domestic transactions can be dealt easily, international commercial transactions are much more complex. International trading can involve the use of several parties such as

banks, distributors, and freight forwarders. To perform international transactions, various documents, and agreements, such as the ones in figure 2, are required to ensure safe trading. (Jimenez 2018, 21.)

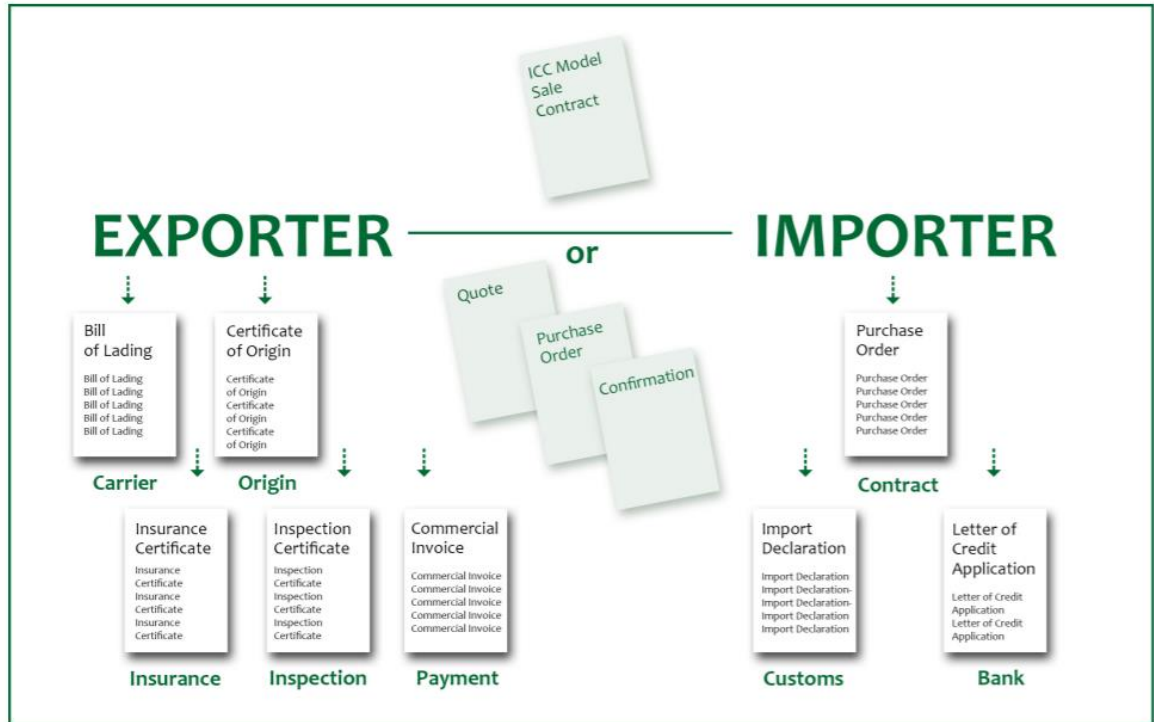


Figure 2. A Documentary Affair (adapted from Jimenez 2018)

Not every standard document presented in figure 2 is necessarily required when performing international transactions. Usually, the more complex international transactions require more documents to be used to ensure safe trading. Due to the multitude of documents, companies need to manage and execute the use of these documents with great attention to detail since a small error can result in big losses. (Jimenez 2018, 22.)

Jimenez (2018, 21) lists some of the standard documents needed when trading:

1. Purchase order – This document indicates the basic terms and is issued by the buyer.
2. Pro forma invoice – This is a document issued by the seller indicating the basic terms of sale, often used as a confirmation or counteroffer.
3. Commercial invoice – Seller’s bill for the products sold.
4. Bill of lading – This document has three segments:
 - receipt for goods shipped
 - carriage contract between shipper and carrier
 - the authorizing holder to receive delivery or transfer ownership by endorsement

5. Certificate of origin – This is a documentary proof which designates the country of origin of the goods.
6. Letter of credit – This is an assurance of payment in advance to the exporter.
7. Certificate of inspection – This is a document that proves the quality of products.
8. Packaging list – This is a list of the contents of each shipping unit.
9. Consular invoice – This is a document describing the details of an export contract.
10. Insurance certificate – This is a document that indicates proof on insurance.

3.2 Risks in International Trade

Doing business across borders allows companies to internationalise and have a go at expanding their operations. At its best, companies create networks from previous business ventures and deal with trusted partners with no major issues. However, international trade comes with a web of interconnected risks. The basic risks in international trade have not changed much since the beginning of trading. However, how to respond to these risks is still challenging. The trade risks are usually bigger in emerging countries where growth potential is high. (Grath 2016, 1.) According to a United Nations report, the UAE is considered as an emerging economy (United Nations 2020). Whether operating in an emerging country or a less developed country, minimising risks is key factor. According to Othman (18.2.2021) when covering companies operations, the most expensive option is often also the safest. The main risks of international trade are political risks, financial risks, commercial risks, product and manufacturing risks, and currency risks which are all presented in figure 3.

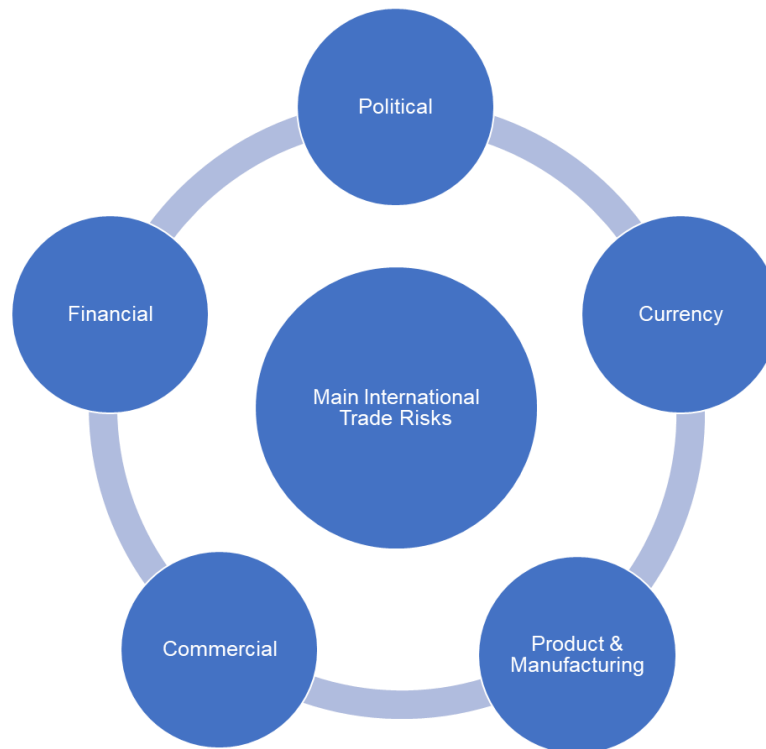


Figure 3. The main risks in International (adapted from Grath 2016)

If a foreign trade payment is made with a currency other than the one exporter normally deals with, a currency risk is possible. The extent of the risk depends on the used currency and the duration of the payment process. In most cases, currencies are divided into either “strong” or “weak”, which makes traders prefer to deal with specific currencies. Exporters usually seek to receive the payment in the currency of the home country. The US dollar is considered a strong currency in the long run and has also been the preferred third-party currency. (Grath 2016, 30.)

Currency rate changes may happen in just a few hours, which can lead to huge losses in foreign trade. The seller might agree to receive the payment in a specific currency Monday, not knowing that the currency would drop massively the day before. There are some solutions to prevent currency risks, although it cannot be completely eliminated. One possibility to reduce currency risks is to accept only well-known currencies such as euros or US dollars. Parties might want to consult their banks if some other currency is used. Another possible way to handle currency risks is to agree on a currency clause. This means that if the currency rate changes a specific percentage, the price will be checked. This prevents losses in payments if the currency has major changes in a short period of time. (Grath 2016, 30 – 31.)

Product risk is dissatisfaction towards the quality or performance of a product, for example. Some delivered products may experience unexpected decrease in performance

with the working conditions of the importer's country. This can occur due to poor treatment of the goods sold or lack of maintenance or damage due to climate reasons. Poor quality of products or dissatisfaction often leads to disputes between the parties. Unexpected product risks can be solved using clauses such as compensation or warranty in the contract. (Grath 2016, 16.)

Manufacturing risks are to some extent connected to product risks. Manufacturing risks often occur if the sold product is tailor-made or has special features accommodating the buyer. If the seller fails to manufacture a product agreed on in the contract, it must carry the costs of the required readjustments, assuming it is possible. To safeguard both parties, terms of payment are often divided into instalments which are connected to the phases of production and delivery. In addition, separate warranties are issued to cover these risks. (Grath 2016, 18.)

Grath (2016, 26) defines political or country risks as "the risks of a separate commercial transaction not being realized in a contractual way due to measures emanating from the government or authority of the buyer's own or any other foreign country." This means that no matter how trustworthy the buyer may be, obligations of the seller are yet dependent on the situation in the buyer's country or on the way of transport to that specific country.

Political risks can be divided according to distinct causes: political, economic, and social stability. Political stability indicates what the odds are that a country is involved in or affected by wars, violence, sanctions blockades or acts of terror. (Grath 2016, 27.) The fierce risk of rapid or unexpected change in political stability damages the economic activity in the country, which is undoubtedly a common phenomenon in some emerging countries (Othman 18.2.2021).

Uneven income distribution or altercations among the country's population decreases the social stability of a country. An importer sees social stability as an important factor when dealing with foreign countries, especially in the long run. Lack of social stability may lead to violence or terrorism very fast, which often paralyzes the whole country's social and economic stability. (Grath 2016, 27.)

Economic stability is very important to obtain in order to appeal to foreign markets. The troublesome situation in some developing countries in the world reminds about the fragility of economic stability. Weak infrastructure, high debt level, weak currency, and lack of raw materials, for example, reduce the credibility of a country. (Grath 2016, 27.)

Interestingly Othman (18.2.2021) points out that a political or country risks are often not in the hands of the buyer's country. Othman gives an example referring to the Suez Canal in Egypt. The canal is the fastest way from Europe to Asia and it begins in Egypt passing Saudi Arabia, Yemen, Sudan, Eritrea, and Somalia. Although the Suez Canal has high frequency of ships passing through, and the sea road is perfectly safe throughout Egypt, ships may experience danger further down the road. Othman says that captains are aware of the risks when passing Somalia, which has a history of piracy at sea. Although the risk is not in Egypt, it will be linked to the Suez Canal which is known as the Egyptian canal. The example explains how the surrounding may affect the seller or the buyer, even though the risk is not related to the country of either trading party. (Othman 18.2.2021.)

One of the main purposes of trade is to receive payment for the goods sold. A commercial risk or purchaser risk occurs when a buyer is unable to fulfil their contractual obligations due to bankruptcy, for example. The lack of payment can be catastrophic to the seller, so an evaluation of the buyer's ability to carry out obligations is crucial. (Grath 2016, 20 - 21.) An exporter may want to study the importer's business credit history and also ask about experiences from other companies who have worked with the importer. Exporters can also look into the published accounts from company countries who are members of the Organization for Economic Co-operation and Development (OECD) quite easily. It is also possible to order credit information reports on a company through an international independent credit agency. (Snellman 26.4.2021.)

3.3 Payment Methods

Receiving payment in international trade transfers can be somewhat difficult. Foreign currencies can sometimes be unpredictable, and governments may be unwilling to let money leave the country. Local laws can benefit domestic companies over foreign businesses in the event of a conflict, which worries the foreign trader. The aim of international transactions is ultimately to receive payment for the goods sold, and there are a few ways to perform payment. (Cavusgil, Knight & Riesenberger 2020, 402.)

When the exporter receives cash in advance, payment is received before the goods are shipped to the importer. This function is beneficial to the exporter because it does not need to worry about claiming payment and can most likely access the capital immediately after the sale. However, the risks for the importer are great, with cash-flow problems and fear of not receiving the goods, especially when doing business with an unknown company or businessperson. Hence cash in advance is the unpopular approach to payment, and exporters who insist cash in advance may lose customers to competitors. (Cavusgil, Knight & Riesenberger 2020, 402.)

If the seller company senses high risk of non-payment, they will most likely insist payment security through a letter of credit, for example. If the seller, however, can identify the buyer as a safe partner or sells to established companies in a stable industry, payment risks are low. In these kinds of situations, exporters are willing to accept simpler payment methods such as open account. In open account the exporter delivers the products and then waits for the importer to pay. The exporter needs to fulfil the delivery obligations by delivering the goods in good condition to the place agreed with the buyer. After this, the exporter invoices the importer and waits for the payment. Open account methods often have payment due in 60 days after invoicing the importer. The payment can be made through an electronic funds transfer known as wire transfer or Society for World Interbank Funds Transfer which is a global banking network providing secure transfers between different banks. (Jimenez 2016, 22, 26.)

When the exporter does not know the importer or the importer needs to use credit as payment, a more complex transaction takes place due to the use of documentary credit. This means that the exporter is issued an advance guarantee of payment which is still conditional until the exporter submits all the required documents mentioned and agreed in the documentary credit. The reason that this specific transaction is harder to conclude is because the process takes more work and time due to the careful drafting of the documents. Documentary credit is also known as letter of credit which provides a safe transaction to the exporter. The payment will be assured into a trusted bank and the exporter knows that the importer cannot receive the goods or services until the payment is made. As an example of a documentary credit, figure 4 shows the International Investment Bank post-financing under letter of credit. (Jimenez 2016, 26).

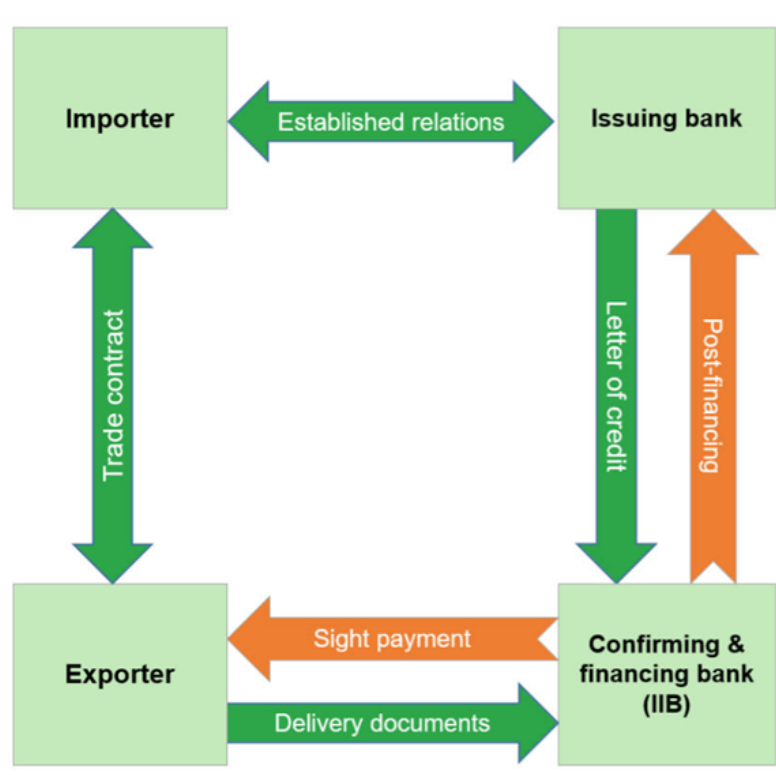


Figure 4. Post-financing under letter of credit (International Investment Bank 2020)


If the seller and buyer agree on a documentary of credit, the buyer starts the trade process with a documentary credit before the shipment with a specific due date (Jimenez 2018, 26). It is important to select a trusted bank since money flows through the bank and traders will want safe capital movement. In addition, in some cases, more than one bank is included in the process of documentary credit.

Countertrade might be common when dealing with governments in emerging markets or developing countries. The idea is to pay for the goods or services using other products or services when the usual payment methods are not possible or difficult. If a government does not have enough capital or hard currency to complete the transaction, it may offer some local products or services to complete the sale. However, countertrade transactions are rather complicated since they may take years to do. Barter on the other hand is a direct exchange of products without any money. It may still be used in some straightforward cases, though it is less common nowadays. (Cavusgil, Knight & Riesenberger 2020, 403 - 404.)

3.4 International Commercial Terms

The International Commercial Terms or Incoterms are standard international trade terms aimed to decrease the risks in international transport. It is developed by the International Chamber of Commerce (ICC), and the Incoterms are regularly updated to fulfil the appropriate needs of the seller and buyer. Often referred to as trade terms, they notify the

importer where the exporter will deliver the sold products, for example. The main reason for the use of Incoterms is to define the main contractual aspects between the exporter and importer. These can be, for example, transport costs, insurance responsibilities, and custom clearances. (Jimenez 2018, 36.) In other words, Incoterms clearly state which tasks, costs and risks belong to the exporter and which to the importer. In order to clarify the Incoterms, consider the following: a seller in Finland informs the buyer in the UAE that the sold products would cost 100 000 euros. However, the buyer does not yet know where the products would be delivered or who handles the shipment, custom clearances, or insurances. If the parties agree to use Incoterms, these issues are agreed on using a specific Incoterm. This ultimately makes the process easier. Incoterms® 2020 in table 1 is the latest version of the trade terms.



	Any Transit Mode		Sea/Inland Waterway Transport				Any Transport Mode				
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAP	DPU	DDP
	Ex Works	Free Carrier	Free Alongside Ship	Free On Board	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivered at Place	Delivered at Place Unloaded	Delivered Duty Paid
Transfer of Risk	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place
Charges/Fees											
Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Security Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance						Seller		Seller			
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Import Duty, Taxes & Security Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

Table 1. Incoterms 2020 Chart of Responsibilities (NLINE 2020)

While the use of Incoterms is not mandatory, it is recognized by countries over the globe and is used as guidelines in international trade. Incoterms are very often used in international trading since it can reduce costs and clarify the trade process (Snellman 26.4.2021). Negotiations on the delivery terms are often held after the product, negotiated pricing, and the required number of products are determined. A common Incoterm is Delivered Duty Paid (DDP) where the seller is responsible for arranging carriage and delivering the goods at the named place of destination, the delivery cleared for import and the required taxes and duties paid (e.g. VAT, GST). Risk shift from seller to buyer when the goods are available to the buyer. This regulation places the maximum obligation on

the seller. The seller will take on the risks, costs, and customs of the delivery until the named destination at the end cargo terminal. However, the insurance of the goods is negotiable. (Jimenez 2018, 36 – 42.)

3.5 Sales Contract

An International sale contract is an agreement between two or more parties that usually come from different countries that can have different legal systems such as common law, civil law, or Islamic law. The sale contract should have all the essential terms and conditions in detail. Contracts are often completed through a process that includes an offer, acceptance, rejection, and counteroffer, but this may vary depending on the situation. (Jimenez 2018, 63 – 69.) According to Snellman (26.4.2021) agreeing on a sale contract differs a lot from country to country. A sales contract can be made swiftly with just a couple of meetings in Finland, for example. However, the same kind of sales contract could take more time in the UAE. Snellman points out that drafting a sales contract can take days in the UAE and it could require several meetings and a lot of communication. This can be simply partly due to the differences in the business culture.

An international sales agreement is based on the contract of sale which is comprised of several documents between the exporter and importer. These documents can include purchase order and pro forma invoice which were explained in chapter 3. To support the sales contract and the related documents, a set of legal conditions known as General Conditions of Sale should be used to ensure safe trading. A seller who is inexperienced in international trade may forget to include important regulations in the General Conditions. (Jimenez 2018, 63.)

There is also the risk that the parties do not come to an agreement using General Conditions. In that case one alternative is to use the ICC Model International Sale contract which is designed to be fair and beneficial to both parties. This specific contract was done to accord with the UN Convention on Contracts for the International Sale of Goods. Although it is a fixed sales contract, it can be suitable for exporters and importers. The ICC Contract was, however, not made specifically for bigger corporations since they most likely have their own more detailed contracts. The contract fits new and small companies with low experience in international transactions the best. The use of the ICC Model International Sale Contract can work as a benchmark contract for smaller firms until they can draft their own clauses and contracts. Regardless of whether the ICC Model Sale Contract is used as such or modified to fit the needs of a company, the following documents are some of the key provisions in export sale contracts. (Jimenez 2018, 81 - 87.)

1. Parties' correct legal and full names
2. Goods sold
3. Price agreed
4. Delivery terms
5. Time of delivery
6. Inspection of goods by buyer
7. Retention of Title
8. Payment terms
9. Documents required
10. Cancellation date
11. Liability for Delay
12. Limitation of Liability for Lack of Conformity
13. Limitation of Liability when Non-Conforming Goods are retained by buyer
14. Time-bar
15. Applicable law
16. Dispute resolution
17. Force Majeure

3.6 Legal Disputes, Choice of Law, Choice of Forum and Arbitration

Companies can sometimes find themselves in a scenario where they are involved in a legal dispute with the other party. To maintain their rights, parties will agree on which system of law they will apply during disputes. In addition, the parties will choose where the issues will be dealt with. Because of this, companies must understand the concepts choice of law and choice of forum. (Jimenez 2018, 56.) Furthermore, the difference between arbitration and litigation is important to, since incorrectly selected formats can lead to huge losses.

Strategically it can be more advantageous for a company to choose the choice of forum rather than the choice of law. The choice of law is known as the applicable law, a term that refers to the clause agreed in the contract by which the parties agree to resolve disputes by applying a certain law mentioned in the contract. The negotiating parties are free to choose the applicable law. However, usually the one in the stronger negotiating position will determine the applicable law. (Jimenez 2018, 57.) Different countries implement different legal systems such as Civil law, Common law, or the Islamic law. The UAE implements the Islamic law as well as Civil law (see chapter 4.6).

The choice of forum refers to the place where the dispute will be lawfully handled. This venue selection is very important to the parties in international trade since in a dispute situation, company representatives will not want to travel long distances to unknown courts, but rather have the disputes handled in their own countries. Sellers or buyers will most likely try to avoid a dispute resolution in a foreign court or country. Parties will often use arbitration since it is considered the most appropriate mechanism in dispute resolutions. Arbitration is a form of dispute resolution where a third party decides on the dispute after a hearing with the parties. The arbitrator works instead of a court and a judge. (Jimenez 2018, 94.) Arbitrators are not necessarily considered to be private judges. Instead of working for a government, arbitrators work for the parties by providing legal expertise and private decision-making. (Benton 2018.)

Othman (26.3.2021) points out that although the parties can agree on different choice of law and choice of forum in arbitration, it is much simpler to set up both to a specific country. If arbitration is not performed in the countries of the parties, applying the UK laws, and handling the disputes in London, for example, would be reasonable. However, the where and how is always up to the parties but applying a specific law in another country may be too much of a hassle. (Othman 26.3.2021.)

There are many advantages to arbitration. Firstly, arbitration is considered as an unbiased form of dispute resolution. The parties can agree that arbitration may take place in a neutral country since traders may wish not to deal in a foreign court or in a country where it would be an underdog. Arbitration can also be held in any language the parties feel comfortable with. Court hearings and legal issues are often very public, and something that can damage an image of a company. The benefit of arbitration is that it is handled privately and does not generate publicly available records of decisions. Litigation can take longer than it should according to companies and traders. Some courts may be so congested that getting to the opening phase of a hearing may take years which would obviously be too long for many traders to wait for. In addition, lawyers with experience may even stall the complicated court procedures. Arbitration is usually much faster and ultimately comes with lower costs. Court rulings can often be appealed to higher courts, so judgments are not necessarily final. In arbitration, however, rulings are normally final, which again will be cheaper and easier for the parties in the long run. (Jimenez 2018, 93.)

It may come as a surprise for traders that judges may not actually understand many of the technical issues they are assigned to handle. The parties can choose the arbitrator based on his or her expertise in the relevant technical field or experience in the specific business field. An experienced arbitrator can make a final decision much faster with more knowledge on the issue than a normal court judge. (Jimenez 2018, 94.)

Despite arbitration being recommendable especially in international transactions, it may still have certain disadvantages. In litigation, the losing party can appeal to a higher court, which is not usually possible in arbitration since the enforcement of an arbitral decision can be challenged only to a limited extent in a specific court. Also, there are cases where arbitral proceedings have been extremely expensive and taken many years to handle. In litigation judges as well as courtrooms are free of charge unlike arbitrators who receive salaries. Still, in most cases arbitration would be considered the cheaper option. There might also be some disputes that simply cannot be handled through arbitration such as the employment disputes in European countries which must go to special courts and are non-arbitrable. (Jimenez 2018, 94.)

The ICC International Court of Arbitration is the leading forum of international arbitration in the world. The International Chamber of Commerce (ICC) is an international all-inclusive cooperation organization. It has members from approximately 6.5 million companies and organizations from more than 140 countries. The ICC has established a reputation of being neutral even in difficult negotiations. In arbitration, the ICC recommends the use of a specific standard clause:

As stated by Jimenez (2018, 95), “All disputes arising out of or in connection with the present contract shall be finally settled under Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules”.

The clause should be complemented with the following:

1. place of arbitration
2. number of arbitrators
3. applicable law
4. language to be used

The most sophisticated traders who wish to have an efficient dispute resolution should consider adding the above-mentioned conditions into their arbitration clause. It is common for the parties to stipulate the applicable law of a third or a neutral country.

4 Obligations for Exporting to the United Arab Emirates

This chapter examines the legal and other obligations while exporting to the UAE. Whereas chapter 3 explains generally the concepts, terms, processes and risks of international trade, this chapter focuses specifically on exporting to the UAE. This chapter is founded on expert interviews, literature of the field, and other reliable sources. The chapter explores the UAE's custom duties, free trade zones, free trade agreements, required insurances, Islamic law, logistics, payment methods, dispute resolutions, and the use of agents. The chapter is the basis for the empirical part of the thesis, i.a. the UAE export guidebook for Finnish companies. In addition to information on the legal obligations, the guidebook presents strong recommendations and points to consider when exporting to and doing business in the UAE.

4.1 Customs Duties and Taxes

This subchapter explains how the customs duties such as tariffs work when exporting to the UAE's mainland or one of its free trade zones. The subchapter also gives a basic overview on corporate taxation. However, corporate taxation inside the UAE will not be extensively researched since the focus of this paper is on import and export. Finnish entrepreneurs and companies also have taxation obligations in their own country which have not been investigated in this thesis. Although Foreign Direct Investment is not included in the thesis, it is occasionally mentioned because tariffs do not only affect traders but also investors and business owners in the UAE.

A tariff is a form of tax that is issued when goods are imported to a country. Specific tariffs are collected as a fixed charge for every unit of goods imported whereas ad valorem tariffs are taxes levied as a percentage of the value of the goods imported. The goal of the tariffs is to increase the cost of imported goods. Tariffs have long been a source of governmental income, but they have also acted as a way to protect a country's domestic sectors. Modern governments, however, tend to protect their domestic companies using import quotas or export restraints. (Krugman, Obstfeld & Melitz 2015, 230 - 231.)

Government can impact a country's economic activity significantly by hindering or assisting domestic companies in competing internationally. In 2009, President Barack Obama's administration placed 30 percentage tariffs on tires imported into the United States from China, with the aim of giving the US tire industry time to recover after years of loss due to international tire competition. As a result, the employment in the US tire industry increased by over 1000 jobs. However, tire manufacturing is very costly in the United States, which resulted in higher tire prices for American consumers. The extra

money spent on tires decreased consumer spending on other retail products, which potentially led to loss of many retail jobs in the United States. The tariffs were eventually lifted, but only after significant damage. As the example illustrates, protectionist policies can contribute to inflation because tariffs can restrict the supply of certain products while the domestic products are expensive for the consumer. Tariffs can also limit the number of items offered for sale, reducing the amount of alternatives available to consumers. (Cavusgil, Knight & Riesenberger 2020, 213.)

In some cases, tariffs can be a political tool. An example of the political aspect of tariffs is when the former president of the United States Donald Trump raised the tariffs on metal imports from Turkey up to 50 percent, intended as sanctions by the president. (Turak 2019.) Tariff policy can be a consequence or the cause for strained ties between countries.

Many countries including the UAE, use customs tariffs or customs taxes to protect their industry from foreign competition, and the tariffs provide protection by raising the prices of imported goods. The UAE tariff policy is rather simple in many ways. If a value of the goods exceeds 1000 Emirati dirhams, the tariff fee is most of the time 5 percent, in addition to which shipping, and insurance services will be added if needed. (Federal Customs Authority 2017.) There are still, however, differences in the percentages of tariff fees according to the commodity. The tariffs on alcoholic drinks, carbonated, and sweetened beverages are 50 percent of their original price and on tobacco products 100 percent of the original price. Apart from this, no tariff quotas, nuisance rates, import taxes or any other duties are in use in the UAE. (United Arab Emirates Ministry of Economy 2015, 94.) A quota is a limit on the volume (measured in units or weight) of goods that may enter or exit a country within a particular time span. To protect domestic manufacturers, a government can enforce an import quota, which restricts the amount of products that may enter the country. (Wild & Wild 2016, 194 - 195.)

A tariff boosts a larger country's terms of trade. However, it distorts production and consumption. The terms of trade gain are, however, always greater than the distortion loss for a relatively low tariff. As a consequence, there is always a positive optimal tariff. (Krugman, Obstfeld & Melitz 2015, 296.) The UAE has adopted the mentioned tariff policy with rather low tariffs, and it seems to be working for the country. The UAE seemingly wants to appear as a lucrative market for foreign traders with its simple tariff policy. With the current COVID-19 pandemic the country is even more willing to attract foreign traders in hopes of bringing in "hard currency" such as US dollars or euros. The UAE also sees Dubai Expo 2020 as an opportunity to gain awareness over the globe possibly earning more investments from other countries. Also, in the fall of 2020, the UAE normalized

relations with Israel, allowing Israeli citizens to attend the Expo and the country. This is another action from the UAE to find more investors worldwide. (Othman 26.3.2021.)

Some goods in the UAE are completely exempt from tariffs, such as pharmaceuticals and agricultural products, certain papers, books and magazines, unwrought precious metals, vessels, and aircrafts. The UAE does not have a history of implementing rash tariff policies due to political and economic reasons. Instead, the country is keen on improving its export, import and Foreign Direct Investment. (United Arab Emirates Ministry of Economy 2015, 94.)

According to Othman (26.3.2021), the UAE's simple tariff system is the key element in the growing interest to export to the country. The traders feel that the UAE contributes to a supportive system that allows easy export. This can be partly explained by UAE's low taxes and few restrictions when exporting to the country (Consulate General of the UAE in Boston 2021). In addition, the process of paperwork and other formalities does not usually take a substantial amount of time, which appeals to foreign traders (Othman 26.3.2021). The spread of COVID-19 has led the Dubai government to have several short-term interventions as part of an economic stabilization program aimed to assist UAE firms to navigate the future effects of COVID-19. These include refunds and exemptions in specific situations. (KPMG International 2020.)

The time taken for administrative formalities in hours was 12 in the UAE, when it was 208,2 in the Middle East and North Africa, 175,0 in the USA and 218 in Germany. Companies interested in Foreign Direct Investment in the UAE should also note that there are no taxes (except for oil and gas companies, and subsidiaries of foreign banks) imposed by the Federal Government on wealth or income of companies and individuals. (Santander 2021.) Such advantages make the UAE one of the most appealing countries in the world for foreign companies.

Double taxation refers to taxes that are levied on the same taxpayer in two countries on the same tax base, which hurts cross-border movement of goods, services, and money, as well as knowledge transfer and trade. The UAE has Double Taxation Arrangements (DTA) which favour public and private businesses, finance firms, air transport firms, and other companies working in the UAE, as well as its citizens. The purpose of DTA is to eliminate double taxation, any additional taxes and indirect taxes, and fiscal evasion as well as remove difficulties related to international trade and investment flows. Finland has a Double Taxation Agreement with the UAE since 1997. (UAE Ministry of Finance 2021.)

4.2 Free Trade Zones

While the mainland has limitations, a free trade zone is a special economical area with lesser obligations for traders. Free trade zones are located in areas which are advantageous for trade, near or in seaports or airports where products and goods can be imported, stored, handled, manufactured, sold, and sorted, for example, usually without imposed customs duties. (Jimenez 2018, 229.)

The UAE has various free trade zones in which customs duties are not payable. Companies registered in a free zone are allowed to import goods into the free zone and are exempt from customs duties. (International Trade Administration 2020) The high level of infrastructure in the free trade zones in the UAE is one of the key elements for its success in international trade. (Joseph 12.2.2021.)

Since the establishment of the first free trade zone Jebel Ali in 1985, the UAE has grown to include more than 35 free trade zones where a significant proportion of business and trading activities take place. They are also a significant source of business for the imports, exports, and re-exports sectors. Each free zone is strategically situated near a transportation hub, reducing the time used on logistics. Jebel Ali Port, for example, is very close to Dubai World Central which is set to become the world's largest logistics hub. Jebel Ali Port, located within the Jebel Ali Free Zone, is also the largest container port between Singapore and Rotterdam. There is no business, personal, or capital gains tax, nor currency limitations inside the free zone. Each free zone also has excellent facilities and connectivity. (United Arab Emirates Ministry of Economy 2015, 58.) Using one of the free zones in the UAE can be an advantage for Finnish companies looking to export to the country.

The UAE's free zones represent all major business sectors such as manufacturing, education, healthcare, telecommunications, and other sectors. Due to the facilities and incentives it offers to international traders, the UAE is regarded as one of the strongest commercial opportunities for investment in the world. The UAE and Dubai are distinguished for their special free trade zones and traders want to utilize these zones due to their customs benefits, for example. Dubai currently has 23 operational free zones, each serving a separate field or industry, such as information technology, real estate, electronics, newspapers, financial relations, gold, jewellery, and healthcare. While the existence of many free zones in the, UAE and Dubai in particular, offers various export opportunities for Finnish companies, it is critical to extensively evaluate the free trade zones and assess all costs before deciding to export into one of them. (Othman 18.2.2021.)

If a company establishes operations inside the UAE, the owner of the company and the staff can apply for resident visas in the UAE. The major owners of companies can also apply for resident visas for the members of family. The UAE government provides several benefits, including direct international ownership of businesses in free trade zones without the need for a local partner, a low-cost operating atmosphere, complete movement of resources and earnings, and exemption from import and export taxes, federal income taxes, and corporate taxes. The country's free zones permit the entry of different categories of imported merchandise from a variety of nations, as well as their departure from a free zone to another free zone without being subject to taxation and customs duty. (Othman 18.2.2021.)

As mentioned before, all free trade zones are part of the country's area, but they are outside of customs territory and duties. The following are the general requirements for entering a free zone (United Arab Emirates Ministry of Economy 2015, 28).

- 1) The importer must have a valid importer code from customs.
- 2) Goods must conform with the activity of the licensed company.
- 3) Goods must arrive in the free zone within 72 hours from the date of customs declaration.
- 4) The free zone licensee should not open, alter or dispense the goods prior to their arrival in the free zone and customs endorsement.
- 5) Goods should be inspected when entering the free zone.

Free zone licensees are not required to pay customs duties. Goods can be kept indefinitely depending on the type of product and the legality of the free zone certificate. The documents required to export to a free trade zone in the UAE are the following. (United Arab Emirates Ministry of Economy 2015, 29.)

- 1) Delivery order from the shipping or airline agent addressed to the licensed company by the licensing management in the free zone.
- 2) Delivery note by the free zone company confirming the acceptance of goods if the shipment is moved by land or from other free zone areas.
- 3) Second copy of the bill of lading (for sea shipment) and original Airway bill (for air shipment) and road manifest (for land shipment).
- 4) Import permit from the competent agencies in the free zone for restricted goods.
- 5) Sales Invoice from the free zone licensee detailing total quantity, goods description, currency, and total value of each individual item.
- 6) Original and detailed Item-wise Invoice with HS Codes classification from the shipper addressed to the free zone licensee.

- 7) Certificate of origin (stating the origin of goods) approved by the country of origin's Chamber of Commerce.
- 8) Detailed packing list as per weight, method of packing and the HS code for each individual item contained in the shipment.
- 9) Import goods declaration form.

4.3 Free Trade Agreements

The GCC's common customs union imposes a 5 percent customs tax on goods imported outside the GCC, whereas goods made in any GCC country are considered national products and are duty-free. Goods manufactured in countries that have signed the Greater Arab Free Trade Agreement 1998 are exempt from customs duties. (International Trade Administration 2020.)

The Greater Arab Free Trade Agreement (GAFTA) was announced by the Social and Economic Council of the Arab League, and the members include 17 Arab countries: United Arab Emirates, Egypt, Bahrain, Kuwait, Oman, Saudi Arabia, Lebanon, Algeria, Iraq, Libya, Qatar, Tunisia, Jordan, Morocco Syria, Yemen, and Palestine. (Ministry of Economy & Trade, Republic of Lebanon 2021.)

The UAE has also made free trade agreements with Pakistan, Algeria, Azerbaijan, India, the Republic of Kazakhstan, Armenia, Maldives, South Korea, and Netherlands. The GCC concluded a free trade deal with the European Free Trade Region (Iceland, Liechtenstein, Norway, and Switzerland) in June 2009, which went into effect in July 2015. In addition, the UAE has signed free trade agreements with Singapore and New Zealand and is in talks to negotiate similar agreements with Argentina, Australia, Brazil, China, European Union, India, Japan, Pakistan, Paraguay, South Korea, Turkey, and Uruguay. The UAE and Finland is yet to sign a free trade agreement. (International Trade Administration 2019.)

4.4 Agents and Consulting Companies

Prior to 2021, foreign exporters or companies needed the presence of a local partner or a commercial agent in order to do business in the UAE's. Since 2021, the UAE government has made legal amendments to the law aiming to encourage investment and competitiveness, and to attract foreign capital. These legal amendments are also believed to been set out to allow Israel, with which the UAE has recently normalized, to fully own companies within the UAE territory. The amendments issued by the President of the State, Khalifa bin Zayed, include the ownership laws for commercial companies

eliminating the need for an Emirati shareholder for foreign companies or a commercial agent for import and export transactions. Also, these new amendments allow foreign investors to set up their projects in the UAE regardless of their nationalities. The amendments allow foreigners to form and own businesses with 100 percent ownership.

The requirement that a foreign company needs to have an agent who is a resident of the state was removed, and natural and legal persons were able to form companies without the need for a specific nationality. (Othman 18.2.2021.) Agents can find unexpected and good potential customers for Finnish companies. It is, however, highly recommended not to sign long term deals with agents because getting out of a long contract might be difficult in a situation where a better and cheaper option presents itself. (Snellman 26.4.2021.) Finnish companies will need to assess the pros and cons of using an agent since it is no longer a requirement to have or use one. Finnish companies can use an agent to advertise or distribute the goods, and the agent will charge a percentage of revenue, for example. Finnish traders have to remember that having an agent means giving up some control. (Othman 18.2.2021.)

Consultant companies on the other hand provide market research and present ideas on how and to whom your products could be sold. The best consultant companies have information on the potential business opportunities and real and useful contacts, some of which might be potential customers. The consultant companies present the products to the UAE customer and direct Finnish companies to appointments and business seminars, for example. (Snellman 26.4.2021.) Finnish companies need to pick consulting companies within their own business field, so that the consulting can meet the company's expectations. It is important not to choose a consulting company based on their price but rather on their accomplishments. It might be wiser to spend a bit more money if needed. A Finnish company can enquire about different consulting companies through various channels. Business Finland offers funding to Finnish companies who are looking to start doing business in the UAE. The application process is fairly easy, and the money can be spent on choosing a UAE based consulting company which is accredited by Business Finland. (Snellman 26.4.2021.)

Having business success in the UAE is greatly related to having useful connections with the right people. Getting the right connections will usually require time, effort, and presence. Finnish companies need to assess on how to approach the UAE markets based on their abilities to succeed in the UAE. For some companies agents are useful and for some it might not be the right choice. Similarly, consulting companies can be useful for some companies in specific situations. Some Finnish companies may export and do business completely independently if they believe they product is particularly good or have

previous contacts. According to Snellman, it really depends on the situation of the company. (Snellman 26.4.2021).

4.5 Insurances and Payment

In chapter 3, the thesis looked into Incoterms which are trade terms that clearly state which tasks, costs and risks belong to the exporter and which to the importer. In international trade it not only important to prevent mishaps but also know how to deal with them in case they happen. Companies secure their operations through legit insurances in case of damage to the goods, for example.

The question of who is responsible for organizing the proper insurance is an important one. Generally, inexperienced entrepreneurs often believe that the seller is always responsible for organizing insurance. After all it is the seller who sends out the goods. Although the seller might often be responsible for insurances, that is not always the case. For example, if the seller and the buyer agree on a specific Incoterm, insurance responsibility will be clearly mentioned in the term. In most Incoterms, the responsibility and charges of insurances are actually negotiable excluding two terms: Incoterms Cost, Insurance & Freight (CIF) and Carriage & Paid (CIP). The complete Incoterm table is available in chart 4.

Finnish companies who trade within the UAE might want to establish insurances in the country, especially if the venture is more permanent. There are two types of insurances that companies generally prefer in the UAE, whether they are local or foreign. The first one is Takaful insurance system and the other is a conventional insurance system. These two systems differ from each other, and Finnish companies need to assess the optimum choice for them. (Othman 18.2.2021.)

Takaful, or cooperative insurance, operates on principles that are appropriate according to the Islamic values (Cheikh 2013). Products that considered forbidden such as alcohol cannot be covered by Takaful insurance. Investments done by Takaful insurance companies are usually compatible with the Islamic values and under the supervision of a Sharia supervisory board. It is important to note that the Islamic law in general does not allow insurance coverage since it is affiliated with concept and practice of charging interest which is forbidden in Islam. Takaful insurance which is based on the Islamic law is, however, a way to use insurance in an Islamic way. It is quite common for Emirati businesses inside the UAE to use Takaful insurance. (Othman 18.2.2021.)

On the other hand, the conventional insurance system is like any other insurance system in the world, meaning affiliation with forbidden aspect in Islam does not affect the insurance or what products it might cover. Othman points out that the preference of Takaful insurance in the UAE might decrease in the coming years because establishing foreign companies in the UAE has become easier. Foreign companies will most likely want to use the conventional insurance system because it is not limited. (Othman 18.2.2021.)

Foreign companies who take insurance from the UAE usually operate inside the country for a longer period. This usually means that companies which do FDI, for example, organize insurances from the UAE. (Othman 18.2.2021). A Finnish exporter who does not stay or sell inside the UAE's mainland or free zones often uses the previously mentioned Incoterms. (Snellman 26.4.2021).

Buyers use different payment methods depending on their financial situation and the cost of goods being bought, for example. Different payment methods have been explained in detail in chapter 3. It is important for the buyer to choose the right payment method in order to maintain solvency. From the seller's perspective, it is equally important to receive payment on time without problems. In the UAE companies prefer to pay via letter of credit or bank transfer. Cash is often referred to black money and is not up to date (Joseph 12.2.2021).

4.6 Islamic Law

Sharia law or the Islamic law refers to the legal system which influences the daily life of not only Muslims but also non-Muslims in the UAE. It also influences business as well as public governance in the UAE. The UAE is regulated by a civil law structure which ensures that all applicable economic and banking rules are codified to a large degree. In the UAE, there is no special regulation that codifies Sharia law for commercial transactions. However, in the absence of specific laws and existing traditional business practices, the courts also refer to the Sharia law. (Joseph 12.2.2021.)

Islam promotes free trade by prohibiting market-based exchange restraints such as monopolies and price fixing. Islam also encourages free exchange of ideas which allows for effective demand and supply. The Quran prohibits collecting interest on borrowed funds, and as a result Islamic banks have devised specific mechanisms for debt finance which does not break Sharia law. Islam also prohibits dealing with alcohol, gambling, pornography. Companies which trade with alcohol, gambling, entertainment, or women's

wear, for example, can be affected by these prohibitions. (Cavusgil, Knight & Riesenberger 2020, 106 - 107.)

Nonetheless, the laws of the UAE are somewhat incompatible with Islamic values. Charges of interest, for example, are normally allowed under the UAE law as long as they are not unnecessary. As mentioned earlier, however, interest is explicitly forbidden under Sharia, no matter how small the amount might be. Similarly, dealing with certain products such as alcohol and pork is forbidden in the Islamic law although not illegal under the UAE law. (Ahmed 2021.)

4.7 Logistics

Since the 1980s, each Emirate in the UAE has made significant investments in the development of its air and seaports. As a result, the nation has some of the most modern ports, airports, and logistic infrastructures in the world. (Joseph 12.2.2021.) Finnish companies have an option to export their products to the UAE either by sea or air. Land freight is not an effective choice of transport due to long distances and sea crossings.

Abu Dhabi has several of seaports strategically located throughout the city with Khalifa Port being the biggest of them all. The semi-automated Khalifa Terminal, which took over container operations from Port Zayed in December 2012 and is currently handling the world's biggest container ships, competes with the world's most complex seaport facilities. The largest port in the region is Jebel Ali which is also the busiest container terminal on the European-Asian trade route. It currently connects more than 115 international ports. (Othman 18.2.2021.)

The UAE has an extensive road system with about 4,000 kilometres of hard roads and a variety of fast arterial highways connecting all of the emirates. Oman and Saudi Arabia are also connected to the UAE by road. Also, the GCC countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) are building a rail network which will eventually link all six nations. This may allow future foreign traders to not only access the UAE but also the whole GCC area. (Othman 18.2.2021.)

According to Othman (18.2.2021), foreign companies and exporters prefer air freight as a means of shipping their goods due to several factors, the most important of which are the following.

1. Fly Emirates is one of the best and reliable airlines in the world which foreign companies can use as a freight forwarder.

2. Air freight is the easiest, safest, and fastest way to export all kinds of goods to and from the UAE.
3. Due to low customs fees in the UAE, foreign companies can usually afford to use air freight.

International air transport is highly effective since it can reach even multiple connections per day. It provides swift ground handling and customs clearance, as well as quick transit times. Most air shipments arrive at their final destination in less than 48 hours all around the world. The short transit period for air freight also cuts the exporters' capital requirements and allows them to operate with less liquidity. Both the importer and the exporter will benefit from air freight because it reduces the need for physical handling of consignments, lowering the chances of damage or loss and eliminating the need for substantial or extra packaging. As compared to other means of transportation, air freight needs much less physical effort and is less exposed to the elements of weather. Chart 5 explains the air transport process to the UAE in detail. Air transports are handled in a protected environment, with shipping status alerts accessible online or via SMS. Many freight forwarders and airlines also provide smartphone apps that enable importers and exporters to monitor their shipments. This is particularly important when dealing with high-value items or when security is a major concern. The airway export process is explained in figure 5. (United Arab Emirates Ministry of Economy 2015, 37.)

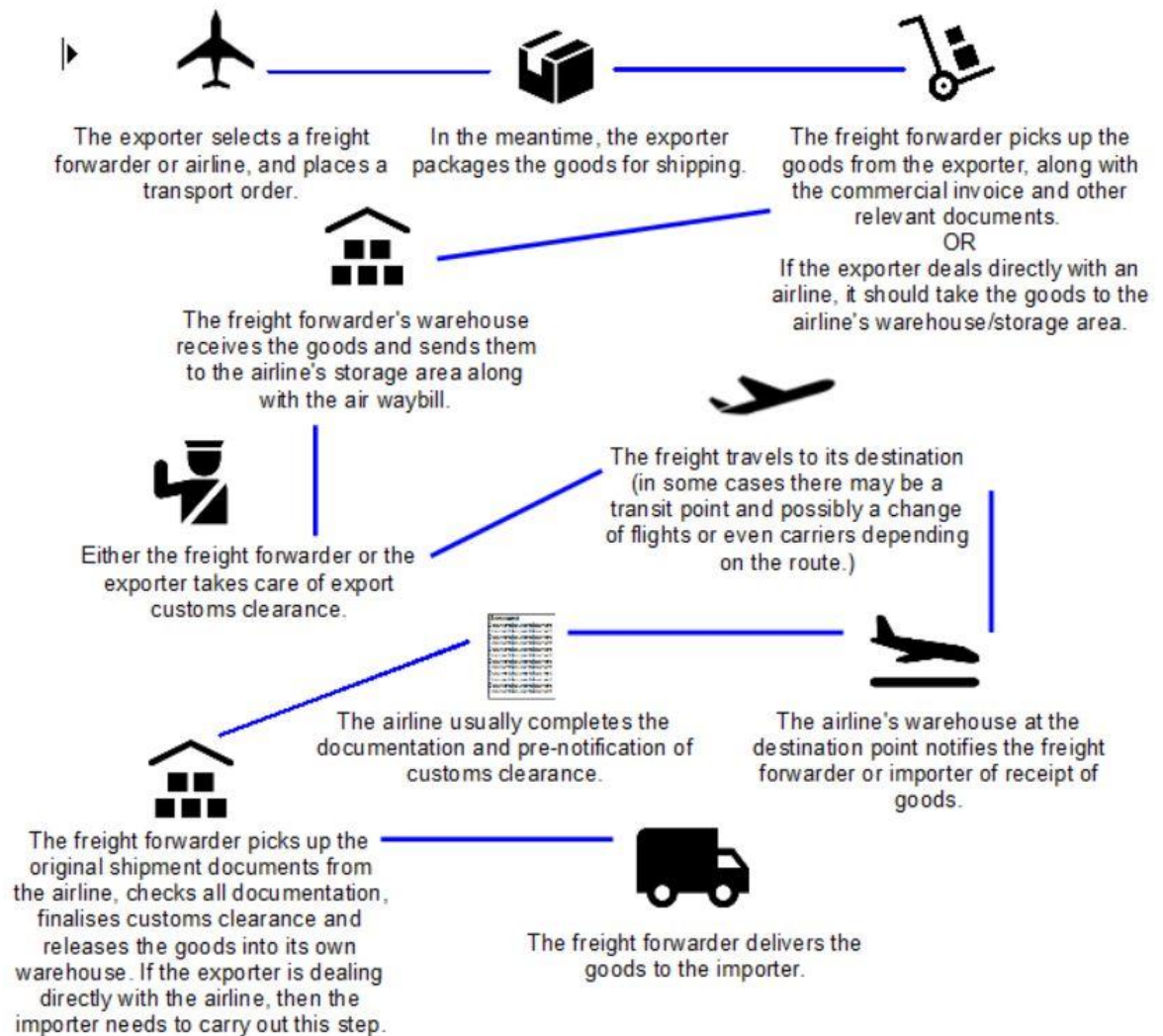


Figure 5. Export process to the UAE via airway (adapted from United Arab Emirates Ministry of Economy 2015)

Air freight service reliability is very high, with shipments arriving in good condition. Air freight is appropriate for any size of shipment and also often the most cost-effective choice for small consignments. Air freight also allows stock holdings to be significantly reduced which can lead to cost savings. Air transport is used to transport a wide variety of goods and services. The majority of shipments is made up of so-called general freight which is any kind of cargo that does not need special attention or handling. Machinery, spare parts, display products, electronics, telecommunications equipment, textiles, and personal belongings are examples of general consignments. (United Arab Emirates Ministry of Economy 2015, 37 – 38.)

Special goods, on the other hand, need special care and treatment during the reception of goods, storage, transportation, loading, and off-loading processes due to their features. Valuable goods, fragile objects, temperature-sensitive products, life-saving medicine, and

raw materials are usually special goods that need special attention when exported to the UAE. (United Arab Emirates Ministry of Economy 2015, 38.)

4.8 Disputes

Arbitration is process for resolving disputes where a neutral third party works as arbitrator. Finnish companies or traders most likely do not want to resolve any major disputes in a foreign court, certainly not in UAE where court hearings may be in Arabic as well as the legislation can be something very unfamiliar to them. (Joseph 12.2.2021.)

The issue of long and unwanted court hearings has been noted in the UAE. The jurisprudence of Dubai courts is gradually urging parties to submit their disputes to arbitration and with the rise of arbitration cases in the UAE, there has been a major increase in arbitrators in Dubai in past decade. (Othman 18.2.2021.) Foreign traders and companies will usually want to use arbitration and the structure of arbitration is very much up to the parties. In the case of Finnish companies who export to the UAE, arbitration should be held in a third, neutral country such as the UK (London) applying its law. It can also be held in any language the parties feel comfortable with - in arbitration between the Finnish and UAE companies most likely in English. (Snellman 26.4.2021.)

4.9 Cultural and Religious Obligations

While it is vital to understand the export process from a legal perspective, it is also very important to understand the cultural obligations when exporting to the UAE. The UAE's culture is founded on Islam, although many of the people living there are not Muslims (Joseph 12.2.2021). Business etiquette is still very different compared to the Western world, and negligence or failure to take that into notice can result in unsuccessful trade, even if the legal aspects were taken into consideration.

Although both culture and religion can impact business in the UAE, they are somewhat separated from each other. The Islamic law and Emirati culture both influence business in their own ways, but they should not be seen as a single entity. Although Islamic law prohibits trading with alcohol, there are ways to export alcoholic beverages to the UAE (Joseph 12.2.2021). This can, however, be challenging. Foreign traders should familiarise themselves with Islam before setting up a venture in the UAE since criticizing Islam, proselytising, and taking photos of people without permission are prohibited. Doing business in the UAE can be an eye-opening experience with massive potential, and success will heavily depend on complying and understanding the legal, cultural, and religious systems. (Joseph 12.2.2021.)

The Emiratis have a specific way of doing business when meeting in person, including sitting policy and drinking a certain type of tea. However, the traditions do not get in the way of doing business. The business meetings are like anywhere in the world, video conferences are common, and agreements can be made remotely. However, establishing successful connections will often require physical attendance. (Joseph 12.2.2021.)

The UAE has a hierarchical management model and authority management that differ from the current Western business model. The oldest person in the room should be addressed first. Emiratis do not usually go straight to business even during the meetings. The first phase of a meeting is usually about getting to know each other and having small talk, for example. Being genuine with the Emiratis goes a long way. Asking about their children, family, interests and telling facts about yourself is important. (Snellman 26.4.2021.) Emiratis will appreciate small Finland related gifts, Finnish chocolate, or a piece of clothing from Finland. The gift should not be expensive since expensive gifts could come across as bribery. Alcohol or pork products are not appropriate gifts. (Othman 18.2.2021.)

The working week in the UAE is from Sunday to Thursday and the weekend is Friday and Saturday. Friday is the holiest day for Muslims and sermons are held in mosques. Foreign traders need to have a flexible schedule when setting up business meetings since people might also take daily breaks while working to perform prayer which occurs five times a day. Businesses in the UAE might have longer total working hours, but due to the circumstances, they might be more irregular. (Snellman 26.4.2021.)

During the holy month of Ramadan, Muslims do not eat or drink from sunrise to sunset. Although foreign companies should not avoid doing business during Ramadan, they will need to be ready for variable working hours and unexpected absences. People should also avoid eating or drinking in public during the fast since it is considered rude. Also, any kind of bad language or behaviour is not tolerated in the UAE during Ramadan or anytime for that matter. Finnish companies need to understand that losing reputation in the UAE will have costly effects on business. One small error can lead to an unsuccessful venture in the UAE and there are no guarantees of ever given another chance. In Ramadan, working days are shorter and delays in schedules are very common. Normally the working day is 12 hours, however, in Ramadan, they are shorter. Still, during Ramadan business is done normally, although there can be delays in schedule. However, it is important to know that there are usually no quick gains in business in the UAE anyway. (Snellman 26.4.2021.) The projected schedule for Ramadan 2021-2025 (Qppstudio 2021).

Year	Weekday	Starting date
2021	Tuesday	April 13
2022	Saturday	April 2
2023	Thursday	March 23
2024	Monday	March 11
2025	Saturday	March 1

The UAE follows strict rules when it comes to marketing or advertising. Respectful marketing is referred to as benevolent marketing which does not allow nudity, alcohol or disrespecting Islamic values, for example. Shopping malls in the UAE have “respectful clothing” rules which recommend wearing clothes that cover shoulders and knees. Ultimately, a foreign company needs to comply with respectful marketing in the UAE since violating the law might lead to indictments. (Othman 18.2.2021.)

Shaking hands is a common greeting in the UAE. However, people of the opposite gender do not usually exchange handshakes. There are, however, exceptions, and the safest bet is to observe what the UAE counterpart does. The handshakes are likely to last longer than what Finns are used to, so one should wait for the other person to withdraw his or her hand first. Both men and women should dress respectfully and not show any kind of public displays of affection. (Othman 18.2.2021.)

The UAE has strong tribal traditions, and there are many important family businesses in the country. These companies are highly valued and respected, and it is difficult to get into those business circles. Emiratis do not usually go straight to business even during the meetings. The first phase of a meeting is usually about getting to know each other, having small talk and Emirati tea. Business meetings take time in the UAE and are also seen as social gatherings. (Snellman 26.4.2021.)

Compared to the Western countries, for example, religion plays a bigger role in the UAE’s society. The official religion of the UAE is Islam with most of its citizens being Muslims. However, there are many expats in the country who represent not only different cultures but also religions such as Hinduism, Christianity, and Buddhism. These expat workers comprise a large part of the workforce. The religion of Islam is visible everywhere in the country, and it influences everyday matters from food to business meetings. In addition, the Islamic law serves as one of the penal codes in the country. The UAE has strong tribal traditions as well as a hierarchical management model and authority management that differ from the current Western business model. Arabic is the official language of the country, but English is also commonly used in business meetings and events. (Joseph 12.2.2021.)

5 Product of the Thesis

This chapter of the thesis discusses the implementation and contents of the guidebook which is the product of the thesis. Since this is a product-based thesis, the guidebook is a component of the empirical part of the thesis. The chapter covers the objective and the target group of the guidebook, its contents and style as well as the layout, and the choice of publishing channel.

The idea for the thesis and guidebook came from a group project during studies where a go-to-market entry plan to Saudi Arabia was created for a Finnish company and product. During the project and the related course, it became clear that there was a need for a guidebook on the subject. The lack of information, the personal interest in the region and the urge to develop my own know-how on the topic were the driving forces of my thesis and the guidebook.

5.1 Objective and Target Group of the Guidebook

Jääskeläinen (2002, 10–11) writes that every text has a target group, an objective, and a context, and that these three aspects have to be carefully considered during the planning phase of a writing process. Only after that can the writer decide on the content and the ways of transmitting that content in more detail. During the planning phase of my guidebook, I was, therefore, trying to answer the following questions: Why am I writing? What are the goals of my guidebook? To whom am I writing? What interests the potential reader? What would be the best publishing channel for the final guidebook? How do I make sure that the readers will find the guidebook?

The UAE is seen as a growing economic hub in its region. However, Finnish beginner exporters may hesitate to start to export or do business in the region due to the legal obligations and the laws of the region being relatively unknown to them. In addition, the required information is not easily available but spread out across many actors and channels. The objective of the guidebook is to give a concise overview on exporting to the UAE and to be a user-friendly tool for Finnish exporter companies who are the primary target group of the guidebook. In order to effectively reach the target group, the guidebook is published electronically on a few different online sites, where it can be downloaded or printed if needed. Finnish companies were chosen as a target group because I did not find a guidebook that would help Finnish companies when exporting to the UAE. The guidebook is also of current interest due to the upcoming Dubai Expo 2020.

5.2 Content of the Guidebook

A guidebook or a handbook is a book that gives useful information, which is often central and practical, about a particular topic. Guidebooks are informative nonfiction literature and as such, they differ from fiction in their objective, content, characteristics, and style. The starting point of a nonfiction book is a real phenomenon which is based on proven facts. (Raevaara & Strellman, 2019, 111-126).

The purpose of nonfiction literature is to inform the reader about a specific topic. The objective of the product of this thesis is to give the reader concise and readily accessible information on the different steps of the export process to the UAE. There already exists such information in many sources but it is spread out across many actors and often drowns into the huge amount of information available. The product of this thesis does not attempt to give an exhaustive account of the export process, but an overview of the steps involved in the export process and the most important points of each step. Therefore, only the most relevant pieces of information have been included in the guidebook.

The guidebook is made of 8 chapters that represent different steps of the exporting process to the UAE. The serialistic writing strategy (Jääskeläinen, 2002, 8-9) seemed like the natural choice for writing about a process that has stages. The chapters in the guidebook advance in the order of the actual real-life process. The first chapter emphasises the importance of a background check when starting to do business with an Emirati company giving also tips on how to do that. The second chapter gives an overview of the negotiation process and the required documents. The third chapter talks about the choice of logistics and the fourth about the customs obligations and the advantages of free trade zones in the UAE. Chapter five gives recommendations on how to make connections and get into the UAE markets, and chapter six brings up culture-related issues while doing business in the UAE. Chapter 7 gives advice on what to do in case of a dispute, and chapter 8 reminds the exporter to stay in contact after the sale.

5.3 Properties of the Guidebook

A product-based thesis encompasses two separate writing processes: the writing of the thesis and the product of the thesis. Whereas academic writing is required in the first, the latter allows for more flexibility. The properties of guidebook literature include up-to-dateness, reliability, comprehensibility, practicality, updatedness and user-friendliness (Jussila, Ojanen & Tuominen, 2008, 24). These are the characteristics that I have considered while building the product of this thesis.

To make sure that the information in the guidebook is up-to-date and reliable, I have aimed to use only primary sources of information, such as governmental and other official sources, that are as current as possible. In most cases, the information has been checked against multiple sources and I have practised strict source criticism. Collecting sources was connected with writing the theoretical part of the thesis. The most challenging task was to present only neutral facts in my guidebook and thesis, and not let my enthusiasm about the topic influence my own writing, making me go for an advertising style.

Comprehensibility refers to how easy or difficult it is to understand what is written in a text as a whole. In order to improve the comprehensibility in the guidebook, I have tried to minimise the use of special terminology, to write about things in their logical order and use connectors to create coherence. Comprehensible text is also practical and user-friendly.

The guidebook has been made into an electronic form and published online allowing changes made into it when needed. Requirements for writings published online are somewhat different from what they are for printed texts. Reading an online text is much more goal-oriented, for example, and therefore should be more concise. The general requirements for an online text are browsability, readability and usability. (Jääskeläinen, 2002, 13). This guidebook is a compromise because it is designed to work both as an electronic as well as a printed document.

The requirement of browsability is an important one and I have followed it by having added a table of contents in the guidebook, used informative titles and subtitles, as well as lists, and emphasised central words using bold font. To make the text more readable, I have spoken directly to the potential reader, written concisely and in a logical order, and used clear language avoiding long and complex sentences or special terminology. I have tried to improve the usability of the guidebook by adding QR codes and hyperlinks appropriately, and always presenting one theme only on each page.

5.4 Outlook and Publishing of the Guidebook

The goal for the outlook of the guidebook was to stand out and to be credible. This is why I chose to outsource the making of the layout to a graphic designer. However, the guidebook is completely a product of my work and the designer was only in charge of the layout. I did not have the required skills to create a professional-looking layout myself, and due to the target group and the topic itself, the image of the guidebook was important. Additionally, I did not only send the text to the designer but also chose the pictures and gave instructions and wishes for the outlook of the guidebook. The aim of the product was to reach as many people as possible. Hence the guidebook was published online.

Pictures in a publication have many purposes. They can be informative or decorative or in the best-case scenario, both at the same time. Pictures should not be used only to fill an empty space. They should always serve a purpose even if the purpose is sometimes just setting the mood. An informative picture increases information in the guidebook and adding additional text might not be needed. In addition, the quality of a picture says a lot about the product and oftentimes a guidebook requires the best possible pictures in quality and contrast. (Pesonen 48 - 49.) Therefore, the pictures used in the guidebook were chosen by me and purchased from Dreamstime which is an online marketplace for stock photos and royalty-free pictures.

Colours entail strong messages. They can be used to enhance, make stand out, organise, and indicate many different things. Some colours emit moods of strength, activeness, or calmness. (Pesonen 56 - 57.) In the guidebook, the symbolic colours of Finland and the UAE were chosen. The colour of the running text was chosen based on readability.

The layout of a guidebook directs the reader, creates harmony and dramatics. It balances between consistency, which helps and guides the reader, and variability, which refreshes and raises interest in the reader. With the layout of my guidebook, I have aimed to do exactly that. The layout of the guidebook was designed to work both in an electronic as well in a printed form. The final product was published in a few different online channels and can be download and printed if needed. The online channels chosen for the publication were Keep&Share, ISSUU, LinkedIn, and Google Drive. The first three channels have limitations in the usage of their free versions such as limited views per day and obligatory sign in before viewing.

The guidebook uploaded to Google Drive is permanently and easily available. However, it does not show in the search results either and can only be located through a link. The guidebook can be found as an appendix at the end of this thesis, and it is downloadable at https://drive.google.com/file/d/1g1AmUm39KKc2vledLG_doG0ZQxR_IHp4/view?usp=sharing.

6 Discussion

This chapter evaluates the success of the thesis project, process, and product. Additionally, it reflects on own learnings and professional development as a beginner researcher. Finally, the chapter considers the future of the guidebook and gives recommendations for possible future research.

6.1 Assessment of the Thesis Project, Process and Product

The thesis project seemed quite challenging at the beginning. Choosing the right topic was not self-evident, and it took some time to finally determine the final type and topic of the thesis. Having grown up between two cultures, I wanted to choose a topic that was close to my expertise and one that I had a lot of previous information on. Additionally, my possible future goal is to work in the UAE or in a company who does business in the region. Therefore, the project was beneficial in also increasing my own knowledge of the topic.

The original goal I had for my thesis project was to give Finnish companies an easy access to comprehensive yet concise information on the risks, laws and other obligations when exporting to the UAE. I planned to do that with a user-friendly electronic guidebook. I feel that I achieved the first part of the goal fairly well. I created an easy-to-use electronic guidebook which contains all the relevant information on the obligations mentioned above. However, the second part of the goal remains to be seen. The guidebook was only recently published, and it is presently still impossible to assess whether the Finnish companies will in reality find the guidebook useful and actually use it.

I used a lot of time to collect the needed knowledge base for the thesis. In my opinion, I succeeded in finding relevant literature and other reliable information sources, and the interviews added new value to the thesis. I found two of the interviewees through personal connections. However, I was surprised by the lack of interest by bigger organisations in the field in providing help or information. I contacted a number of organisations and companies in hopes for interviews, but the responses were uninterested and useless. I wonder if having had a mandator company would have increased the credibility of my thesis and provided me better opportunities to gain information from other organisations and companies in the field. Towards the end of the thesis project, I reached out to the third interviewee via a Facebook group called "Finns in UAE" and got plenty of valuable information. That made me wonder if I should have used social media platforms more efficiently during my thesis project. It seems that there are many individual professionals there who are interested in helping out and are easy to contact through social media.

There were a couple of things that I did not achieve with my project. First of all, at the beginning of the whole project I was extremely interested in finding out about the influence of the culture and religion on business in the UAE. However, that part of the thesis ended up being quite superficial and short. The reason for that was in my opinion twofold: firstly, it seems that the religion and culture do not dictate the business as much in the region as I originally thought, and secondly, I lacked a good information source on the topic. Perhaps a local, Emirati information source would have been useful.

Secondly, I had big plans for my guidebook. I planned to publish it on an own website or at least on a platform where it would be available for everyone to read and download without restrictions, and where it would show up in search results. Due to the lack of experience in building a website or publishing articles online, and eventually due to lack of time to learn that, I ended up publishing the guidebook only as a pdf on a few different free platforms such as Google Drive, Keep&Share, ISSUU and LinkedIn. Hence, the guidebook does not show up in searches and, therefore, I doubt that it will reach the wider public I was hoping for. However, the guidebook published on LinkedIn had more than 500 views in 24 hours and 1000 views in a week. In addition, many of the viewers seem to represent different actors in the field based on their professional titles and company names.

When assessing the thesis process afterwards, I noticed that I was originally too enthusiastic about the product of the thesis, and as a result the planning and following the process itself was given less attention to. When I finally understood my mistake, there was again too little time to correct it. Although during the distant studies due to COVID-19, the university provided different types of thesis support such as workshops, there was no co-operation with fellow students which in my opinion would have been beneficial in understanding the thesis process better.

The enthusiasm I had for the product of the thesis had, however, advantages as well. I feel I succeeded in creating a well-made user-friendly tool for Finnish beginner exporters. However, creating the guidebook and co-operating with the graphic designer took more time than expected. Therefore, there was not enough time to get a target group evaluation on the guidebook, which had been useful in improving the guidebook even further.

During the project, I learned many aspects relating to the thesis process itself such as academic writing, finding sources and understanding the structure of a thesis. However, one of the major learnings I had was to create new and useful contacts when needed. The interviews were organized through my abilities to contact different people around the

world and persuade these experts to use hours of their time to help me in my thesis. I believe the ability to find new contacts is required in the business world whether trying to seek information or when creating business contacts, for example. Ultimately, I was very pleased with the thesis and the guidebook. Overall, the thesis process was an inspiring and diverse learning experience. I believe that after this bachelor's thesis, I have the required knowledge to perform a master's thesis in the future.

6.2 Suggestions for Future Research

In a product-based thesis, new ideas can open up along the way, and usually the final thesis is only part of a larger whole. Because of this, it is recommended to give suggestions for further research and developments regardless of whether the thesis is made for a specific company or a target group. These suggestions can be innovate ideas or ideas on how to further deepen the subject of the thesis. (Vilkka & Airaksinen 2003, 160 – 161.)

The product of this thesis, the electronic guidebook, can always be updated if there are concrete changes in the exporting laws or regulations in the UAE. In addition, it would be possible to do further interviews with experts which would allow updates to the guidebook. The benefit of having an electronic guidebook is that it can always be updated or modified to further improve it. It would also be possible to do further research based on the topic and create a more encompassing guidebook. The new research could investigate the legal and cultural obligations when setting up a company in the UAE. This thesis was limited to researching and creating a guidebook on exporting only. A thesis including FDI as a subject would be much broader research and would require more people to be interviewed. Perhaps attending Dubai Expo 2020 to get further information would be an option. This could be a good topic for a master's thesis.

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Appendices

Appendix 1. Interview frame 1. Cicy Berly Joseph. Professor in the University of Calicut.

1. What is your profession and educational background?
2. What were your roles as a legal consultant?
3. Is the use of arbitration usual when doing business in the UAE?
4. How does culture influence business in the UAE?
5. How does the Islamic law influence business in the UAE?
6. What kind of payment methods do companies in the UAE prefer to receive?
7. How has the COVID-19 pandemic changed business in the UAE?
8. Is the UAE a potential market area for foreign companies?
9. What kind of taxation policy does the UAE enforce?
10. What are the potential risks when exporting to the UAE?
11. What form of transport do foreign companies prefer?
12. Are the airports and seaports in good quality in the UAE?

Appendix 2. Interview frame 2. Adham Othman. Lawyer and a researcher in the Egyptian parliamentary affairs.

1. What is your profession and educational background?
2. What are your roles in the Parliamentary affairs?
3. Is the use of an agent obligatory when a foreign company is selling products to the UAE?
4. How does the custom duties work when products are sold from abroad to the UAE?
5. Are there different tax percentages for different products or services?
6. Are there free trade zones in the UAE?
7. Do you know if foreign companies prefer to distribute products via land, sea, or air?
8. How does Sharia law influence business in the UAE?
9. What kind of insurances do foreign companies prefer?
10. What kind of opportunities does the Dubai Expo 2020 offer?
11. What are the strengths of the UAE's economy?
12. How does the Dubai Expo 2020 influence business in the UAE?
13. What are the country risks in the UAE?

Appendix 3. Interview frame 3. Petri Snellman. Regional Sales Director. LED Tailor.

1. What kind of experience do you have with business and employment in the UAE?
2. Does Ramadan affect business in the UAE?
3. What would be the right entry mode to the UAE for a Finnish exporter?
4. How to find potential customers?
5. How are meetings held in the UAE?
6. Are connections important in the UAE?
7. Should a Finnish exporter use arbitration?
8. Should a Finnish exporter use Incoterms?
9. How should Finnish companies exports products and services?
10. Does the UAE business culture affect business?

Appendix 4. The Guidebook.



EXPORTING TO THE UAE IN 8 STEPS

A Practical Guidebook for a Beginner Exporter

Mahmoud Mohamed
Haaga Helia University of Applied Sciences



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Trust the evidence, not your instincts.

1 Getting to Know the Importer

Before you start doing business with any company in the United Arab Emirates (The UAE), you must make sure that the company is valid and reliable. You should find out at least the following: the full name of the company, director of the company, home and business addresses of the company, and company's credit information. Additionally, the UAE importer company must be a limited liability company with a valid trade license. There are a few different methods you can use to learn the aforementioned information.

- The most common and straightforward way is to get the information **directly from the importer**. You should request a copy of the company's trade license and credit information from the importer. If the importer is not able or willing to provide the information, you should be on guard. A trade license does not include any confidential information, so providing it should not be a problem for the importer.

- Some basic information about the company can be acquired through **the UAE's National Economic Register (NER)**. This information includes the business name and addresses, legal type, business description, name of the director and business license status, for example.

- Some **organisations** may be able to provide useful information on foreign companies. In Finland, these include Finnish-Arab Business Association and Business Finland, for example.

- It is possible to order credit information reports on a company through an **international independent credit agency**. D&B is a global business information provider which offers credit information on companies for a fee.

- It is also a good idea to **research the importer's credibility online**. Reviews and recommendation letters can also be requested directly from the importer.



إكسبو 2020
دبي، الإمارات العربية المتحدة
DUBAI, UNITED ARAB EMIRATES

*In the autumn 2021, the UAE will host the next World Expo, Dubai Expo 2020, which is a great opportunity for Finnish companies to promote themselves, **make contacts and build networks** among the UAE companies. The event will last for several months and will be attended by almost 200 countries. It is highly recommended for a Finnish company exporting or looking to export to the UAE to attend the exhibition.*

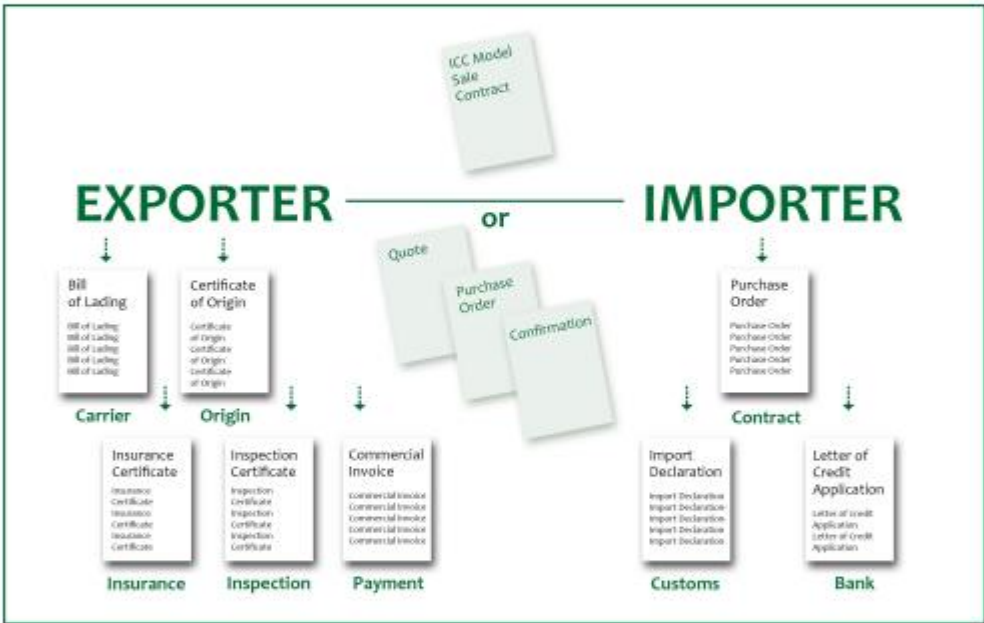
[Dubai Expo 2020
Official Website](#) ►





2 Negotiations

Although there are some country specific issues to consider, negotiating in the UAE is like anywhere else in the world. There are specific general documents that need to be drafted when trading internationally. These documents are presented in the picture below.



Note: Adapted from ICC Guide to Export/Import: Global Business Standards & Strategies, by Guillermo C. Jimenez, 2018, International Chamber of Commerce.

What to Specifically Remember When Exporting to the UAE

- The distances between Finland and the UAE are long, which makes choosing **the right payment method** crucial. It is suggested to use a letter of credit as a payment method. This means that the exporter is issued an advance guarantee of payment. Do not send goods before you have an assurance of the payment. Giving credit for the importer is a reward, not a right, and can only be rewarded after years of doing business together.
- You also need to decide on **the currency** used in the trade transaction. It is suggested to use strong currencies such as the euro or US dollar. These currencies have the smallest currency risks. Using Emirati dirham is not recommended. The Finnish exporter can try to convince the Emirati importer to accept euros which would guarantee safer payment for the exporter. If the US dollar is used, adding a currency clause is strongly recommended.

[An easy to understand chart to Incoterms](#) ►



- In the case of a dispute, **arbitration** should be used. Arbitration is the most common way of handling disputes when a foreign company exports to the UAE. It is usually set up in a third, neutral country, meaning it will not take place in Finland or in the UAE. As an example, arbitration can take place in London where the law of the United Kingdom is applied. The arbitration clause should be drafted in a way which commits the parties to arbitration and precludes litigation. It could be harmful to both parties to go to court in either country. Court hearings can take many years to settle and often cause bad publicity for both parties.

Negotiating Tactics

It is important to know where and how to present your demands and when not to. In order to do business successfully with an Emirati importer, presence and patience are often required. Handling business relations from Finland will be difficult if you have a longstanding business relationship or projects in the UAE. Hence, it is suggested that binding issues are agreed on face to face. Non-binding issues can be discussed remotely. Before you start negotiating with a UAE customer, decide on your primary and secondary goals. Make sure you state your essential demands and also the things you are ready to compromise on.

Call for bids and ensure reliability.

3 Logistics

The UAE has strategically located top-of-the-range airports and seaports as well as an excellent infrastructure inside the country. Good roads and railway systems allow for easy exporting and re-exporting. The natural choice for Finnish companies is usually air freight which is the quickest, easiest and safest way to export products to the UAE. Most air shipments arrive at their final destination in less than 48 hours, the customs clearances are swift and there is less chance of damage or loss due to reduced need for physical handling of consignments.

Depending on the product, sea freight is also an option. Some hazardous products cannot be shipped via air freight but have to be delivered via sea freight. Although less expensive, sea freight usually takes 6-7 weeks to arrive in the UAE. Due to low customs fees in the UAE, Finnish companies can usually afford to use air freight.

Commonly used air freight forwarders include UPS and DHL. However, calling for bids is highly recommended and can save the company a substantial amount of money. Remember that the best price is not always the best bet. Always ensure your freight forwarder is reliable.



4 Customs and Free Trade Zones

The UAE does not have a history of implementing rash tariff policies due to political and economic reasons, and the UAE has a rather simple customs policy. The UAE seemingly wants to appear as a lucrative market for foreign traders with its simple and inexpensive tariffs. In addition, the process of paperwork and other formalities do not usually take a substantial amount of time. A Finnish company can export products to the UAE's mainland or to one of its free trade zones.

Tariffs are payable in the mainland, and for most products the duty rate is 5 %. Products that are considered as harmful are subject to higher customs fees. Some goods in the UAE are completely exempt from tariffs.

- most products - 5%
- alcoholic and soft drinks - 50%
- tobacco products - 100%
- certain pharmaceuticals and agricultural products - 0%
- certain books and magazines - 0%
- vessels and aircrafts - 0%
- unwrought precious metals - 0%

A full list of the [UAE's duty rates can be found here](#).

If a Finnish company exports to a **free trade zone**, it is exempt from the normal tariffs it would face in the mainland. Free trade zones are special economical areas inside the UAE where exported products and services are not subject to customs duties. The exported products can be imported, stored, handled, manufactured, sold, and sorted in the free trade zone. There are general requirements for entering a free zone.

- 1) The importer must have a valid importer code from customs.
- 2) Goods must conform with the activity of the licensed company.
- 3) Goods must arrive in the free zone within 72 hours from the date of customs declaration.
- 4) The free zone licensee should not open, alter or dispense the goods prior to their arrival in the free zone and customs endorsement.
- 5) Goods should be inspected when entering the free zone.

The documents required to export to a free trade zone in the UAE are the following.

- 1) Delivery order from the shipping or airline agent addressed to the licensed company by the licensing management in the free zone.

- 2) Delivery note by the free zone company confirming the acceptance of goods if the shipment is moved by land or from other free zone areas.
- 3) Second copy of the bill of lading (for sea shipment) and original Airway bill (for air shipment) and road manifest (for land shipment).
- 4) Import permit from the competent agencies in the free zone for restricted goods.
- 5) Sales invoice from the free zone licensee detailing total quantity, goods description, currency, and total value of each individual item.
- 6) Original and detailed Item-wise Invoice with HS Codes classification from the shipper addressed to the free zone licensee.
- 7) Certificate of origin (stating the origin of goods) approved by the country of origin's Chamber of Commerce.
- 8) Detailed packing list as per weight, method of packing and the HS code for each individual item contained in the shipment.
- 9) Import goods declaration form.

Source: United Arab Emirates Ministry of Economy. UAE Imports & Exports Guide. 2015.



Jebel Ali Port, located within the Jebel Ali Free Zone, is the largest container port between Singapore and Rotterdam. Jebel Ali Free Zone can be useful when exporting to the UAE. It is located near downtown Dubai and right next to the Al Maktoum International Airport. It has good infrastructure with possibilities for manufacturing and re-exporting. There are no import or re-export duties or restrictions on currency inside the free zones. Furthermore, the labour recruitment is simple.

[A full list of the UAE's duty rates can be found here.](#) ▶



Connections are the key.

5 Agents and Consulting Companies

Having business success in the UAE is greatly related to having useful connections with the right people. Getting the right connections will usually require time, effort and presence. A Finnish importer will need to figure out a suitable "go to market entry plan" and choose the best possible option for the company. There are a few ways to enter the markets.

Consulting Companies

Consultant companies provide market research and present ideas on how and to whom your products could be sold. The best consultant companies have information on the potential business opportunities and real and useful contacts, some of which might be potential customers. The consultant companies present the products to the UAE customer and direct Finnish companies to appointments and business seminars, for example.

Finnish companies need to pick consulting companies within their own business field, so that the consulting can meet the company's expectations. It is important not to choose a consulting company based on their price but rather on their accomplishments. It might be wiser to spend a bit more money if needed.

A Finnish company can enquire about different consulting companies through various channels. The company can ask the UAE based Finnish companies about their experiences with different consulting companies. Even joining a facebook group called "Finns in the UAE" and asking the members of the group for reviews and recommendations on consulting companies might help. In addition, Business Finland offers funding to Finnish companies who are looking to start doing business in the UAE. The application process is fairly easy, and the money can be spent on choosing a UAE based consulting company which is accredited by Business Finland.

Agents

Using an agent is not obligatory but can be useful in certain situations. Agents are usually locals in the UAE who have their own networks and connections. Sometimes these agents can find unexpected and good potential customers for Finnish companies. It is, however, highly recommended not to sign long term deals with agents because getting out of a long contract might be difficult in a situation where a better and cheaper option presents itself.

Dealing independently can cause costs which can be avoided by using an agent. Using an agent also allows the trader to mobilize and do business transactions faster. Finnish companies can also use an agent to advertise or distribute the goods, in which case the agent will charge a percentage of revenue, for example. Finnish traders have to remember, however, that having an agent means giving up some control.



Independently

If a Finnish exporter has already made a business deal with an Emirati customer and only needs to deliver the goods to the UAE, it can simply work independently. In this case, the Finnish exporter has used its own connections to find a buyer in the UAE and does not need any outside help.

Sometimes a Finnish company may not have a deal ready but is looking for potential buyers for its products. If the company is convinced that its products are unique or revolutionary, and not available in the markets, it can also choose to work independently and save money. Although there are advantages to trading more freely, this requires a lot of work. The company needs to contact potential customers, do cold calling and attend many meetings. In this case it would be better if the company already had some previous connections.

The risk of working independently is that the company is unable to present its products to the markets. One way to combat the risk is to gain visibility in the UAE. A Finnish company can offer its products or services to a large company or an industry for free. Although it might sound like a waste of money, this tactic might actually set the company up for many more potential customers. Having a well-known company using your products will gain your company visibility. If the product or service is exceptionally good, it will get other companies interested in what your company can offer. This can ultimately lead to many new potential customers.



6 Culture, Religion and Business Culture

The official religion in the UAE is Islam with most of its citizens being Muslims. The religion of Islam is visible everywhere in the country, and it influences everyday matters from food to business meetings. People go to pray several times during the day, which can cause repetition of the same topics in meetings. Furthermore, business meetings in the UAE are circular in nature and not based on specific targets as in the Western world. Issues are handled when they emerge. Ultimately, the amount of effective working hours can be low.

Some Concrete Things to Consider

■ Ramadan

During the holy month of Ramadan, Muslims do not eat or drink from sunrise to sunset. A Finnish company needs to be ready for variable working hours and unexpected absences. You should also avoid eating or drinking in public during the fast since it is considered rude. In Ramadan, working days are shorter and delays in schedules are very common.

■ Weekdays

The working week lasts from Sunday to Thursday, and the weekend falls on Friday and Saturday. Businesses in the UAE might have longer working hours compared to Finland, but they are more irregular. A Finnish company should comply with the UAE's weekdays and also provide services and support on Sundays. If you are not available on Sundays, you might lose your competitive edge.

■ Gender Interaction

Shaking hands is a common greeting in the UAE. However, people of the opposite gender do not usually exchange handshakes. There are, however, exceptions, and the safest bet is to observe what the UAE counterpart does. The handshakes are likely to last longer than what Finns are used to, so wait for the other person to withdraw his or her hand first. Always use your right hand for shaking hands. Both men and women should dress respectfully and not show any kind of public displays of affection.

■ Hierarchy

The UAE has a hierarchical management model and authority management that differ from the current Western business model. You should always address the oldest person in the room first. The UAE has strong tribal traditions, and there are many

important family businesses in the country. These companies are highly valued and respected, and it is difficult to get into those business circles.

■ Do Not Discuss Politics or Insult Religion

Try to avoid discussing politics. The Emirati point of view on politics can differ a lot from the Finnish view and lead to unnecessary disagreements. Never insult any religion since blasphemy is a very serious matter in the UAE and might lead to legal indictments.

■ Advertising

You need to comply with respectful marketing which does not allow nudity, alcohol or disrespecting Islamic values, for example.

■ Learn Some Arabic

If you or somebody in your company speaks Arabic, try to use it. Even the smallest gestures such as greetings in Arabic will be seen as respectful towards Emiratis. It shows that you are truly interested in their culture and country.

■ Not All Business

Emiratis do not usually go straight to business even during the meetings. The first phase of a meeting is usually about getting to know each other, having small talk and Emirati tea. Take your time, exchange pleasantries and talk a little about yourself and your family.

■ Praying Interrupts Meetings

Muslims pray five times a day, which can interrupt meetings. The prayer times are spread evenly throughout the day. Be prepared that this will influence the working hours.

Maintain a good spirit.

7 Dispute Resolution

In case of a dispute, Finnish companies should use arbitration. It is not in the interest of a Finnish company to fall for long and costly court hearings, especially in a foreign country such as the UAE. In the worst case scenario, the court hearings will be held in Arabic. Court hearings and legal issues are often very public and they can damage the images of both companies. This can lead to the loss of reputation in the UAE, which can ultimately lead to losing all of your potential customers. Remember that reputation is everything in the UAE.

Arbitration is considered as an unbiased form of dispute resolution. The parties should commit to the arbitration and preclude litigation as an option. This means drafting a detailed arbitration clause during negotiations. Arbitration should be held in a third, neutral country such as the UK (London) applying its law. It can also be held in any language the parties feel comfortable with - in arbitration between the Finnish and UAE companies most likely in English. The advantage of arbitration is that it is handled privately and does not generate publicly available records of its decisions preserving both parties' reputation. In addition, arbitration is usually much faster and, therefore, ultimately comes with lower costs.

Important Tips to Consider When Using Arbitration:

- Be physically present. Do not try to negotiate remotely from Finland.
- Choose a third, neutral country where the arbitration takes place.
- Choose an arbitrator who is an expert on the field.
- Try to negotiate a deal that works for both parties.
- Even during a dispute, maintain a good spirit. You will not want to lose any potential customers even if you have a difference of opinion.



Stay in touch.

8 After the Sale

Lead time is the amount of time that is used from the beginning of a business process until its completion. The lead time in Finland in some projects can be 4-6 months, for example. The same project in the UAE will take at least two or three times more time. In addition, the business circles are small in the UAE, relationships are established slowly and business people tend to know each other well. Therefore, if a Finnish company is able to make a successful sale, it should try to keep the connection alive after the sale. This can lead to new business contacts and deals in the future.

Key Things to Do After the Sale

- Keep in contact with the customer on a personal level via WhatsApp, for example. Emails are too impersonal and they will most likely not respond to them.
- Do not cut off contact with the company either after the sale, even if you are not planning to do business with them at that time. Send out offers, advertisements or something the customer will remember you by.
- Remember the customer on religious holidays. Greet them at Ramadan and on Fridays. Religious events are important for Emiratis. Showing interest is a sign of respect.
- Emiratis will appreciate small Finland related gifts, Finnish chocolate or a piece of clothing from Finland. The gift should not be expensive.



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