

# INDUSTRY PROFILE STUDY ON BISCUITS AND READY MIXES FOR THE CANADIAN CONSULATE - U.A.E.

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## I. INTRODUCTION

This study was conducted by **PAN ARAB RESEARCH CENTER** on behalf of the **CANADIAN CONSULATE** in Dubai. The ensuing report is the presentation of the overall view of the UAE market and industry, and more specifically, the profile report on the selected food product categories of frozen vegetables, frozen desserts and ready-to-use frozen pastries and

doughs without fillings.

The objective of the study is to understand how the UAE market operates as a whole. In particular, the aim is to understand the specific market sectors of frozen vegetables, desserts and pastries, their features, components and opportunities.

The information needed for this study was partly extracted from government and private publications available at the Chamber of Commerce in Dubai. However, due to the lack of availability of documentation by existing bureaus and limited information and publications, PARC has resorted to primary research using the 'Delphi Technique', that is through face to-face interviews with the key players in the market: manufacturers, wholesalers and retailers.

All methods and procedures used in this study comply with the rules and regulations of the **ICC/ESOMAR** International Code of Marketing and Social Research Practice.

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## II. OBJECTIVES

The primary objective of this study is to understand the main features of the overall UAE market and more specifically, to present information regarding the markets of **biscuits and ready mixes**. The research study focusses on the practices conducted by the main players in the market vis-a-vis each other, and their behaviour vis-a-vis their competition.

The research sought to answer the following objectives:

- Characteristics of the UAE market
- An overview of the food products industry in the UAE
- Features and components of the markets of biscuits and ready mixes
- Trade practices of the main players in the market
- Opportunities and prospects for growth in the markets of

biscuits and ready mixes.

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## III. INFORMATION NEEDS

The specific information needs covered in the research study are as follows:

### UAE MARKET CHARACTERISTICS

#### A. Government Structure and Style

- Type of government and government strategic policies

- Location of markets, currency and language used
- Culture and holidays

#### B. Population Socio-Demographics by

- Nationality
- Sex/Emirate
- Age
- Education
- Income and Occupation

### **OVERVIEW OF INDUSTRY IN THE UAE**

#### A. Economic Review

- Source of revenue
- Strengths and weaknesses of the economy
- Key indicators : GDP, GNP, GFCF, inflation, average per capita income

#### B. Trade Review

- Domestic production and manufacturing
- Imports, exports, re-exports
- General trade practices used
- Infrastructure for trade

#### C. Size of Market and Breakdown

### **SPECIFIC MARKET SECTORS : BISCUITS AND READY MIXES**

#### A. Main Varieties and Brands of Biscuits and Ready Mixes Available in the UAE

#### B. The Main Players in the Market

- Manufacturers, Wholesalers, Supermarkets

#### C. Manufacturing

- Ingredients, machinery, manpower

#### D. Channels of Distribution

- Manufacturers
- Wholesalers
- Retailers

#### E. Trade Practices

- Manufacturing/Sales seasonality
- Credit terms
- Mark ups
- Packaging and retail prices

- Shelf space
- Government regulations and restrictions

#### F. Advertising and Promotions

- Cost and Media
- Readership/viewership behaviour
- Advertising expenditure
- Promotional activities

#### G. Market Entry

- Awareness of new brands
- Brand characteristics that influence purchasing decisions
- Placing new brands in the market

#### H. Prospects for Growth Regarding the Markets of Biscuits and Ready Mixes

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## IV. METHODOLOGY AND SAMPLE

Details of the methodology used in the study are discussed here below:

### Research Method

**Desk Research** which mainly involves consulting secondary data (government and private publications)

**Primary Research** using the 'Delphi Technique' : Face-to-face interviews using a semi-structured questionnaire conducted amongst the trade segment (manufacturers, wholesalers/distributors, supermarkets) to obtain their impressions of market growth and trends.

**PARC's Database** such as Advertising Expenditure data from the MOMO (monitoring) service and readership/viewership behaviour from the SEAS service (media index).

### Sample Profile and Size

Main Players	Biscuits	ReadyMixes	Total
Manufacturers	2	-	2
Large Wholesalers	6	3	6
Large Supermarkets	3	3	3
Wholesalers	3	3	3
Small Supermarkets	2	2	2
<b>Total Sample Size</b>	<b>16</b>		

**Note:**

- There are no local manufacturers of ready mixes
- The same large wholesalers were interviewed for biscuits as for ready mixes. They all traded with biscuits. However, out of six only three trade with ready mixes.
- In total, eight supermarkets were interviewed. Each supermarket stocks both biscuits and ready mixes

### **Sample Profile Size**

The information gauged from the questionnaires was analyzed. This was combined with the secondary data extracted from the desk research and from PARC's in-house database to form an analytic report.

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## **V. ORGANIZATION OF THE REPORT**

### **SECTION I : UAE MARKET CHARACTERISTICS**

#### **A. GOVERNMENT STRUCTURE AND STYLE**

##### **1. Type of Government**

The United Arab Emirates is composed of seven Emirates : Abu-Dhabi (the capital), Dubai, Sharjah, Ajman, Ras Al Khaimah, Umm Al Quwain and Fujairah. The UAE was formed following the withdrawal of the British in 1971. A treaty was signed between the seven Emirates which agreed upon a federal constitution.

The Supreme Council, the highest federal authority, is made up of the rulers (Sheikhs) of the seven Emirates. It dictates the general policy of the country, on both internal and external levels. The President and Vice-President are elected by the Supreme Council from amongst its members. His Highness Sheikh Zayed bin Sultan Al Nahyan (ruler of Abu Dhabi) was elected President of the UAE in 1971 for a tenure of five years which has been renewed for five times consecutively.

The Federal National Council (FNC) which consists of representatives of each Emirate, is the legislative council (parliament). It exercises the authority to discuss and sanction all Federal Laws and then refer them to the Supreme Council for enactment. All political parties are banned.

The UAE has become a member in regional and international organizations. It has joined the Arab League, the AGCC, the United Nations, the World Trade Organization (WTO), the World Bank for Reconstruction and Development and the International Monetary Fund (IMF). Other International organizations include the International Labour Organization (ILO), the United Nations Educational Organization, the International Organization for Industrial Development and others. Being an important oil producing country, it is also a member in the Organization of Petroleum Exporting Countries (OPEC) and the Organization of Arab Petroleum Exporting Countries (OAPEC).

##### **2. Government Strategic Policies**

The UAE's trade evolves around oil and non-oil products. Oil, gas and related industries

constitute the most important sector of the UAE economy accounting for a substantial proportion of its exports. The UAE continues, however, its current trend of attracting business and diversifying its economy in order to reduce its dependency on oil. It practices a "laissez faire" attitude towards attracting foreign expertise, technology and capital and has sought to create a free-market economy.

Trade is free and open. The UAE encourages trade by developing a modern and sophisticated infrastructure to provide a good business environment, through minimal taxation and Free Zone facilities. Over 60% of the UAE's imported goods are re-exported, constituting the main activity of trade. Moreover, the government has been actively involved in the development of petrochemical manufacturing, agricultural and service industry projects with both local and foreign businesses.

The main barrier to trade is the provenance of goods from Israel. UAE supports the Arab boycott of Israel.

### **3. Location of Markets**

Over 80% of the population reside in the Emirates of Abu Dhabi, Dubai and Sharjah. Hence, the trading and business markets are located mainly in these three Emirates. Within the Emirates, markets are spread across the cities with approximate centres of business, trade, shopping etc.

The remaining 20% of the population reside in the Emirates of Fujeirah, Ras Al Khaimah, Ajman and Umm Al Quwain. Other cities include Khor Fakkan (in Sharjah) and Al Ain (in Abu Dhabi).

### **4. Currency**

The local currency is the UAE Dirham (abbreviated Dhs. or AED).

1 UAE Dirham = 100 Fils

It is fixed to the US Dollar at the exchange rate of 1 US \$ = 3.671 Dirhams

### **5. Languages**

The official language is Arabic. However, English is widely spoken and understood, and ranks alongside Arabic as the commercial language. All government correspondence, contracts and documents have to be in Arabic. The dialect spoken by nationals is known as Khaleeji which has a distinct accent and incorporates words from Iran and India. Due to the presence of several different ethnic groups, other languages are spoken including Urdu, Hindi and Farsi. The Expatriates use their mother tongue language, unofficially.

### **6. Culture**

The UAE is a multi-racial country with the majority (approximately half) of the population being Asian followed by UAE Nationals, Expatriate Arabs and Westerners. These constitute the basic ethnic groups. Each of these nationalities has its beliefs and social dimensions pertinent to its culture.

The culture of the UAE is a reflection of Islam and hence, is understood through this religion rather than any other entity. The traditional clothing of female Nationals, for example, depicts the conventional Islamic way of dress, that is long loose garments and veils. Symbols which

characterize Islam are the crescent, palm trees and camels, and the colour green. Islam is the predominant religion and forms the basis of law and society. However, the different ethnic groups are free to practice other religions and have their own churches/temples to follow.

The interpretation of Islam in the UAE does not follow the strict adherence of its laws (as opposed to Saudi Arabia) especially regarding social aspects and individual preferences. However, few norms have to be followed. Ramadan, for example is a 30 day period where abstinence from food and drink occur during day light. During this Islamic month, it is customary not to eat, drink or smoke in public places. Office hours, usually eight hours, are reduced by law to six hours.

The role of women in the UAE depends on nationality and religion. Many women of the various ethnic groups work. However, the least represented nationality amongst the female labour force is the local population. It is expected that women fulfill the traditional role of housewife and child bearer amongst this segment. Nevertheless, in recent years, there has been an increase in the percentage of female nationals entering the labour force.

## **7. Public Holidays**

Friday is the official day of rest of the week causing some inconvenience with North America and Europe, business-wise, as this effectively reduces the working week between these countries. Some companies adopt a two day week-end (Friday-Saturday) whilst others have Thursday half-day and Friday.

The following is a list of public holidays in the UAE :

### **• 1st January**

- : New Year's Day
- : \*Eid-Al-Fitr
- : \*Eid Al Adha
- : \*Muslim New Year

### **•6th August**

- : Accession of the Ruler of Dubai
- : \*Holy prophet's Birthday

### **•2nd December**

- : National day
- : \*Al Isra'a wal Miraj

\*Dates are fixed according to the lunar calendar, they therefore vary with the positioning of the moon.

## **B. POPULATION SOCIO-DEMOGRAPHICS**

### **1. General Total Estimate**

In addition to its native population, the UAE is inhabited by a mixture of Arab expatriates as well as Asians, North Americans and Europeans. The UAE has experienced a high population growth due to economic and social development. The total population almost doubled in five years from

557,887 in 1975 to 1,042,099 in 1980. This was largely due to the oil boom in the early seventies and the lack of qualified national labourers, resulting in a large influx of immigrants.

By 1990, the population reached 1,844,300 increasing by 77% in a span or period of 10 years. A census has been carried out in 1995 giving an approximate figure of 2,377,453. Details of age, education and other parameters have not yet been released.

## **2. Nationality**

The majority (75%) of the UAE population is foreign. The largest nationality group represented amongst the expatriate population is Asian 50%. It consists mainly of Indian, Pakistani, Sri Lankan and Filipinos. In general, this subgroup forms the manual skilled labour (blue collar) class. They are however, strongly represented in white collar jobs, in a wide range of sectors ranging from trading, management, banking etc. They are followed by Iranians.

Roughly, a quarter of the total population is constituted of Arab Expatriates. These include those of Lebanese, Syrian, Jordanian, Palestinian and Sudanese origins. They fill many niches such as waiters, hairdressers, cooks as well as high level management. British Citizens seem to form the majority of the expatriate population from Europe and North America. The main positions held by this group are top management, executives and consultants.

The national population has a loosely defined class system. There are some recognized families which hold high social status and are not part of the ruling family. These include names like Al Futtaim, Al Habtoor, Al Mulla and Al Ghurair.

## **3. Sex/Emirate**

As stated earlier, over 80% of the population reside in the three main emirates of Abu-Dhabi, Dubai and Sharjah. According to the census carried out in 1995, 40% are in Abu-Dhabi, 27.5% in Dubai and 16.8% in Sharjah. The emirate the least populated is Umm Al-Quwain constituting only 1.5% of the total population.

The ratio of males to females of the total population is 66.5-33.5. In Abu-Dhabi and Dubai, males seem to constitute around 70% of the population and, females 30%. In the remaining emirates, males constitute around 60% and females 40%.

## **4. Age**

With regards to the total population estimate in 1993 (2,083,100)

- 35% are below 15 years
- 24% are in the 15-23 age group
- 39% are in the 30-59 age group
- 2% are 60 years and over

With regards to the adult population between the ages of 20 and 50 years, the largest concentration of the population lies in the 25-39 age group.

## **5. Literacy Rate and Education**

Drastic developments have taken place in the educational sector in terms of quantity and quality since 1971, in order to keep pace with the rapid economic and social developments in the country



and, in view of the technological advancements worldwide. The illiteracy rate has fallen by more than 50% today since the formation of the Federation in 1971.

Statistical reports reveal that students in the school year 1972/73 numbered 44,000, while students enrolled in 1991/92 totaled 402,600 registering an average annual growth of 12.4%. Schools during the same period increased from 147 to 827 schools. Teaching staff increased from 2,300 to 25,500, registering an annual growth of 13.5%. Today, there are private schools offering education of high standards equivalent to the curriculum requirements of United Kingdom, North America, Japan, Iran, India, Pakistan, France and Germany.

Along with the spread of regular schools, there was simultaneous expansion in the illiteracy eradication and adult education programs. Furthermore, the inauguration of several universities such as the University of Al Ain, American College in Dubai, Sharjah College (affiliated to the University of Houston) and, the Higher College of Technology marked a new era in the history of higher academic education in the country. Expansions in higher educational institutions initiated the government to create a Ministry for Higher Education.

## **6. Income**

In 1972, the general average wage was around Dhs. 9,000 per annum (US \$ 2,450). In 1992, the average wage reached Dhs. 35,000 per annum (US \$ 9,530).

### **TODAY**

- A fifth of the population earns a personal monthly income below Dhs. 3000 (US \$ 815).
- A quarter of the population earns between Dhs. 3000-5000 (US \$ 815-1360)
- Another quarter earns above Dhs.5,000 (above US \$ 1,360)
- The remaining 30% claim not to have a personal income either because they are students or housewives.

## **7. Occupation**

Around 40% of the total population in the UAE constitutes the active labour force. In 1975, most of the labour force was concentrated in the building and construction industry as the country was in its initial phase of development. A high proportion of the labour force also worked in community, social and personal services. However, since 1980, these services have developed tremendously and have taken the lead leaving building and construction as the second most occupied industry. Wholesale, retail, restaurants and hotels has always occupied the third place in terms of the total number of workers.

Transport, storage and communications mostly held the fourth position throughout the years. Manufacturing held the fifth position and agriculture, forestry, hunting and fishing held the sixth, until 1985. The number of workers increased in the agricultural domain whereas it decreased in the manufacturing industry. However, in the 1990s manufacturing took the lead again over agriculture.

Another two apparent changes regarding the economically active population have taken place since 1975. Financing, insurance, real estate and business services have greatly developed in the eighties then slightly slowed down in the nineties. As for the industry of mining, quarrying and petroleum extraction, workers in this field are not numerous and have decreased throughout the years, especially since the UAE has been trying to reduce its dependency on oil by developing other industries.

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## **SECTION II : THE OVERVIEW OF THE INDUSTRY IN THE UAE**

### **A. ECONOMIC REVIEW**

The UAE economy has witnessed rapid economic developments. Even before 1957, the economy of the Emirates was dependent on the available natural resources. It was traditionally engaged in fishing, pearl diving, agriculture and trading activities. In 1957, another stage of economic development started with the discovery of oil in commercial quantities. Abu Dhabi started oil producing and exporting in 1966, Dubai in 1969, then Sharjah in 1974. The discovery of oil and its exploitation provided the stimulus for local trade which earlier mainly represented the entrepot trading activities of Dubai.

#### **1. Source of Revenue**

The economy in the UAE is generally characterized by the lack of resources except oil, natural gas and some raw materials. The exploitation of oil witnessed the increasing importance of the oil sector because of the huge amount of revenues it provided in comparison with the other sources of the national income. Oil and related industries have become the backbone of the UAE economy. The UAE is regarded as the second major producer and exporter of crude oil after Saudi Arabia. In 1993, Crude Oil Revenues represented 80% of total public revenues, Services Revenues represented 12% and Capital Revenues (Loans retrieved and other Revenues) represented 8%.

Non-oil revenues include those related to foreign trade. This includes agricultural products, animal and fish production as well as industrial and other consumer goods products. The UAE has committed itself to the industrialization of the country as a means for diversification of income, strengthening of the production base and for better exploitation of oil and natural gas wealth.

Furthermore, the private sector is being encouraged to play a more active role. This has contributed to setting up medium and small manufacturing industries achieving a kind of self sufficiency in some commodities. In other commodities, local needs are exceeded and the surplus is exported to overseas markets.

Diverse services are increasingly developing, including financing and insurance services, and brokerage and consultancy services. Touristic sites and utilities are also becoming well developed to create additional source of income for the Emirates.

#### **2. Strengths and Weaknesses of the Economy**

The UAE is located in the middle of two important markets: Africa and Asia. It is considered to be the commercial hub of the region. It is an important centre for re-export to a number of markets, in the European Community, Hongkong, Singapore and America.

Foreign trade plays a major role in the overall business activities in the UAE. The UAE economy depends to a large extent on goods imports for meeting the local demand on various products, whether for consumption or investment purposes. In 1993, the volume of investments increased to Dhs. 3.2 billion, an increase of 11.5% compared to 1992. The ratio of investments to the GDP was 25.4% in 1993, a high ratio exceeding those of developing and advanced countries. Investments in the production sectors achieved 57.2% while investments in the service sectors achieved 42.8%.

There are many incentives for investing in the UAE :

- 100% repatriation of capital and profit
- 100% foreign ownership possible in the Free Trade Zones
- No taxes, corporate or personal
- Low customs duties
- An extensive market in the Asian subcontinent
- Excellent support services with modern efficient communications
- Readily available and inexpensive energy
- Excellent trained labour with various specializations at competitive wages

Manpower has greatly increased since 1972 at an annual growth rate of 9% reaching 906,000 workers in 1994. The average wage was about Dhs. 9,000 per annum in 1972, while the workers productivity was about Dhs. 17,000 annually. By 1992, the average productivity reached Dhs. 87,000. This indicates that the average growth of productivity has reached 9.9% annually, while the wage's average growth has reached 7.7% during the same period. This shows an obvious progress in the worker's productive efficiency.

Until recently unemployment has been negligible and, because labour is controlled (entry, working permits), demand is always met and hardly ever exceeded by supply. The present and future trends however, see an increase in better qualified labour in the UAE market. Due to recession elsewhere, many young graduates come to the UAE for work. This is causing wages to stabilize with less fringe benefits applicable to a wage package previously used to attract labour from abroad.

Furthermore, the economic boom in the seventies resulted in the flow of Expatriate labour. During that period, qualified national manpower was rare. Since then, the UAE has adopted a policy of developing national manpower in all fields of work, through training courses and vocational training. As the result of efforts in this respect, qualified and trained national manpower is gradually replacing expatriates in many vital economic and social institutions.

Another point is that non-national investors need to have a local partner in order to be able to practice economic activities. All companies require 51% participations by UAE Nationals except:

- Where the law requires 100% ownership
- In the Free Trade Zones (mostly popular is the Jebel Ali Free Zone)
- In activities open to 100% AGCC ownership
- Where wholly owned AGCC companies enter into partnership with UAE Nationals
- In respect of foreign companies registering branches or a representative office in Dubai. Such companies require local services agents who provide services to the company but do not have financial obligations
- Professional or Artisan companies can practice professional activities by themselves with a local services agent (sponsor)

Therefore, the UAE provides many investment opportunities in an ever growing economy that has hardly witnessed any instability either external or internal. The UAE economy is a very strong one and has an ideal environment for setting up business and carrying out different investments. Certain restrictions or weaknesses do not hinder their potential prosperity.

### **3. Key Indicators**

The following are a few indicators that may point out the stability and progress of the UAE

economy.

### **3.1 Gross Domestic Product (GDP)**

In the late 1980s, the GDP was increasing at a very high rate. Between 1988 and 1990, the rate of growth was between 15% and 22%. However, in the 1990s the GDP was increasing at a much lower rate and even decreased by 0.5% from Dhs. 131,676 million in 1992 to Dhs. 130,972 million in 1993.

The GDP in 1994 reached Dhs. 134,813 million rising by 2.9% from Dhs. 130,972 million in 1993. Throughout the past five years, the highest rate of growth registered was in 1992 when the GDP rose by 4.3% from Dhs. 126,264 million in 1991 to Dhs. 136,676 million in 1992.

The Dubai's Chamber of Commerce forecast of the GDP for 1995 was Dhs. 136,939 million, estimating a rate of growth of around 1.6%. However, no information is yet available to verify these estimates.

The actual decrease of the GDP by 0.5% from Dhs. 131,676 million in 1992 to Dhs. 130,972 million in 1993 is attributed to the decline of the local production in the raw oil sector. However, the non oil economic sectors showed a remarkable growth which led to the increase of the contribution of those sectors in the GDP from Dhs. 77,923 million in 1992 to Dhs. 83,868 million in 1993. The contribution of Government Services in the non oil sector of the GDP was 18.4%. The sector concerning trade, restaurants and hotels came second in rank contributing 16.7% to the non-oil sector of the GDP.

The three main Emirates contribute most to the total GDP. Abu Dhabi's share is 60.5%, Dubai's share represents 24.5% and Sharjah's share represents around 8%. The respective shares of these Emirates do not vary much from year to year.

Overall, the UAE's economy is steadily growing and withstanding the general recession which has taken over in the nineties. In contrast, other advanced countries are not performing as well as the UAE, and are heavily affected by the general recession.

### **3.2 Gross National Product (GNP)**

In the UAE, the GDP has always been higher than the GNP, reflecting the importance of imports over exports. The UAE economy depends to a large extent on imported goods for meeting the local demand. The evolution of the GNP follows that of the GDP, reaching Dhs. 129,663 million in 1994 and estimated at Dhs. 131,055 million for 1995.

### **3.3 Gross Fixed Capital Formation (GFCF)**

This indicator reflects the amount of investments carried out. The GFCF increased by 15.6% from Dhs. 25,790 million in 1991 to Dhs. 29,802 million in 1992. Since then this indicator has been increasing at a lower rate. In 1994, it reached Dhs. 33,760 million rising by only 1.6% from Dhs. 33,219 million in 1993. However, the estimated figure for 1995 was Dhs. 37,373 million thereby anticipating a rate of 10.7%.

The ratio of the GFCF to the GDP, in the UAE, is relatively high exceeding those of developing and advanced countries. This ratio has been constantly increasing during the past five years. In 1990 it represented 19.2%, in 1994 it represented 25%. According to the forecasts given by the Dubai Chamber of Commerce for the GDP and the GFCF for 1995, the ratio of the GFCF to the GDP would be estimated at 27.3%.

### **3.4 Average per Capita Income**

The average per capita income in the UAE is considered to be one of the highest in the world. In 1990, it was around Dhs. 57,500 equivalent to US \$ 15,700. Total deposits in commercial banks amounted to about US \$ 20 billion during the period from 1992 to 1994, out of which individuals held about US \$ 11 billion, which resulted in the rise of the level of local demand on goods and services.

### **3.5 Inflation**

The inflation rate was gradually increasing in the late eighties to reach a peak of 8% in 1990. However, a drastic fall was witnessed in 1991 where the inflation rate decreased to 3%. Since then, it has been slightly increasing reaching 5.3% in 1994. The estimated inflation rate given for 1995 was 5.5%.

## **B. TRADE REVIEW**

Foreign trade plays a major role in the overall business activities in the UAE. The ratio of foreign trade to the GDP reached 121% in 1993 - an indicator which shows the extent of the openness of the UAE economy to the rest of the world.

In this section, an overall view of domestic production and manufacturing in the UAE will be presented. The most recent data available is for the year 1993. Information concerning direct trade (imports, exports, re-exports) for Dubai and Abu Dhabi will then be forwarded for the years 1993-1994. Dubai's share constitutes over 60% of the UAE's total foreign trade. Abu Dhabi accounts for almost 20% and Sharjah for less than 10%. Therefore, only the markets of Dubai and Abu Dhabi are significant enough to be studied.

The corresponding information has been extracted from the Abu Dhabi Foreign Trade Statistics published by Abu Dhabi Customs Department and the Dubai External Trade Statistic issued by Dubai Statistics Office of Central Accounts Section.

### **1. Domestic Production and Manufacturing**

The figures used here are those included in the GDP for two economic sectors : The agriculture, livestock, fishing and manufacturing industries. GDP at factor cost represents the actual value of local production minus intermediate consumption valued at purchasers' price.

#### **a. Agriculture, Livestock and Fishing**

In 1988, this amounted to Dhs. 1,664 billion, representing 1.9% of the total GDP. In 1993, it reached Dhs. 3,156 billion increasing by almost 90%. Its share to the total GDP only increased to 2.4%. The highest rate of growth was in 1991 where it increased by 25% from Dhs. 2,056 billion in 1990 to Dhs. 2,563 billion in 1991. This sector consists of crops which represent 60-65% in value, livestock and poultry 20-25% and fishing 10-20%. During the period 1988-1993 crops increased by 107%, livestock and poultry by 90% and fishing by 30%.

#### **b. Manufacturing Industries**

In 1988 this sector was valued at Dhs. 8,188 billion. It represented 9.4% of the total GDP. By 1993 it had a value of Dhs. 10,600 billion thereby, registering a growth rate of around 30% in this

five year period. It represented 8.2% of the total GDP. The lowest rate of growth witnessed was 0.7% in 1991. This compares with the highest growth rate 25% that the sector of agriculture, live stock and fishing had witnessed during that particular year.

The manufacturing industries as classified by the Ministry of Planning include :

- Food
- Spinning, Weaving, Leather products
- Wood and Wood Furniture
- Printing, Paper and Paper products
- Chemicals and Petroleum Products
- Non-metallic Mineral's Products
- Basic Metals
- Engineering Industries
- Others

The manufacturing of chemicals and petroleum products constitutes the bulk (around 60%) in value of this economic sector. It reached Dhs. 6,258 billion in 1993. Food as well as non metallic minerals products, basic metals and engineering industries, each represented 7%-8% in value of the total value of the manufacturing industries. The remaining categories (wood and wood furniture and paper products) account for a little over 2% each.

## 2. Imports

The productive land or resource base in the UAE necessary to supply the needs of its population is restricted. Almost all the essential products namely foodstuff, plastics, clothing, minerals etc. required to sustain the Emirates and its people are imported. Hence, it is an important market for other countries' exports.

In 1988, UAE imports valued at Dhs. 31,750 billion (US \$ 8,649 billion) in 1993 they reached Dhs. 72,484 billion (US \$ 19,745 billion) thereby increasing by 128% during this five year period. The highest increase was witnessed in 1992 where imports rose by 26% compared to 1991.

The following table shows the respective weight of the different product sectors to the total imports of the UAE for 1993.

### UAE Imports Value by Sectors for 1993

	Value Billion/Dhs	% of Total Imports
Machinery and transport equipment	27.216	37.5
Manufactured goods classified by material	18.118	25
Miscellaneous manufactured articles	12.202	17
Food and live animals chiefly for food	6.827	9.3
Chemicals and related products	4.188	6
Crude materials inedible	1.337	1.8
Minerals fuels,lubricants,etc.	0.954	1.3
Beverages and tobacco	.593	0.8
Animal and vegetable oils, fats and waxes	0.239	0.3
Commodities and transactions notclassified elsewhere	0.810	1

<b>TOTAL</b>	<b>72.484</b>	<b>100</b>
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### a. Dubai

Dubai's imports represent more than 2/3 of the UAE requirements of all kinds of consumable goods, intermediate and capital goods, in addition to a part of the requirements of the AGCC countries (re-exports). Dubai can therefore, be considered as the main center of trading activity. Value of imports during 1994 rose by 3.4% to Dhs. 52,230 billion (US \$ 14,232 billion) from Dhs. 50,532 billion (US \$ 13,769 billion) in 1993. Volume went up 8.7% to 8,562,483 tons. 1993-1992 registered an increase of 6.3% from Dhs. 47,547 billion (US \$ 12,955 billion) to Dhs. 50,532 billion. However, the greatest increase recorded was in 1992 with a rise of 24.8% over Dhs. 38,111 billion (US \$ 10,384 billion) in 1991.

In 1994, consumer goods formed the bulk with fair amounts of raw materials, building construction goods and some capital goods for local industries. There is an unusual sharp drop of gold jewellery compared to the previous year and the non-import of passenger aircraft during the year. Eight Airbuses were imported during the previous three years worth over Dhs. Two billion. The potential drop however, was more than offset by large increases in electronics and other consumer goods.

### Dubai Imports by Top 10 Countries of Origin for 1994

#### Ranking

1994	1993	Country	Value Dhs. (000s)	% of Total Imports
1	1	Japan	6,885,361	13.2
2	2	China	4,937,868	9.5
3	3	USA	4,320,315	8.3
4	6	S. Korea	3,920,947	7.5
5	4	U. Kingdom	3,903,752	7.5
6	5	India	3,632,393	7
7	7	Germany	3,121,028	6
8	10	Taiwan	2,010,563	3.8
9	8	Italy	1,965,229	3.7
10	13	Indonesia	1,502,575	2.9

Sources of imports are similar to those of previous years. Nearly 70% of total imports came from the top ten countries. Japan heads the list of suppliers with 13.2% of the total imports (14% in 1993). It is followed by China with 9.5% of the total imports (8.62% in 1993), USA 8.3% (7.8% in 1993) South Korea 7.5% 6.8% and UK with 7.5% (7.1% in 1993). Regionally Asia supplied (56.3%) of total imports. (55.46% in 1993), Western Europe 27.% (28.8% in 1993), North America 8.5% (8.1% in 1993) and the Gulf co-operation council GCC countries (2.4%) (2.2% in 1993).

#### Categories Imported/by Country

Country	In Terms of Value	In Terms of Weight
Japan	- Machinery, soundTV etc. - Vehicles, aircraft vessels etc.	- Vehicles, aircraft etc. - Mineral products - Machinery, sound recorders, TV etc
China	- Textiles and textile articles - Machinery, sound recorders, TV etc.	- Machinery, sound recorders, TV etc. - Vegetables product - Textiles and textile articles
United States of America	- Machinery, sound recorders, TV - Vehicles, aircrafts vessels etc.	- Mineral products - Vegetables product - Textiles and textile article
South Korea	- Textiles and textile articles	- Textiles and textile articles
United Kingdom	- Machinery, sound recorders, TV, etc. - Pearls, precious stones, metals - Prod of chemical/allied industries	- Basemetal, article of base metal - Prod of chemical/allied industries - Prep foodstuff, beverages, Tobacco

## b. Abu Dhabi

Abu Dhabi's imports have been on the rise continuously for the past few years. During 1994, it showed a considerable rise with Dhs. 19,927 billion (US \$ 5,256 billion) worth of goods, compared to Dhs. 15,488 billion (US \$ 4,219 billion) in 1993, Dhs. 12,681 billion (US \$ 3,454 billion) in 1992 and Dhs. 9,407 billion (US \$ 2,563 billion) in 1991. While 1994-93 registered an increase of (24.6%) by value 1993-92 recorded an increase of 22% and 1992-91 a rise of 34.8%.

Tonnage-wise, 1994-93 has risen by 12.4% from 2,287,336 tons to 2,571,174 tons. 1993-92 showed a similar rise of 12.5% from 2,032,191 to 2,287,336 tons. 1991 imports mounted up to 1,760,128 tons thereby recording an increase of 15.5% in 1992-1991.

Machinery and Transport Equipment commodity group is always the bulk of Abu Dhabi import. In 1994, it accounted for Dhs. 12,229 billion (63.4% of the total) compared to Dhs. 9,130 billion 59% in 1993 and Dhs. 6,517 billion 51% in 1992. There was a general rise in imports in almost all the commodity sections in 1994 compared to 1993, prominent among them are manufactured goods classified by material group with a 10% rise, chemicals with a 23% rise and Food and Live Animals group which registered an increase of 11%.

In 1994, Italy emerged as the leading supplier to Abu Dhabi, with its exports Dhs. 4,058 billion worth of goods (21% of total imports) and improved its position by 357% over 1993 imports of Dhs. 887 million. Germany, the second top with Dhs. 2,947 billion showed an increase of 73% over 1993. USA, Japan, and the United Kingdom, the 3rd, 4th and 5th ranked countries respectively, with Dhs. 1,873-1,620 and 1,493 billion respectively all showed a decline from their 1993 export. However, Saudi Arabia, one of the usual top countries, retains a lead in its exports with Dhs. 1,427 billion against Dhs. 1,199 billion in 1993, up by 19%.

### Abu Dhabi Imports by Top 10 Countries of Origin



1994	1993	Country	Value Dhs.(000s)	% of Total Imports
1	6	Italy	4,057	21
2	5	Germany	2,947	15.3
3	3	USA	1,873	9.7
4	1	Japan	1,619	8.4
5	2	U.Kingdom	1,493	7.7
6	4	S. Arabia	1,427	7.4
7	7	France	1,099	5.7
8	12	S. Korea	575	3
9	8	Qatar	443	2.3
10	9	Netherlands	353	1.8

### **3.Re-exports**

In 1993, re-exports in the UAE valued at Dhs. 16,084 billion (US \$ 4,381 billion). This figure does not include re-exports from Free Zone and Duty Free Storage Areas. Since 1988 during a lapse of five years, this activity developed enormously and increased by 118%. Machinery and Transport Equipment have always been the main commodities re-exported. Until 1990, Manufactured goods classified by material held the second place, and were surpassed by miscellaneous manufactured articles since 1991.

#### **a. Dubai**

Over its long commercial history, Dubai has been well known as an active center for re-export trade to the neighbouring Gulf countries, the Indian subcontinent and the Eastern Coasts of Africa. Dubai has recently diversified its facilities to expand its re-export activities to cover all the Gulf and Arab countries and those of Asia, Europe and America, re-exporting about 70% of its annual total imports.

In 1994, recorded re-exports made up largely of manufactured consumer goods rose 3.8% to Dhs. 10,670 billion (US \$ 2,903 billion) from Dhs. 10,278 billion (US \$ 2,797 billion) in 1993. Although appreciable increases were made in the re-export of silver bullion (mainly to India), textile fabrics, office machines, tea and to a lesser degree, a variety of other consumer goods, sharp drops were recorded for gold jewellery, vehicles, rice and spices (see figure 3, 4)

Iran, the principal re-export destination, accounted for over 39% of the total re-exports, 21% went to other Asian countries, 17% to GCC countries, 8% to other Arab countries, 9% to Europe, 3% to Africa and 2% to North America. Total re-export destinations rose to 154 from 147 in 1993.

#### **Note:-**

The re-export Figures quoted in the Dubai External Trade Statistics cover officially recorded re-exports from the Emirate of Dubai and do not represent the true volume of imported goods leaving Dubai by a multitude of perfectly legal but unrecorded channels to the rest of the world. Furthermore, all re-exports from Free Zones and Duty Free Storage Areas appear on separate statements. In 1994, imports into Jebel Ali Free Zone accounted for Dhs.8,163 billion (US.\$ 2,224 billion) while re-exports accounted for Dhs. 5,929 billion (US.\$ 1,615 billion).

**Dubai Re-Exports by Destination (Top 10 Countries)**

1994	1993	Country	Value Dhs.(000s)	% of Total Imports
1	1	Iran	6,885,631	13.2
2	8	India	4,937,868	9.5
3	3	S.Arabia	4,320,315	8.3
4	5	Qatar	3,920,947	7.5
5	2	Kuwait	3,903,752	7.5
6	4	Hong Kong	3,632,393	7
7	6	Pakistan	3,121,028	6
8	9	Yemen	2,010,563	3.8
9	7	Bahrain	1,965,229	3.7
10	14	Somalia	1,502,575	2.9

**b.Abu Dhabi**

It is difficult to compare the relative increase in the Abu Dhabi re-exports from 1993 to 1994, as the Abu Dhabi Foreign Trade Statistics no longer include the figures regarding the Northern Emirates of UAE cargo for re-exports moving out by road transport through Abu-Dhabi border at Ghwaifat. This modification took place in 1994 with the latest statistical information available.

In 1994, re-export registered Dhs. 695 million (US \$ 189 million) worth of goods with 63,595 tons. Saudi Arabia topped the re-export destination with (27%) of total re-exports, followed by India with 11.8%, Qatar 7% and Kuwait 6%. The GCC share of the re-export trade made up 43% of total re-exports.

**4. Exports**

Oil and gas and related industries continue to be the most important sectors of the UAE economy accounting for a substantial proportion of its exports. Non-oil exports consist of two main groups :

Export of traditional commodities which include animal hide, dates, frozen and dried fish, iron scrap and other metals. This represents a minor percentage of the total exports which are directed to the Gulf states and countries of the Indian sub-continent.

Export of manufactured industrial commodities. The rapidly developing manufacturing sector in Dubai produces a range of high quality competitive export products like Aluminium Ingots, liquefied gas and ready made garments. These are exported to Japan, China, India, Taiwan, USA, and some industrial countries in Western Europe. The Exports to AGCC markets are the manufactured commodities of foodstuff, chemicals, plastic products, building materials and metallic products.

The UAE non-oil exports amounted to Dhs. 5,634 billion (US \$ 1,535 billion). The value of exports almost doubled from Dhs. 2,850 in 1988 to Dhs. 5,634 in 1993. Manufactured goods classified chiefly by material formed the bulk of the total Exports 39%, followed by Miscellaneous manufactured articles 22%.

## Dubai

In 1993 non-oil exports rose by 7% to Dhs. 3,541 billion (US \$ 964 million) from Dhs. 3,302 billion (US \$ 898 million ) in 1992. The increase was largely due to the shipment of locally fabricated marine drilling platforms to Nigeria and Netherlands. Export of garments to Western Europe , United States and Canada and other fabricated iron structures to India and Qatar were also higher compared to 1992. However, export of primary aluminium, Dubai's principal export product accounted for 31% of the total export, whereas it represented 36% in 1992. The top five destinations for exports in 1993 were Japan 13%, Netherlands 8%, Germany 7%, Oman 6% and South Korea 6%. 41% of the total exports went to Asia, 26% to Western Europe, 23% to Arab countries (including 18% to GCC), 6% to North America and 4% to Africa.

Non-oil Exports worth 3,273 billion(US \$ 891 million) were shipped to 101 destinations in 1994. Primary aluminium enjoyed record prices in the world metal markets and accounted for over 40% of the total exports 73% of the metal shipments went to Japan, South Korea and Taiwan. There was a marked drop in exports of locally fabricated marine drilling platforms and shipment of ready made garments. However, the export of gold scrap jewellery rose appreciably. Nearly 51% of total exports went to Asian destinations, 21% to Western Europe, 20% to GCC countries and 3% to North America.

### Dubai Exports by Destination (Top 10 Countries)

1994	1993	Country	Value Dhs.(000s)	% of Total Imports
1	1	Japan	558,843	15.8
2	5	S.Korea	261,529	7.4
3	4	Oman	209,067	5.9
4	8	Taiwan	201,219	5.7
5	7	U.Kingdom	177,804	5.0
6	3	Germany	176,386	4.9
7	9	India	146,414	4.1
8	10	S.Arabia	128,498	3.6
9	14	Kuwait	115,169	3.3
10	2	Netherlands	113,881	3.2

## Abu Dhabi

Abu Dhabi exports cannot be compared during the years 1993-1994. From the year 1994, the Abu Dhabi Foreign Trade statistics excluded the Northern Emirates of UAE Cargo for exports moving out by road transport through Abu Dhabi border Ghwaifat.

Exports in Abu Dhabi accounted for Dhs. 252 million(US \$ 69 million) with 120,594 Tons in 1994. However, export trade is mainly by road transport(excluded from 1994 statistics) and it constitutes 71% by value and 78% by weight during the year. Major commodities of export are soft drinks, lubricants, steel structures and the like.

The Sultanate of Oman was the major trading partner in the export trade with Abu Dhabi during 1994. It's share represented 32% by value and 40% by weight. The GCC was 77% Dhs. 194 million worth of goods and 82% by weight 98,744 tons.

## **5. General Trade Practices Used**

### **a. Trademark Law**

Laws regarding the legal protection of industrial property have taken a long time to be formulated and implemented. The trademark law has been stringently enforced only recently, in the past three years. The following summary of actions permitted under the law shows that it follows international practice.

These include:

- Registration procedures for patents and trademarks with the respective authorities. Ministries can accept and refuse registrations.
- Periods of protection and validity of 10 years, renewable.
- As well as the acknowledgment of civil law claims for damages, the Trademark Law provides the possibility of action against infringements by applying for orders of confiscation from the competent court.
- Restrictions are placed on the registration of foreign patents and trademarks.
- Fines up to Dhs. 10,000 (US \$ 2,725), imprisonment and closure of premises for up to six months, and the destruction of products and producing facilities ( in the UAE).
- The total cost for registration is approximately Dhs. 8,500 (US \$ 2,315)

### **b. Regulations**

#### **Labeling Requirements**

- Arabic and English must be present on the pack as well as the country of manufacture. This is a strictly observed requirement.
- If a product belongs to the category of foodstuff, perishables, drugs, medicines etc., the date of expiry and manufacture, and ingredients should be printed on the pack.

#### **Duties, Tariffs and Taxes**

- No personal income tax is levied on individuals working in the UAE
- VAT does not exist
- Corporate tax : levied only for oil/gas extracting companies and branches of foreign banks.
- Other taxes are limited to customs duties (ranging between 1-8%) and municipal taxes imposed on hotel services and property rentals 5%.

#### **Import**

All dutiable goods 4% on CIF value (vary by Emirate). Deductions on invoices for agency commissions and internal settlements between supplier and importer/agent are dutiable.

- Trans-Shipment/Transit - Duty = Nil
- Export- Duty = Nil
- Import tariffs vary by Emirate. They are usually low. Higher rates apply to a certain class of goods such as narcotics, tobacco and alcohol. Exemptions are exercised depending on the category of product and/or whether they are imported through a tax-free zone. Exempted food-stuffs include:

1. Live animals chiefly for food and honey bees.
2. Meat, fresh, chilled and frozen, of bovine, sheep, goats, poultry etc.
3. Fish and crustaceans, live, fresh and chilled.
4. Dairy products, cream, milk, cheese, eggs etc.
5. Edible fruits and vegetables, fresh, chilled or dry.
6. Coffee, tea, rice, wheat etc.
7. Animal and vegetable oils.
8. Sugar, salt and infant milk powder.

### **c. Licensing Requirements**

Licensing depends on approval by the municipality based on compliance with :

- Goods should not contain harmful components, and should not be detrimental to the consumer
- Abides by Islamic regulations i.e. alcohol free and pork free

All business activities need to be registered with the Chamber of Commerce and Industry in each Emirate.

### **Business in the UAE requires one of five types :**

**Trade License** - covers all kinds of trading activities like wholesale, retail, trade, financial consulting offices, banks, insurance companies, contractors, hotels, storage establishments.

**Professional License** - covers all professional services e.g. lawyers, consulting studies, medical and educational services, fashion design, tailoring, business information etc.

**Industrial License** - for establishing industrial or manufacturing activities.

**Vocational License** - covers all those vocations which require only small capital e.g. builders, carpenters, other craftsmen, sellers in Kiosks etc.

**Agricultural License** - covers all those who invest in the field of vegetable or animal products for the purpose of selling/growing the product. Supply of farm machinery etc. The licenses are issued by the Economic Department. Prior approval from ministries and other authorities is required in some categories such as :

- Insurance companies and related agencies, from the Ministry of Economy and Commerce
- Manufacturing, from the Ministry of Finance and Industry
- Pharmaceuticals and medical products, from the Ministry of Health.
- Certain trade activities like Jewelers and Insurance companies require submission of financial guarantee issued by a bank in that Emirate.
- Branches and offices of foreign companies are not licensed to engage in importing activities except for re-export or in the case of products of a highly technical nature.

### **d. Laws Governing Local Productions**

The information in this section is not standard. Not being under federal law it differs from emirate to emirate. Furthermore, any plant production unit set up is subject to approval from different ministries (depending on what good is produced) and hence, tends to be case- specific.

**In the Emirates of Dubai**, a manufacturing company has to initially request and obtain approval from the Ministry of Finance (Industrial Department). This is if the manufacturing plant has any of the following:

- More than five horsepower for the machinery.
- More than Dhs. 250,000 (US \$ 68,100) of capital investment.
- More than 10 labourers working for the plant.

Once this is obtained, land must be applied for through the municipality which will set certain conditions, then registration with the Ministry of Economy and the Chamber of Commerce must follow. These as well may impose other conditions.

**In Abu-Dhabi**, the body that issues industrial licenses is the General Industrial Corporation.

#### **e. Setting Up Business in the UAE**

•Practicing any economic activity (Trade/Professional) requires choosing one of the legal forms or status for the firm. Choosing the right legal form of the establishment is subject to many considerations :

1. Compliance with the laws and legislations regulating the civil and commercial dealings.
2. The value of the invested capital.
3. Scope of the firms' activities on a local, regional or International level.
4. Nationality of the investor(s).

i.National investors can practice most types of economic activities through a sole proprietorship or can enter into partnership with others.

ii.Non-local investors need to have a local partner in order to be able to practice economic activities. The only exceptions are professionals and handicraftsmen who can practice professional activities by themselves with a local services agent (sponsor).

#### **Different ways for foreign companies to undertake commercial activities**

1. **By appointing a trade agent** - He is basically a distributor with a commission. The agent should be sponsored by a UAE National.

2. **Establishing a branch** of the company or a representative office.

#### **3. Participation in Local Companies**

4. **Conducting an agreement** with the Federal Government or with one of the Emirates Government and several petroleum companies.

5. **Civil Firms** - exercising non commercial activities such as professionals and artisans requiring only a local service agent. These companies are exempted from the requirement of being licensed and from registration.

The following are the major categories of business organizations:

### **General Partnership Company**

At present they are limited to UAE Nationals. Share Partnership Companies are not permitted.

### **Joint Venture Companies**

It is a contractual agreement between a foreign party and a local party to engage in a desired activity. The local entity's shareholding must be at least 51%.

### **Public and Private Shareholding Companies**

The minimum capital required for a public shareholding company is US \$ 2,725 million and for a private shareholding company US \$ 0.545 million. The chairman, the majority of directors must be UAE Nationals. The law stipulates that companies engaged in banking, insurance or financial activities should be run as Public Shareholding companies.

### **Limited Liability Companies**

Such companies are formed by a minimum of two and a maximum of 50 persons whose liability is limited to their shares in the company's capital. The minimum capital in Dubai is US \$ 82,000. The foreign equity in the company may not exceed 49%.

## **6. Infrastructure for Trade**

All the principal cities in the UAE have been set up with an excellent transport infrastructure. During the seventies huge amounts were invested to execute most infrastructural projects and facilities creating a healthy atmosphere for the flow of investments into the UAE.

### **a. Roads Network**

Before the Federal State was established, roads were vital in transportation of materials, equipment and services. After the Federation, these roads were and still are the main inter-Emirates connecting link. Roads, highways, bridges and tunnels were constructed to link the different Emirates with each other and with the neighboring Gulf countries. The length of these roads totaled 657.4 kms at a cost which exceeded Dhs. 3.5 billion.

In addition to the role of these roads in provision of inter-Emirates travel, they facilitate external trade. Road transport is very well organized and readily available for trans-shipments over land to other Gulf and Middle East locations. These roads reach the Sultanate of Oman from the South through Hatta or Al Ain. They also stretch North along the coast reaching Qatar, Saudi Arabia, Jordan, Syria, Lebanon and Turkey. Almost all kinds of cargo including containers and freezer containers can be transported with ease and convenience.

### **b. Airports : Facilities and Practices**

There are six airports in the UAE. Four international airports in Abu Dhabi, Dubai, Sharjah and Al Ain, and two internal airports in Fujairah and Ras Al-Khaimah. The principal airports in Abu Dhabi, Dubai, and Sharjah serve as an excellent communication point between the East and the West and provide numerous and reliable connections to and from various Middle East and other

international business points.

Dubai is the most active emirate in foreign trade. Hence, its transport facilities are the most important, not only in the UAE, but in the whole region:

### **Dubai International Airport**

The Duty Free Shopping Complex of Dubai Airport is recognized as one of the most distinguished duty free facilities internationally. It has consolidated the role of Dubai as a regional trade center providing excellent services as well as high quality and competitive prices of goods.

### **Dubai Cargo Village (DCV)**

- The new air cargo complex (cargo village) opened for business in the summer of 1991. Its establishment was the result of the steady increase in the volume of air and sea cargo.
- The objective is to facilitate reshipping of the containers arriving at Jebel Ali and Rashid Ports directly to air cargo companies which have used the airport as a cargo operation base between the Indian sub-continent, South-East Asia, the Far East and the European countries.
- DCV's proximity to Port Rashid and Jebel Ali just 15 and 45 minutes drive away respectively, has helped establish Dubai as one of the world's leading sea/air cargo hubs ahead of even Seattle and Singapore.
- Despite a daily average of 20 freighter flights, perishables are processed in under 20 minutes. Most other cargoes take between 30 and 60 minutes.
- DCV meets present and future requirements of various kinds of cargo, unloading and storage activities.
- 41 quays are provided to handle the goods:
  - 7 quays for sea- air cargo
  - 11 quays for exports
  - 12 quays for imports
  - 11 quays for perishables including hazardous
  - goods, radioactive materials, explosives and precious metals.
- With over 60 international airlines operating to over 100 destinations from Dubai, the choice of carriers available to the UAE's cargo community is vast.
- In 1994, DCV handled a record-breaking 250,000 tonnes, an average of 900 tonnes in a single day.
- In 1996, Dubai is the venue for the World Air Cargo Forum of the International Air Cargo Association (IACA)

### **Cargo**

- The "Equation" Cargo Community System (CCS) linked between DNATA and Dubai Cargo Village. This instant electronic link, which saves crucial time, is designed for paperless exchange of data between forwarders, agents, airlines, handling agents, customs, shippers and consignees.



- Consignments can be tracked during every step of their journey from the time they are handed over for the outbound flight to clearing customs and final delivery.
- DNATA has launched a 24 hour repackaging service for consignments in need of a check-up due to the weather, conditions, poor handling or poor initial packing.
- DNATA has introduced a special cargo escort service in the cargo terminal, ensuring that consignments are guarded every moment while at DCV.

### Emirates Cargo

- EMIRATES SKY CARGO is the freight division of the UAE's International airline.
- Sky Cargo targets time-sensitive consignments and specializes in the rapid turnaround of air- sea cargo.
- Transits of less than a day and handling times of less than five hours are being achieved from freight arriving at Dubai's Port Rashid
- Regular shipments range from textiles, fruit and vegetables to computer equipment, express parcels & mail.

### Movement at Airports - 1992

Airport	Exports (Goods in tons)	Imports (Goods in tons)
Abu Dhabi	12847	22440
Dubai	74490	111944
Sharjah	17209	7835
Ras Al Khaima	122	87
Fujeirah	331	10
<b>Total</b>	104999	142316

**Note :** Refer to the Appendix (page 99) for a list of FREIGHT FORWARDERS.

### c.Seaports : Facilities And Practices

All the principal cities within the Emirates have their own ports and are fairly well organized. As the ports are within 150 Kilometers of each other they provide an excellent network of cargo transshipment points to other Middle East locations and to and from other International ports. Nine ports form the main sea outlets which link the UAE to the rest of the world:

- In Abu Dhabi: Zayed Port
- In Dubai: Rashid and Jebel Ali Ports
- In Sharjah: Khalid and Khorfakkan Ports
- In Fujeirah: Al-Fujeirah Port

-In Ras Al Khaimah: Saqe Port

-In Ajman: Ajman Port

-In Umm Al Quwain: Ahmed Bin Rashid Port

Dubai Ports and wharfs are distinguished for their strategic location as they occupy the southern part of the Arabian Gulf. They have an essential role in receiving the commercial vessels coming from the ports of the Arabian Gulf area, Indian sub-continent and East Africa. They have made Dubai a regional distribution hub for transit trade between the East and West. During the last decade, they started to introduce new methods of loading and unloading of container vessels which require special equipment. This major development in sea transport had a direct effect on all land and air operations. Means of transport have become closely connected.

### **Port Rashid**

•Port Rashid is the leading port for handling different sizes of containers in the region.

- Number of Berths : 36
- Covered storage Area : 158,4000 sq.m
- Open Storage Area : 49,000 sq.m
- Container Area Capacity : 20,000 Containers

•Port Service

- Bunkering
- Catering
- Supply of loading and unloading laborers
- Fresh water supply service either from the quay or from the boats.
- Crew change services
- Ship repair and maintenance service

•Free Storage Area

Port Rashid is considered a storage area free of customs duties in which cargo may stay within the free storage area against very reduced charges. Cargo stored in the open areas of the port may avail from the free storage for 35 days. Also cargo stored for re-export is entirely free of customs duties.

### **Jebel Ali Port**

•Jebel Ali Port is the world's largest man-made harbour and the biggest size port in the Middle East. It is located 35km away from the city of Dubai. It has a strategic geographic and economic location which connects maritime lines between the Indian sub-continent and the far East with the Mediterranean Sea, West Europe and America.

- Number of Berths : 67
- Covered Storage Area : 70,000 sq.m
- Open Storage Area : 750,000 sq.m
- Cold Storage Area : 4,000 sq.m
- Container Area capacity : 12,000 containers

- The berths are allocated for loading and unloading activities based on the motive of cargo and means of transportation.
- A complete platform is provided for oil products and gas tankers and equipped with all necessary machines and equipment, as it is an important oil products and natural gas exporting port.
- Port Services
  - Cold, covered and open storage. Storage for cold stores are provided with temperature and humidity controls.
  - Internal and external land transportation: 46 trucks are available to undertake general cargo and container transport to UAE and GCC markets.
  - Maintenance and Repair Services to vessels visiting the port through organizations operating in Dubai. A unit is available to repair and maintain containers.
  - Jebel Ali provides a wide range of services to the firms licensed in the free industrial zone located within the port.
  - A Free Storage Area is located within the Port and the industrial Zone. It promotes trade activities in general particularly import and re-export to the neighboring and other countries.
- Refer to the Appendix (page 101) for a list of some shipping companies in Dubai. Also included is a list of rates and charges regarding cargo shipment at the ports (Appendix page 103).

#### **d.Jebel Ali Free Zone**

The Jebel Ali Free Zone was established in 1985 with the specific purpose of facilitating investment. Accordingly the procedures for setting up a business activity in the zone are relatively simple.

While Jebel Ali was established to complement and contribute to Dubai's growth and development, its legal status is quite distinct. Companies operating there are treated as being "**offshore**", or outside the UAE for legal purposes. The option for setting up in Jebel Ali is therefore most suitable for companies intending to use Dubai as a regional manufacturing or distribution base, and where most or all of their turnover is going to be outside the UAE.

#### **Control of the Free Zone**

The responsibilities of Jebel Ali Free Zone Authority include issuing licenses to companies wishing to operate within the zone. They also include those companies with everything from the provision of power supplies to staff recruitment or helping to arrange for their immigration, accommodation, medical facilities, and assisting with insurance inquiries.

#### **Facilities Available**

Companies may lease land on which to erect their own facilities. Subject to availability, the JAFZA can provide warehouses, pre-built factory units, or offices for rent by companies. All infrastructure services are available in the Free Zone area.

## **New Appointments**

Companies wishing to operate in the Free Zone must submit proposals to the Free Zone Authority. The latter will issue either a general, a special, a national industrial or a free zone establishment (FZE) license to accept companies.

## **Special License**

Special licenses are issued to companies incorporated, or otherwise legally established, outside the UAE. In such cases, a license issued by the Dubai Economic Department is not required and ownership of the company may be 100% foreign if desired.

The license is issued for any activity permitted by the Jebel Ali Free Zone Authority including manufacturing. A company with a special license can only operate in Jebel Ali Free Zone or outside the UAE. However, business can be undertaken and sales made in the UAE through agents or distributors. A company with a special license can purchase goods or services from within the UAE.

## **General License**

General Licenses are issued to companies already holding a valid license from the Dubai Economic Department (formerly a Municipality License), or equivalent permission allowing them to operate within the UAE. Activities similar in nature to those allowed by the company's existing license will be permitted under their JAFZA General License.

Although operating inside the free zone, holders of a General License must still comply with federal and municipal requirements relating to their operations in the rest of the UAE.

## **National Industrial Licenses**

A National Industrial License is for manufacturing companies which are registered either within or outside the UAE. The ownership or shareholding must be at least 51% AGCC (Arabian Gulf Cooperation Council-Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates) and the value added to the produce in the Free Zone must amount to a minimum of 40%. This license provides its holder the same status as local or AGCC companies inside the UAE.

Companies holding a National Industrial License qualify for customs duties exemption on their products imported into the AGCC states.

The Jebel Ali Free Zone Authority (JAFZA) undertakes the administrative negotiation needed to obtain industrial registrations with the Ministry of Finance & Industry on behalf of the company. Procedures are as follows:

- a. The company submits an application and project proposal to JAFZA.
- b. JAFZA presents the proposal to the ministry of Finance & Industry on behalf of the company. The Authority provides the link between the applicant and the Ministry of Finance & Industry to resolve any queries.
- c. If the project is accepted in principal, the ministry of Finance & Industry gives provisional approval and JAFZA issues the National Industry License to the company so that implementation

of the project can start.

d. When the company is ready for production, JAFZA arranges inspection of the factory by the Ministry of Finance & Industry which will issue a certificate (which includes the "industrial registration number") and will notify the Ministry of Economy & Commerce that the company is registered.

e. The Ministry of Economy & Commerce will notify the AGCC Secretariat, who in turn will notify the AGCC states that the Ministry of Economy & Commerce will issue certificates of origin upon the request of the company.

### **Free Zone Establishment (FZE)**

The newest of the four different licensing systems under which investing companies can operate, FZE's are single shareholder establishments set up within the zone. They are permitted under law 9, introduced in 1992 by Dubai Government, allowing companies of international repute to establish themselves in Dubai through registration in Jebel Ali.

### **Provision of Labour**

Staff and labour required by a special or FZE licenses for their operations within the free zone will be provided through the Free Zone Authority under a special hiring agreement by which the license retains practical control of recruitment and employment conditions, but the Free Zone Authority acts as sponsor and will issue the necessary work permits. Upon request, the Free Zone Authority will sponsor labour and staff for a General License and National Industrial License under the same conditions as for the above mentioned license. Employees sponsored by the Free Zone Authority may not work outside the Free Zone in the United Arab Emirates.

### **Taxes and Charges**

Neither class of license will be liable to any corporate taxes for 15 years, renewable for an additional 15 years or any personal income taxes, but will pay normal rates of charges for any outside services utilized. Dubai Ports Authority and Free Zone Authority charges and dues will be negotiated under separate agreements.

### **Repatriation of Capital and Profits**

All imported capital and profits arising from Free Zone business are to be freely transferable abroad.

### **General Conditions**

a. Existing Free Zone Customs regulations will remain unchanged e.g. there will be no duty on free zone goods unless imported into the United Arab Emirates. The commercial Agencies' laws and Municipality restrictions will not apply to goods in transit through the free zone.

b. Dealing will be prohibited in the following goods :

Raw and prepared opium, cocoa leaves, cannabis resin and preparations whose basis is a resin of cannabis and cocaine; fake, counterfeit money; ivory and rhinoceros horn whether raw or worked. Dealing in arms, ammunition and explosives will be restricted in accordance with existing regulations.

### C. SIZE OF MARKET AND BREAKDOWN

The size of the overall UAE market is composed of the total production and the total imports. The value of production may be represented by the GDP. The most accurate and most recent figure that we can get for the size of the market is for the year 1993. The GDP represented Dhs. 130,972 million and UAE total imports represented Dhs. 72,484 million. Therefore, the size of the overall UAE market represented Dhs. 203,456 million (US \$ 55,422 million).

For the purpose of this study, the breakdown of the market will be limited to the industry profile on food products. However, there are no figures available in terms of production therefore we will have to consider only the imports. Moreover, since Dubai represents the largest market in the UAE in terms of imports, a figure from Dubai Statistics will be representative of the total market.

The industry profile on food products in Dubai will include the following categories :

- a. Preparations of Meat, Fish and Crustaceans
- b. Preparations of Cereals, Flour..., Pastry cooks, Products
- c. Preparations of Vegetables, Fruits etc...
- d. Miscellaneous Edible preparations

The following table presents the value in Dirhams and the volume in kilos of these food categories for 1993 and 1994.

Food Categories	1993		1994	
	Value Dhs. ('000s)	Volume (kg-'000s)	Value Dhs. ('000s)	Volume (kg-'000s)
a	68,638	7,429	67,305	7,695
b	120,656	17,135	112,715	14,236
c	161,913	59,450	171,131	61,905
d	193,883	22,556	209,854	23,776
<b>Total</b>	<b>545,090</b>	<b>106,570</b>	<b>561,005</b>	<b>107,612</b>

The size of the market of food products reached a value of Dhs. 561 million (US \$ 153 million) in 1994, and went upto 107,612 000 kilos in volume. The sub-group "Preparations of Cereals, Flour..., Pastrycooks, Products" can be further broken down to several sub-divisions one of which is "bread, pastry, cakes, biscuits and other bakers' wares". The value of imports of this sub-division is the closest figure we can get from governmental statistical publications to that of the markets of biscuits and ready mixes. In 1994, it represented Dhs. 7,358,000 (US \$ 2,004,000) in value and 1,122,000 kilos in volume.

When some of the main players of the market (manufacturers, wholesalers and retailers) were asked about the size of the markets of biscuits and ready mixes, they were not able to give us a definite figure, nor even an estimate. Therefore, the size of the market "bread, pastry, cakes, biscuits and other bakers' wares" would roughly represent these two markets in addition to the markets of other products such as bread, pastry and others such as flour.

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## **SECTION III : SPECIFIC MARKET SECTORS :** **BISCUITS AND READY MIXES**

It is difficult to obtain detailed information regarding the markets of biscuits and ready mixes from governmental publications as data on these specific segments individually is not available. With the information available, this report presents an overall view of the biscuits and ready mixes markets. The results of the study are mainly extracted from the purchasing and selling behaviour of the different players (manufacturers, wholesalers and retailers).

### **A. VARIETIES AND BRANDS PRESENT IN THE MARKET**

The products available in the markets of biscuits and ready mixes are quite diversified. There are many brands, several of which have a variety of products. As those that are locally manufactured account for only 20%-30%, the bulk is imported (70%-80%). This explains the wide range of varieties and brands available in the market. There are more brand names and varieties concerning biscuits than ready mixes as the former is much widely consumed.

#### **1. Biscuits**

There is a wide variety of biscuits ranging from different brands to different types and different flavours. There are three main varieties :

**Plain Biscuits :** which can be salty or sweet, made of butter or glucose, and come in different flavours such as chocolate, orange, strawberry etc. Crackers and breakfast biscuits fall into this category.

**Filled Biscuits :** which contain cream, jam or nuts. They also come in different flavours such as chocolate, banana, coconut or hazelnut, almond and oatmeal. Cookies fall into this category.

**Wafers :** or multi-layered biscuits. These layers are usually thin and crispy. Wafers can be plain or accompanied with cream or other fillings.

Plain biscuits and biscuits filled with cream are the most popular types bought and sold. They are followed by wafers, cookies and crackers.

The brands present in the market are so numerous that it is not possible to mention all of them. Furthermore, many have insignificant shares in the markets.

Therefore, only those that constitute the main object of trade will be presented. Their relative shares in the market cannot be established with exact precision as each party involved only knows what it alone buys and sells, regardless of the total size of the market (which in turn cannot be precisely established).

The following table shows the main brands of biscuits available in the market.

#### **Locally Manufactured Biscuits**

Brand	Type	Origin
TIFFANY'S	Glucose	United Arab
	Nice	
	Marie	
	Petit Beurre	
	Milk	
	Chocobon	
	Cream Wafers	
	Crackers	
NUTRO	Crispy Cracker	United Arab
	Cookies	
	Malt 'n' milk	
	Cream Biscuits	
	Petit Beurre	
PICCADILI	Petit Beurre	United Arab
	Cream Biscuits	
ADDALLAH		UAE
AL ADAF		UAE
NOU NOU		UAE
SINBAD		UAE
ALLATINI	Wafers	Greece
	Cookies	
MERICANA	Cookies	Saudi Arabia
ASTOR	Wafers stick	Indonesia
BAHLSSEN	ABC	Germany
	Concerto	
	Clubs	
	Piccadily	
	First Class	
	Hit	
	Leibniz	
	Azora	
	Delice	
	Bambini	
	Choco Leibenz	
	Hanover Wafer	
BAKERS	Lemon cream	South Africa
CADBURY'S	Cadbury	United Kingdom



	Midler	
	Homegrain	
CARR'S	Table crackers	Holland
DANISH	Butter cookies	Denmark
DEEMAH	Cookie-choc	Saudi Arabia
	Tic-Tac	
	Date bars	
	Cream	
Brand	Type	Origin
DESORBY	Assorted	Italy
DURIAN	Assorted	Indonesia
	Cream	
FOX'S	Rich tea	United Kingdom
	Nice	
	Morning coffee	
	Ginger snap	
	Classic	
GARDEN	Wafers	HongKong
	Savoury crackers	
	Pop-Pan	
GARDENER	Wafers	Italy
GRIESSON	Soft-cake	Germany
	Choco-petit beurre	
	Horoscope	
HANS FREITAG	Opera	Germany
	Milano	
HOLLAND WAFEL	Wafers	Holland
HOLLAND HOUSE	Symphony cookies	Holland
	Fourr'e cream	
HUP-SENG	Butter cookies	Germany
JULIE'S	Cheese crackers	Malaysia
	Royal wafers	
	Cream rolls	
	Love letters	
	Melodies	
KERK	Asst. butter cookies	Malaysia
	Chocolate fudge	
	Fantasy	

KHONG-HUAN	Cream cracker	Singapore
	Whole meal	
	Assorted cream	
	Digestive	
	Cocoa pupp	
KJELDSO'S	Butter cookies	Indonesia
LION	Soda crackers	Philippines
	Sky flakes	
LOACKER	Wafers and cream	Italy
LYON'S	Short cake	United Kingdom
MCVITIES	Digestive	United Kingdom
	Hob-Nobs	
	Light	
	Marie	
	Morning coffee	
	Rich tea	
	Fig rolls	
	Jam rings	
	Home weat	
MEIJIN	Happy land	Singapore
	Hello Panda	
	Auto Land	
NABIL	Marie	Oman
	Tea-time	
	Nice	
	Wafers	
PYOTTS	Cream biscuits	USA
QUEENS	Butter cookies	Denmark
ROMA MAYORA	Cream crackers	Indonesia
TOGGENBURGER	Swiss Alpin	Switzerland
TOGGI	Cream wafers	Switzerland
ULKER	Petit Beurre	Turkey
	Assorted	
UNIBIS	Cream crackers/biscuits Indonesia	
WESTONS	Morning coffee	Australia
	Malt	
	Family assorted	

It seems that the Far East is an important exporting region of biscuits where the countries have

found an important market in the UAE. Biscuits are imported from other countries including Italy, Germany, United Kingdom and United States of America, Oman and Saudi Arabia.

The most popular brands seem to be the local product TIFFANY's as well as the imported brands MCVITIES, BAHLSEN and CADBURY. It is difficult to specify their exact shares, it is apparent they are available on the shelves of the majority of supermarkets visited.

## **2.Ready Mixes**

In the UAE, ready mixes are not locally manufactured. All the brands available in the market are imported. The market of ready mixes is smaller than that of biscuits and the range of variety is narrower. Different types of ready mixes include:

**Cakes Mixes :** which constitute the bulk of trade in this market with flavours such as chocolate, lemon and banana. They can be moist cakes, pound cakes or egg mixes.

**Dessert Mixes :** such as caramel, jelly and dumplings.

**Frosting and Cream :** which constitute a small proportion of the market.

The following is a list of imported brands of ready mixes.

<b>Brand</b>	<b>Type</b>	<b>Origin</b>
AL ALALI	Ultra moist	Saudi Arabia
BETTY CROCKER	Super moist	USA
DREAM WHIP	Whipped cream mix	USA
DUNCANS HINES	Moist delux	USA
	Chocolate lovers	
GREEN'S	Caramelle	United Kingdom
HONIG	Dumpling mix	Holland
JELL-O	Jelly	Saudi Arabia
KRASDALE	Cake mix	USA
LYONS	Cake mix	United Kingdom
PHILSBURY PLUS	Cake mix	USA
ROYAL	Jelly	Tunisia
	Custard powder	
	Cream whip	
SURPRISE	Cake mix	Holland

It seems that the USA is the main supplier of ready mixes followed by Saudi Arabia. The brands that are mostly available in supermarkets are AL ALALI, BETTY CROCKER and PILSBURY.

## **B. THE MAIN PLAYERS IN THE MARKET**

The main players consist of manufacturers, large wholesalers, small wholesalers or large retailers and retailers (supermarkets). This applies to both markets of biscuits and ready mixes. However, there are no local manufacturers of ready mixes in the UAE. Some wholesalers supply both

product categories, others only supply biscuits. All supermarkets stock both biscuits and ready mixes.

In this section a list of the main players will be presented. However, the way they interact together and the different ways of distributing the products will be discussed in another section.

### **1.Manufacturers**

The following is a list of local manufacturers of biscuits :

<b>Company</b>	<b>P.O. Box</b>	<b>Telephone #</b>	<b>Facsimile #</b>
Tiffany Food Industries	Sharjah 6597	06-2855195	06-280504
Gulf Confectionery& Biscuits Co.	24969	04-312580	04-315249
Strategic Food Int'l Biscuits Co.	53193	04-369680	NA
Lion's Int'l Ltd.	16826	04-815300	04-815300
Nou-Nou for Food Industries	Sharjah 22187	06-335867	NA

### **2.Large Wholesalers**

Large wholesalers import brands from abroad and distribute them to other wholesalers and supermarkets.

The following is a list of large wholesalers in the UAE :

#### **Wholesalers**

<b>Company</b>	<b>P.O. BOX</b>	<b>Telephone #</b>	<b>Facsimile #</b>
Abu Dhabi National Foodstuff Co.	Adu Dhabi 2378	02-723427	02-725367
Al Aqilli General Trading Co.	1496	347666	345726
Allied Food And Trading Co.	1579	851440	858407
Al Oufouk Int'l	23542	367094	374125
Al Rashideen Trading Co.	7318	693121	693229
ARAMTEC	6936	390444	386939
Armada Distribution	55160	691768	665340
Baqer Mohebi Establishment	267	859565	858274
Best Food Co.	10602	859045	857976
Dutch Arab Coop Trading	23827	313985	314168
Federal Foods (LLC)	6426	681727	681719
The Food Center	976	825276	825282
Ghassan Ahmed Al Sulaiman Trading	13952	662110	697801
GULFCO	1003	371400	372898
Gulf International	2870	374525	377090

Hassani Trading Co.	286	264166	265529
Kaki General Trdg.	60442	236614	593642
Kuwait Food Co.	3901	593614	593642
Marine & Mercantile International	70	262310	251560
Technical Marketing and Trading	49	370335	378390
Truebell Marketing and Trading	Sharjah 4146	06-333395	06-547435
United Kaipara Foods Int'l (UNIKAI)	6424	382133	383099

### **3.Retailers**

In the UAE, there are several types of retailers :

- Certain large retailers also act as wholesalers or agents for certain imported brands. They are also supplied with other brands by larger wholesalers. Large retailers supply other supermarkets, and they have their own outlets in several emirates in the form of large supermarkets.
- Large supermarkets are distinguished from small ones according to the number of cash counters present. Small supermarkets have only one cash counter, large supermarkets have at least two cash counters.
- Grocery stores, mostly referred to as Bakkalas, have only one cash counter like small supermarkets, but they have a much smaller surface and they stock a limited number of goods and varieties. These are often convenience foods with a high turnover. Some grocers have a fridge and a freezer to stock cold and frozen items. Some have either a fridge or a freezer, and others don't have either of the two as they don't stock cold and frozen items.
- Presently, one hypermarket has opened in Dubai. It has over twenty cash counters and stocks a very large variety of goods. Its prices are much cheaper than other supermarkets as it buys its products in very large quantities.

The following is a list of large retailers/wholesalers.

<b>COMPANY</b>	<b>P.O. BOX</b>	<b>TELEPHONE #</b>	<b>FACSIMILE #</b>
Abela & Co. (LLC)	1556	225588	225507
Al Maya Lal's Group	11096	483500	483958
Baquer Mohebi Est.	267	693122	667913
Choitram and Sons	5249	666670	691137
Spinneys	677	374050	365781

Dubai's Hypermarket

<b>HYPERMARKET</b>			
<b>COMPANY</b>	<b>P.O. BOX</b>	<b>TELEPHONE #</b>	<b>FACSIMILE #</b>
Continent (City Centre)	60885	241600	241601

The following is a list of Supermarkets:

<b>LARGE SUPERMARKETS</b>			
<b>COMPANY</b>	<b>P.O. BOX</b>	<b>TELEPHONE #</b>	<b>FACSIMILE #</b>
Dubai Co-operative Society	3922	822995	822898
Emirates Co-operative Society	25494	824111	827667
PIC `N` SAVE	20303	285252	285200
Safestway	6664	442122	447819
Union Co-operative Society	361	613100	616618
LIFCO	Shj. 7047	06-335635	06-335639
Wafi Supermarket	286	264166	265529

### **SMALL SUPERMARKETS**

<b>Company</b>	<b>Telephone #</b>
Al Aweer Supermarket	370912
Al Redha Foodstuff	231254
City Market	232094
Divya Supermarket	373740
Emirates Supermarket	663633/668002
Family-Friend	695786
Habib Bakery & Supermar ee	691795
Hassani Supermarket	264166
Inn-Foodstuff Trading	520001
Jumeirah Beach Supermarket	481303
KM Brothers Supermarket	370110
Modern Bakery Supermarket	371100
Mont Lebanon Products	232301
Park 'N' Shop	384671
Tesc	698182
Wisdom	282426

There is a very large number of small grocery stores but most do not stock expensive imported goods.

## **C. MANUFACTURING**

This section will briefly deal with the manufacturing of biscuits regarding the ingredients and the machinery used, and the manpower employed. This could be of usage in the case where there is an interest in setting up a manufacturing plant in the UAE. Another option could be the interest in exporting to the UAE the machinery necessary for the manufacturing of biscuits. Furthermore, people specialized in this field may consider looking for work in the UAE.

### **1. Ingredients/Core Raw Material**

For the UAE manufacturer of biscuits, this outlines how the ingredients are obtained in the UAE : Whether they are locally produced or imported. If they are imported, they are either obtained by the manufacturer locally, through an agent based in the UAE, or they are directly imported by the manufacturer himself.

The main ingredients used to manufacture biscuits are :

- Sugar
- Butter
- Salt
- Wheat flour
- Milk powder
- Cocoa powder
- Fresh eggs
- Vegetable oil and fat
- Different flavours
- Others

Only fresh eggs are locally produced in poultry farms in various areas of the Emirates. Wheat is also produced in the UAE, however this is only used for baking bread. The wheat flour used for the manufacturing of biscuits is imported mainly from Australia and Europe. Wheat flour and almost all of the other ingredients are imported. Manufacturers purchase these ingredients locally through agents who do the importing. However, the different flavours used may be imported directly by the manufacturer. Therefore, most of the suppliers of raw materials needed for the manufacturing of biscuits are based in the local market.

## **2.Machinery**

There is no local production of machinery used for the manufacturing of biscuits. This is not surprising as there isn't a market large enough to absorb such industrial goods, as there are only five relatively small manufacturers of biscuits in the UAE.

Therefore, all the machinery used in the manufacturing of biscuits are imported directly from abroad by the manufacturers. Exporting countries for these products include Germany, Italy, France and the United Kingdom.

## **3.Manpower**

The manufacturers of biscuits in the UAE may recruit their manpower locally, but mostly they are recruited overseas. Skilled labour is needed to operate the machines which carry out the mixing process of ingredients and the packaging of the final product.

The appropriate manpower would be available overseas, as there are no local institutions that teach/train workers to use such machinery as the latter is not locally produced. Furthermore, Expatriates in the UAE are not qualified to work in such a field. They are specialized in other fields, as such skills are not highly demanded because of the small size of this market, another reason why manpower has to be obtained overseas.

In the UAE, in general, it is very rare that companies have a specific department for Research and Development. The very few exceptions are the multinationals. The most developed department close to that of R & D is that of Marketing which can entail studying competitive brands and consumer behaviour, thereby enhancing innovation and variety. There are also market research

companies that carry out such studies on behalf of firms and manufacturers that need such information.

**D.CHANNELS OF DISTRIBUTION**

In the UAE, there are very few biscuits manufacturers, five in total, and no manufacturers of ready mixes whatsoever. Most brands of biscuits (70%-80%) and all ready mixes are imported. These are sold locally (in the UAE) and sometimes re-exported overseas. The trade channels for biscuits and ready mixes are similar to those of most consumer goods that are distributed in the UAE. These channels do not have a definite structure. Many importers, producers, agents, distributors, wholesalers and retailers are not connected together through the same channels.

The traditional channel of distribution starts with a producer or importer, followed by a distributor or agent, and a wholesaler to finally reach the retailer. However, this does not seem to be the dominant set-up as quite often either the wholesaler or the distributor are excluded from the chain. This helps reduce the costs of distribution.

Most local manufacturers distribute their products themselves, and therefore, deal directly with retailers, thus cutting out the wholesaler. This is the case of Tiffany Food Industries who manufacture biscuits locally. Tiffany's is one of the brands that sells its products at the lowest prices in the market.

As for imported brands, they are mainly distributed in the market by distributors or agents. These are often the wholesalers who become the actual distributors of these imported brands. They distribute them to other smaller wholesalers (or large retailers) and to supermarkets. Finally, an importer may just bring in the goods and concentrate on re-exporting them. Some large wholesalers also work in the re-exporting activity.

The following figures show the channels through which locally manufactured biscuits and imported biscuits and ready mixes go through.

**CHANNELS OF DISTRIBUTION FOR LOCALLY MANUFACTURED BISCUITS**

		IMPORTED BRANDS		
			AGENT	
DISTRIBUTOR	WHOLSALER/ LARGE RETAILER		LARGE WHOLESALER	RE-EXPORTER
			RETAILER/ SUPERMARKET	
			CHANNELS COMMONLY USED	CHANNELS NOT COMMONLY USED

**CHANNELS OF DISTRIBUTION FOR IMPORTED BISCUITS AND READY MIXES**



		MANUFACTURER		
DISTRIBUTOR	WHOLESALER LARGE RETAILER		AGENT	EXPORTS
		RETAILER/ SUPERMARKET		
		CHANNELS COMMONLY USED		
		CHANNELS NOT COMMONLY USED		

## **1.Manufacturers**

As mentioned earlier, there are no manufacturers of ready mixes in the UAE. This product is only imported. As for biscuits, the bulk is imported and there are only five manufacturers of biscuits in the UAE.

### **Biscuits**

Finished products are sold in the UAE and eventually exported. The market in the UAE includes the seven emirates but most importantly that of Dubai. The products are distributed and sold to the supermarkets either directly by the manufacturer without dealing with a wholesaler or distributor. In that case the manufacturer has his own distribution system or agency. Or the manufacturer may sell his products via a distributor or a wholesaler (or large retailer).

As for the products that are exported, the distributing process goes through an agent who acts as the middle-man between the manufacturer and the client overseas. This seems to be the predominant channel although an exception is Tiffany Food Industries whose distribution network deals directly with overseas markets. Locally manufactured biscuits are exported mainly to the GCC countries (Saudi Arabia, Kuwait, Qatar) as well as Lebanon and Russia.

## **2.Wholesalers/Distributors**

Wholesalers or distributors may locally supply other smaller wholesalers and/or retailers (or supermarkets). Distributors have a main branch in Dubai and a distribution network covering other emirates. Large wholesalers also have their own retail outlets or supermarkets. Examples are Spinney's, Choithram and Al Maya Lals.

As the market of biscuits is much larger than that of ready mixes, only half the wholesalers who deal with biscuits actually trade with ready mixes.

### **Biscuits**

All wholesalers of biscuits supply the products to local retailers, and most of them supply them also to other local wholesalers. They all sell the biscuits they trade with in all the seven emirates. They distribute them directly without going through agents. They act as agents themselves. Most of the wholesalers export their products mainly to African countries but also to the AGCC countries, Russia and Pakistan. They have an export division here in the UAE, and therefore sell directly to overseas markets.

### **Ready Mixes**

The distribution of ready mixes by wholesalers is the same as that of biscuits. They are all sold locally and most brands are also exported to the same regions mentioned above. Distribution of the goods is undertaken directly by the wholesalers with no other agents or distributors involved.

### **3.Retailers/Supermarkets**

Supermarkets get their product from local and overseas suppliers. Local suppliers are mainly wholesalers and large retailers. The overseas suppliers are mainly the actual manufacturers of the imported brands, who have their own export division thereby allowing local supermarkets to deal with them directly.

#### **Biscuits**

Regarding local suppliers, supermarkets buy biscuits from wholesalers/distributors and from large retailers who sell in bulk. If a supermarket is itself a large retailer, and therefore a wholesaler, it may not need a local supplier and purchases its products directly from abroad. Those who sell local brands such as Tiffany's may buy the biscuits directly from the local manufacturer.

Regarding overseas suppliers, most supermarkets deal directly with the manufacturers based abroad. Exceptions are those who deal with an agent or a wholesaler based overseas.

#### **Ready Mixes**

Again, supermarkets are supplied with ready mixes in a similar way as they are supplied with biscuits. However, they cannot deal directly with local manufacturers of ready mixes as they do not exist in the UAE. The majority of local suppliers are wholesalers, and overseas suppliers are mainly the manufacturers themselves.

## **E. TRADE PRACTICES**

### **1.Manufacturing/Selling Seasons**

Most manufacturers, wholesalers and supermarkets record peak manufacturing activity or peak sales simultaneously. They also register below natural level of sales during the same seasons. This applies to the markets of both biscuits and ready mixes. Peak selling seasons and those that witness low activity will be presented in this section.

#### **Biscuits**

Manufacturers see their production process at its highest level when schools open, starting from September going through Christmas till the month of February. Most wholesalers and supermarkets record peak sales during the festive seasons, the month of Ramadan, Eid, Christmas and New Year. Wholesalers stress more on the period between September and March, especially during the month of November through January as this goes in parallel with the manufacturer's peak activities, and, these months correspond with the festive seasons. Supermarkets extend this period to April. However, several wholesalers and supermarkets feel that sales are stable all year around.

However, the market of biscuits in the UAE becomes fairly inactive during summer. Starting from the month of June till September, the main players in the market register below normal level of sales/manufacturing activity. This is a general characteristic of the overall UAE market, as many

residents, whether Nationals or Expatriates leave the country for the summer holidays. The climate becomes too hot and humid and many Expatriates leave to visit their home-country.

### **Ready Mixes**

Seasons in which peak sales of ready mixes take place are similar to those of biscuits. The highest rates of sales are recorded during the period between October and April. However, sales of ready mixes mainly increase during the month of Ramadan more than any other festive season. They may represent upto (40%) of total sales of the year.

Similar to biscuits, the period of June-September is the season during which the level of sales of ready mixes is below average.

### **2.Credit Terms**

In the UAE, the preferred terms of payment is mainly cash, not credit. However, payment in credit is becoming widely accepted. Wholesalers, as well as retailers, seem to receive the same credit terms for biscuits as for ready mixes. Credit terms vary from 30 to 120 days. The standard practice seems to be 90 days, however this varies depending on the clients or companies involved. The minimum terms of credit applied for wholesalers is 90 days and very rarely 60-75 days. On the other hand, retailers or supermarkets may be expected to pay cash or on credit with terms of payment of only 30 days. Again this varies and may reach 120 days.

### **3.Mark-Ups**

Respondents were not very cooperative in giving away information about the mark-ups they apply on biscuits and ready mixes. Although there is no straight rule in this respect the variations are discussed here below :

#### **Manufacturers**

The manufacturers' mark-ups vary according to the type and final destination of the product. Variations also are noted between different manufacturers. While a few mentioned a flat mark-up of 7%, others could apply a higher rate.

Manufacturers who produce goods under different brand names have a better advantage in this respect where they can apply different mark-ups on the different brands.

#### **Wholesalers**

It seems that wholesalers apply different mark-ups which are affected by the following factors :

- Variety of product types
- Country of origin of the products
- Shelf-life
- Distribution network followed

A few wholesalers use the same strategy for all their range of products. Fluctuations in mark-ups could be as low as 7% or as high as 20%. However, the average is estimated at around 9%-13%.

#### **Supermarkets**

Only one supermarket amongst those interviewed claimed to apply one constant mark-up of 15% on both biscuits and ready mixes. All the others claimed to apply mark-ups that are not constant, but vary according to factors similar to those that influence the mark-ups of wholesalers. In addition, another important factor seems to be the availability and popularity of the product or its positioning amongst other competitive brands and its turnover. Other factors include the quality of the product and the packaging.

Regarding **Biscuits**, there are two categories. One which commands high mark-ups and one which commands low mark-ups.

·High mark-ups for :

- cream biscuits
- butter biscuits
- cookies
- biscuits for diabetics
- imported brands
- biscuits packed in tins

·Low mark-ups for :

- plain biscuits
- breakfast biscuits
- locally purchased biscuits

Mark-ups range from a minimum of 10% to a maximum of 25% with an average estimation of about 15%-18%.

Regarding Ready Mixes, most brands command high markups as they are all imported goods, and locally manufactured brands are not available. Almost all varieties have high markups especially cake mixes and desserts such as dumplings and caramel. Like biscuits, mark-ups range from 10% to 25%, however, the estimated average figure stands at 15%-20%, slightly higher than that for biscuits.

#### Summary Table of Mark-Ups

Player	Biscuits	Ready Mixes
<b>Manufacturer</b>	Minimum: 7%	-----
<b>Wholesaler</b>	Minimum: 7% Maximum: 7% Average: 9%-13%	Minimum: 7% Maximum: 20% Average: 9%-13%
<b>Supermarket</b>	Minimum: 10% Maximum: 25% Average: 15%-18%	Minimum: 10% Maximum: 25% Average: 15%-18%

#### 4.Packaging and Retail Prices

##### Packaging

**Biscuits** are packed in different kinds of packaging materials according to the different varieties

of biscuits involved. They vary from plastic and vacuum wrappers to foil and tinpacks, and boxes made of carton or tins. Sizes vary from 50g to 5kg depending on the type of packaging material used, and the weight or quantity of biscuits packed.

Plastic wrappers are mainly used for plain and cream biscuits, and certain wafers, cookies and digestive. Their weightranges between 150-250g. Carton boxes are used for most crackers and digestive biscuits and certain cream and wholemeal biscuits. Their weight varies from 150-450g. Finally, tin boxes are used for butter cookies and certain cream biscuits. These weigh much heavier, about 1.5kg.

All **ready mixes** are packed in carton boxes. The weight of these boxes ranges from 50 to 500g, depending on the size of the product.

It seems that only local manufacturers are involved in the packaging process of their products. The packaging material is obtained locally. Wholesalers and supermarkets however, only deal with finished goods and are in no way involved in the packaging of biscuits and ready mixes.

### Retail Prices

In the UAE, there are no price regulations, that is, the government does not fix prices nor does it put any limitations. Retail prices are calculated according to the cost of production or cost of import, the cost of distribution and the different mark-ups applied at each distribution stage. Therefore, prices are freely marked. However, as unit price and cost seem to be very important factors in a market where competition is at its extreme, because of the availability of goods from various parts of the world, retail prices of brands of the same origin tend to be similar.

Moreover, there are high levels of discounting in order to obtain competitive prices. This is also due to the dumping of goods from other markets such as the Far East and Saudi Arabia into the UAE market, as there are no price regulations in the UAE and products from these countries are relatively cheap. The most obvious difference in retail prices lies in the fact that locally manufactured goods (in this case biscuits) are relatively cheaper than imported brands.

The following table shows the average retail prices for biscuits :

### Locally Manufactured Biscuits

BRAND	ORIGIN	TYPE	WEIGHT (grams)	AVE. RETAIL PRICE (Dhs)
TIFFANY	UAE	Glucose	70	1.00
		Nice	75	1.00
		Marie	20	1.5
		Petit Beurre	10	1.5
		Milk	10	1.0
		Chocoon	150	2.00

NUTRO		Crispy Cracker	90	.00
		Cookies Malt 'n' milk	30	.00
		Cream Biscuits	0	.00
		Petit Beurre	20	.00
			190	2.00
ADDALLAH	UAE		70	1.00
AL ADAF	UAE		70	1.00
NOU NOU	UAE		70	1.00
SINDBAD	UAE		70	1.00

### Imported Biscuits

BRAND	ORIGIN	TYPE	WEIGHT (grams)	AVERAGE RETAIL PRICE (Dhs)
ALLATINI	Greece	Wafers	175	2.50
		Cookies	175	2.75
AMERICANA	S. Arabia	Cookies	540	11.00
BAHLSSEN	Germany	ABC	100	5.25
		Concerto	125	5.00
		Clubs	125	6.50
		Piccadilly	125	7.00
		First Class	250	6.50
		Hit	125	5.25
		Leibniz	150	2.00
		Azora	100	5.25
		Delice	125	5.25
		Bambini	17	6.50
		Choco Leibenz		7.00
Hanover Wafer		5.25		
BAKERS	S. Africa	Lemon Cream	200	3.00

CADBURY'S	United Kingdom	Cadbury	150	6.00
		Midler	100	6.00
		Homegrain	150	4.50
CARR'S	Holland	Table Crackers	125	5.00
DANISH	Denmark	Butter Cookies	908	17.00
DEEMAH	Saudi Arabia	Cookie-choc	100	2.00
		Ginger Snap	140	4.50
		Data Bars	140	2.00
		Cream	720	5.00
GARDEN	Hongkong	Wafers	700	20.00
		Pop Pan	100	4.50
FOX'S		Rich Tea	200	5.95
		Nice	200	5.50
		Morning Coffee	200	5.50
GARDENER	Italy	Wafers	200	6.25
GRIESSON	Germany	Soft Cake	150	5.90
		Horoscope	125	3.25
HANS FREITAG	Germany	Opera	400	11.00
		Milano	400	11.00
HANS WAFEL	Holland	Wafers	225	8.50
BRAND	ORIGIN	TYPE	WEIGHT (grams)	AVERAGE RETAIL PRICE (Dhs)
HOLAND HOUSE	Holland	Symphony cookie	200	5.00
		Fourre Cream	300	4.00
HUP-SENG	Malaysia	Butter Cookies	220	2.00
JULIE'S	Malaysia	Cheese Cracker	200	4.00
		Royal Wafers	120	3.75
		Love Letters	120	3.50
KERK	Malaysia	Assorted Butter Cookies	1.2kg	16.00
		Chocolate Fudge	120	4.50

LOACKER	Italy	Wafers & Cream	100/200 /45/175	7.00
LYON'S	U. Kingdom	Short Cake	200	3.25
MCVITIES	United Kingdom	Digestive	400	6.50
		Hob-Nobs	300	5.25
		Light	250	4.50
		Marie	200	2.50
		Morning Coffee	150	2.50
		Rich Tea	250	3.25
		Fig Rolls	125	2.25
		Jam Rings	125	2.25
		Home Weat	300	5.50
NABIL	Oman	Marie	175	1.50
		Tea-Time	175	1.50
		Nice	175	1.50
		Wafers	175	1.50
		Digestive	340	3.50
PYOTTS	USA	Cream Biscuits	200	3.25
TOGGEN-BURGER	Switzerland	Swiss Alpin	200	6.75
		Kagi Fretli	150	7.95
TOGGI	Switzerland	Cream Wafers	50	9.75
ULKER	Turkey	Petit Beurre	75	2.00
		Assorted	908	13.75
UNIBIS	Indonesia	Cream Crackers /Biscuits	180	2.00
WESTONS	Australia	Morning Coffee	250	2.50
		Family Asst.	500	9.95

The following is a list of average retail prices of ready mixes :



<b>BRAND</b>	<b>ORIGIN</b>	<b>TYPE</b>	<b>WEIGHT (grams)</b>	<b>AVERAGE RETAIL PRICE (Dhs)</b>
AL ALALI	S. Arabia	Ultra Moist	524	5.50
BETTY CROCKER	USA	Super Moist	517	5.50
DREAM WHIP	USA	Whipped Cream Mix	72/144	7.50
DUNCANS HINES	USA	Moist Delux Chocolate	524 561	7.75 11.75
GREEN'S	U. Kingdom	Caramelle	49	2.00
HONIG	Holland	Dumpling Mix	500	3.50
JELL-O	S. Arabia	Jelly	85	2.00
KRASDALE	USA	Cake Mix	517	6.00
LYONS	Holland	Cake Mix	250	4.50
PHILSBURY PLUS	USA	Cake Mix	524	5.50
ROYAL	Tunisia	Jelly Custard Powder Cream Whip	85/170 340/440 76	3.25

### **5.Shelf Space**

Self space varies from supermarket to supermarket according to:

- the size/importance of the supermarket
- the quantity of products, brands
- if a large retailer sells its proper brand

It is clear that more space is available for biscuits than for ready mixes as the market is larger.

### **Average Shelf in Supermarkets (sq. meters)**

<b>Supermarkets</b>	<b>Biscuits</b>	<b>Ready Mixes</b>
<b>Large retailers</b>	300	100
<b>Large supermarkets</b>	100	40
<b>Small supermarkets</b>	50	25
<b>Grocery Stores</b>	25	13

### **6.Government Regulations and Restrictions**

Most manufacturers, wholesalers and not hindered by government policies and regulations

regarding their manufacturing/trading activity and most have not experienced any problems whilst dealing with these policies. There are, however, certain regulations that they have to abide by. These are related to:

- Ingredients contained in the product
- Additives, preservatives and colours
- Expiry date
- Shelf life
- Labelling

Strict rules apply on shelf life, expiry dates, packaging and storage conditions :

Food Category	Packaging	Storage (Temp C)	Maximum Shelflife
Biscuits (salted, with sugar)	-Metal container -Paper, special cellophane or Aluminium foil wrappers	25 25	12 months 9 months
Biscuits(sandwiches, cream or chocolate)	-Metal container	25	12 months
Cake Mix	-Paper or aluminium foil	25	18 months
Jelly Powder	-Plastic or cardboard containers	25	18 months

#### List of Colour Additives Permitted in the U.A.E.

E.No.	NAME	Colour Index	ADI mg/kg b.w.
E 100	Curcumin	75300	0 - 0.1
E 120	Cochineal	-	0 - 5
E 140	Chlorophyll	75810	NS
E 141	Copper complexes of chlorophyll and chlorophylline		0 - 15
E 150	Caramel		0 -100
E 160	Carotenoids	75130	0 - 5
E 160a	B and Carotene	75130	0 - 5
E 160b	Annatto	75120	0-0.065 as Bixin
E 160e	B-Apo-8 Carotenal	40820	0 - 5
E 161g	Canthaxanthin	40850	0 - 25
E 162	Beetroot red (Betanin)	-	NS
-	Saffron	-	NS
E 171	Titanium Dioxide	77891	GMP
E 172	Iron oxides	77489	0 - 0.05
E 173	Aluminium	77000	permitted for use
E 174	Silver	77820	permitted for use
E 175	Gold	77480	permitted for use
E 102	Tartrazine (yellow No.5)	19140	0 - 7.5

E 104	Quinoline yellow (yellow No.11)	47005	0 - 0.5
E 110	Sunset yellow FCF (yellow No.6)	15985	0 - 2.5
E 122	Azorubine (Carmoisine)	14720	0 - 4.0
E 124	Penceau 4R (red 2)	16255	0 - 4.0
E 127	Erythrosine (red 3)	45430	0 - 2.5
128	Red 2G	18050	0 - 0.1
-	Allura red (red 17)	16035	0 - 7.0
E 132	Indigo Carmine (indogotine) (Blue No.2)	73015	0 - 0.5
- 133	Brilliant blue FCF (Blue No.1)	42090	0-12.5
-	Fast Green FCF (Green No.3)	42053	0-12.5
<b>E.No.</b>	<b>NAME</b>	<b>Colour</b>	<b>ADI mg/kg. b.w.</b>
E 151	Brilliant black PN (Black No.1)	28440	0-1.0
- 155	Chocolate brown HT (Brown No.3)	20285	0-1.5

#### LIST OF PRESERVATIVES PERMITTED IN THE UAE

<b>E.No.</b>	<b>NAME</b>	<b>ADI mg/kg b.w.</b>
E 200	Sorbic acid	0 - 25
E 201	Sodium sorbate	0 - 25
E 202	Potassium sorbate	0 - 25
E 203	Calcium sorbate	0 - 25
E 210	Benzoic acid	0 - 5
E 211	Sodium benzoate	0 - 5
E 212	Potassium benzoate	0 - 5
E 213	Calcium benzoate	0 - 5
E 214	Ehtyl-P-hydroxy benzoate	0 - 10
E 216	Propyl-P-hydroxy benzoate	0 - 10
E 218	Methyl-P-hydroxy benzoate	0 - 10
E 220	Sulphurdioxide	0 - 0.7
E 221	Sodium sulphite	0 - 0.7
E 222	Sodium bisulphite	0 - 0.7
E 223	Sodium meta bisulphite	0 - 0.7
E 224	Potassium meta bisulphite	0 - 0.7

E 226	Calcium sulphite	0 - 0.7
E 227	Calciumbisulphite	0 - 0.7
E 249	Potassium nitrite	0 - 0.2

**The food Label should include:**

- Name of packed foodstuff
- Ingredients of packed foodstuff
- Additives
- Net contents
- Manufacturer, dates of manufacturing/packing/expiry, and country of origin
- Conditions of storage
- Method of preparation for use if required
- **Arabic language** included for the ingredients and accompanying explanatory data

The government also enforces other quality control measure such as:

- Carrying out regular check ups in the manufacturing factory or in supermarkets
- Taking samples from supermarkets to perform laboratory tests

Information regarding government restrictions and regulations for foodstuff can be obtained from:

**DUBAI MUNICIPALITY**

**Food Department**

**PO Box - 67, DUBAI, U.A.E.**

**TEL: 4-215555, FAX: 4-246666**

**F.ADVERTISING AND PROMOTIONS**

Marketing plays an important role in brand awareness and recall. This industry has developed very quickly in the UAE during the past decade. There are several local and foreign advertising agencies and various media supports. Marketing a product may include advertising, promotions, participation in trade fairs and sponsoring special events.

In this section, the general advertising facilities will be presented, along with a brief account on readership and TV viewership behaviour. Then the advertising expenditure of different brands of biscuits and ready mixes will be analyzed by media split. The section that follows will include the advertising activities of the different players and these two markets and the different promotions that they undertake.

## 1. Advertising

There are various English and Arabic newspapers with large circulations of weekly and monthly magazines published within and outside the UAE. These are open to advertising which is also possible on television and radio. Satellite viewership has been increasing in the Gulf region thereby providing another support for advertising activities. Newspapers are the primary media used for advertising, followed by television. Magazines are also used but to a lesser extent.

The radio is regarded as a support medium to other advertising means. It is often used for announcing sponsored events. However, it is on the rise as its input has only been realized recently, and its rates are cheaper than that of other media means. Another advertising support is outdoor media which includes road side billboards and illuminated displays.

Refer to appendix for any information regarding addresses and contact numbers of different print publishing and advertising agencies.

### Relative Cost of each Medium of Advertising

The relative costs of advertising vary with specific newspapers, magazines or the channel used. The TV costs are for the local broadcast stations. A figure for satellite channel has also been provided. The general costs of advertising are summarized in the subsequent table. All prices are in US Dollars.

**Note:** Colour print advertising cost 25%-100% more than black and white.

#### NEWSPAPER (Black and White)

Size	Rate in US Dollars
Front Page CM/CL	30-60
Internal Full Page	4000-6000
Internal Page CM/CL	10-15
Back Full Page	5000-10,000
Back Page CM/CL	10-30

#### MAGAZINES (Black and White)

Size	Rate in US Dollars
Back Outside Cover	2000-5500
Front Inside Cover	1300-3000
Back Inside Cover	2000-3000
Center Spread	4000-5000
Internal Full Page	2000-3000

#### TELEVISION

<b>15-60 secs.</b>	<b>Rate in US Dollars</b>
Normal Time	500-1200
Peak Time	600-1400
Fixed Time	270-650
Morning	700-2000

### **Pan Arab Rates**

Pan Arab publications/satellite are media vehicles which service the whole of the Gulf region regardless of country of origin and are produced for more than one market.

### **NEWSPAPER (Black and White)**

<b>Size</b>	<b>Rate in US Dollars</b>
Front Page CM/CL	40-250
Internal Full Page	7000-8000
Internal Page CM/CL	10-20
Back Full Page	12000-13000
Back Page CM/CL	30-40

### **MAGAZINES (Black and White)**

<b>Size</b>	<b>Rate in US Dollars</b>
Back Outside Cover	6000-18000
Front Inside Cover	5000-8000
Back Inside Cover	2500-6200
Center Spread	10000-13000
Internal Full Page	1500-5000

### **TELEVISION**

<b>15-60 secs.</b>	<b>Rate in US Dollars</b>
Regular Time	60-300
Extensive Time	50-500
Prime Time	200-800

\*(Figures for one satellite channel are shown, others were not included as they do not practice standard, prime, low, etc., times due to the spread of their broadcasts .

### **Average Issue Readership**

This section indicates percentage of the population that are likely to read a specific newspaper in an average day of the week.

The following is a list of newspapers in Arabic and in foreign language (mainly English) available in the UAE:

ARABIC	ENGLISH
Al Khaleej	Gulf News
Al Ittihad	Khaleej Times
Al Bayan	Gulf News Tabloid
Al Wahda	Khaleej Times Features
Al Sharq Al Awsat	Gulf News Classifieds
Al Hayat	Khaleej Times Classifieds
AL Alam Al Youm	Emirates News
	Jung
	Times of India
	Others

Around 40% of the population read newspapers in Arabic and 33% read newspapers in English or any other foreign language. This is the result of the demographic structure of the population : Nationals and Arab Expatriates constitute over 50% of the population.

The most popular newspaper amongst the Arab community (Nationals, and Expatriates) in the UAE is Al Khaleej followed by Al Ittihad. A little less than 15% of Nationals read Al Bayan, whereas only around 7% of Arab Expatriates do so. The remaining newspapers are not widely read.

As for English newspapers, they are mainly read by non-Arab Expatriates. Only 2% of Nationals and 6% of Arab Expatriates read them, whereas 70% of non-Arabs Expatriates read newspapers in English in an average day of the week. Around 40% of the latter sub-group reads Gulf News and Khaleej Times and a little over 30% read Gulf News Tabloid and Khaleej Times Features. Around 18% read the classifieds of both newspapers. All the other newspapers are not very popular.

### **Average TV Viewership**

Around 80% of the population of the UAE watch TV seven days a week. Only 2% do not watch TV at all. There are six local stations : Abu Dhabi Arabic, Abu Dhabi English, Dubai Arabic, Dubai English, Sharjah and Ajman. There is also EDTV Satellite. Other satellite channels include :

- Oman - Muscat
- Egypt Space Channel (ESC)
- MBC
- BBC
- CNN
- ART

- Star Plus
- Star Movies
- Star Prime Sport
- Star Music TV
- Zee TV
- ORBIT
- Others

In an average day of the week, 30% of the population watch the Dubai Arabic channel and EDTV Satellite. 20% watch Zee TV and 16%-18% watch the Abu Dhabi channel, Dubai English channel, and Star Plus. Over 10% of the population watch Sharjah channel, ESC, MBC and BBC.

The two most popular channels amongst Nationals and Arab Expatriates are Dubai Arabic channel and EDTV Satellite. Around half the population of these two sub-groups watch these channels. They are followed by the Abu Dhabi Arabic channel and MBC. Arab Expatriates have a higher preference over Nationals for ESC. Furthermore, only 12.5% of Arab Expatriates and 9% of Nationals watch Dubai English Channel.

The most popular channel amongst non-Arab Expatriates is Zee TV followed by Star Plus. 46% of this sub-group watch the former and 34% watch the latter. Dubai English channel is also quite popular as is the BBC, but to a relatively lesser extent. Not many people watch the other satellite channels as they do not all receive them.

### **Advertising Expenditure in the UAE for Biscuits and Ready Mixes**

Data has been extracted from PARC's advertising expenditure monitoring service, regarding biscuits and ready mixes for the years 1993, 1994 and 1995. The objective is to see which brands have spent on advertising, how much did they spend, in which time of the year did they execute the advertising budget (quarterly) and which medium did they use (TV, newspapers, magazines). The information given will also highlight a certain trend, that is, whether the brands advertised have been constantly the same, or if advertising expenditure has shifted to another medium during the past three years.

#### **a. Biscuits**

In the year 1993, the total advertising expenditure for biscuits was around US \$ 114,200. Most of the total advertising budget (over 70%) was utilized in the first quarter of 1993, followed by 20% in the second quarter. Advertising expenditure was almost non-existent in the summer, but it picked up in the last quarter (October-December). The bulk of the total advertising budget was spent on the TV medium. A little less than a quarter was spent on newspaper advertisements and barely 8% on advertisements in magazines.

The two brands that had the largest share in the total advertising expenditure were DANISH followed by KOUKOU (a little above than 30% each). DANISH's advertising was conducted uniquely via the TV medium during the first quarter of 1993. KOUKOU, however, broke down its



advertising expenditure between the first two quarters, mainly on TV commercials 72% and a smaller proportion 29% on advertisements in magazines. Advertisements broadcasted or published in the first three to six months of the year coincide with periods of peak sales in supermarkets.

GLUCOSE held the third position with a share of around 16% of the total advertising expenditure. The medium it primarily used was TV (88%), otherwise, it went for newspapers. Its advertising campaign was conducted mainly in the first quarter and slightly in the second. TIFFANY ranked fourth with a share of 6.7%. It spent all of its advertising budget in the first months of 1993 selecting only newspapers. Its low advertising costs seem to be one of the strategies Tiffany implements to maintain very competitive prices, especially that brand awareness and brand loyalty is relatively high amongst consumers, hence, important advertising efforts are not needed.

The other brands such as OVALTINE, MALIBAN, WALKERS and KRUNCHIE spent between US \$ 500-3000 uniquely on advertisements in newspapers as their advertising budgets were not large enough to be spent on the other more expensive forms of media. Unlike the brands mentioned earlier, most of these latter brands carried out their advertising in the last quarter of 1993 (October-December). This strategy seems to embody the objective of targetting consumers in a season where advertisements for other brands are not frequently displayed, thereby, increasing consumer awareness for their products, as well as increasing the probability of brand recall.

Hence, in 1993, the brands who had large advertising budgets (DANISH, KOUKOU) spent it mainly on TV commercials in the first quarter of the year. Those with much more modest budgets (i.e. Ovaltine, Walker etc...) used them mainly on newspapers in the last quarter of 1993.

In the year 1994, the total advertising expenditure on biscuits, wafers and crackers went down to US \$ 34,000 compared to US \$ 114,200 in 1993 ! This amount was spent in almost equal proportions throughout the four quarters of the year with a peak in the second quarter (37%). Most of the total advertising budget (72%) was spent on newspaper advertisements. No TV commercials were used, and only one brand spent half of its budget on magazines; TIFFANY's.

Although TIFFANY was the only brand to have used magazines for its advertisements, this medium used 30% of the total advertising expenditure for 1994. This is because TIFFANY's budget was much higher than that of 1993 reaching US \$ 19,800 thereby representing almost 60% of the total advertising expenditure. Its strategy stressed on marketing its product by increasing its advertising budget and by using magazines as well as newspapers for this purpose. Moreover, it chose to advertise throughout the whole year during all the four quarters of 1994.

NABIL had the second highest share in advertising expenditure (14.4%). However, the bulk of it (60%) was utilized in the summer (July-September) and about 40% in the first quarter of 1994. This may have been undertaken in order to enhance sales as they have been decreasing as most of the population leave the country for the holidays. KRACKJACK, whose advertising expenditure share represented 5.6%, utilized its budget in the third quarter. WALKER'S share represented 4%, spent in the first and last three months and KRUNCHIE 2.5% in the last quarter.

All the above brands, with the exception of TIFFANY, exclusively used newspapers as their advertising medium.

In 1995, MCVITIES launched an advertising campaign worth US \$ 41,300 during the months of April, May and June exclusively via TV commercials. It spent on advertising more than any other brand during the past three years. Its advertising expenditure represented 75% of the total advertising expenditure used on biscuits. Another two brands started advertising in 1995 :

DELACRE and ULKER whose shares represented respectively 13.7% and 4.5%. They both advertised in newspapers during the last three months of 1995.

During that particular year TIFFANY switched completely to magazines and drastically reduced its advertising expenditure (US \$ 1,600 in 1995 compared to US \$ 19,800 in 1994). It also carried out its advertising plans in the second quarter of 1995 (April-June).

WALKERS and KRUNCHIES who continued to advertise for their products in newspapers and spent their small budgets (US \$ 1,000 each) in the first and last quarters.

### **Main Observations :**

- It is apparent that the total advertising expenditure on biscuits decreased in 1994 by 70% compared to 1993. However, it increased by around 25% by the year 1995.
- In the year 1993, most of the total advertising expenditure was concentrated on TV commercials. In 1994, the most popular medium was newspapers. However, in 1995 television took the relay.

### **Reasons :**

- In 1994, there was a fewer number of brands that fixed a budget for advertising.
- KOUKOU and DANISH who contributed tremendously to the advertising expenditure in 1993, did not conduct any advertising activities in 1994. The same applies for GLUCOSE who held the third position in advertising expenditure in 1993.
- MCVITIES' initiative to spend quite a large budget on advertising in 1995 resulted in the increase of the total advertising expenditure.
- Considering, in general, all the brands of biscuits that advertise, the most popular advertising medium seems to be newspapers because of their low costs which are suitable for small budgets. However, brands that can afford or wish to spend high budgets on advertising choose primarily the TV medium. Such was the case of DANISH, KOUKOU and GLUCOSE in 1993 and MCVITIES in 1995. They were the only brands to conduct TV commercials. Moreover, they represented the largest shares of the total advertising expenditure. Therefore, in 1993 and in 1995, most of the total advertising budget was spent on TV commercials.

### **b.Ready Mixes**

In 1993, the only brand that budgeted for advertising was AL ALALI. It amounted to US \$ 4,000 spent in the first quarter of 1993 (January-March), exclusively on TV commercials. This is not surprising as the market for ready mixes is relatively small and competition is not so intense. Therefore, the general marketing strategy for this segment seems to concentrate on quality of ingredients and packaging rather than advertising.

In 1994, three brands continued a budget for advertising : AL ALALI, DAN and ARLEQUIN. In all, the total advertising expenditure amounted to US \$ 10,800. Three-quarters of the total advertising budget was utilized in the last three months of 1994, and only a quarter in the first three months. The medium in which most of the budgets were spent was newspapers (75%), followed by TV. Magazines, however, were not used at all.

The brand that had the largest budget to spend on advertising was DAN (US \$ 7,600) representing

70% of the total advertising expenditure for ready mixes. All of its publicity was done in the last three months of 1994 with only newspapers as the advertising tool used.

AL ALALI's budget represented a quarter of the total advertising expenditure. Its strategy was completely different compared to DAN's, but it followed the same strategy it had used in 1993 : All of its advertising budget was utilized in the first three months, only on TV commercials. However, it assigned a small amount of US \$ 2,700 in 1994 compared to US \$ 4,000 in 1993.

ARLEQUIN, whose share in the total advertisement expenditure represented only 5%, followed the same strategy implemented by DAN. The difference lies in the size of the budget. It spent only US \$ 500 in the last quarter of 1994 on advertisements in newspapers.

In 1995, the total advertising expenditure on ready mixes fell by 37% to US \$ 6,800 compared to 1994. As opposed to 1994, TV was the medium on which most of the total advertising expenditure (72%) was spent. The rest (28%) was spent on newspapers. AL ALALI continued to advertise. However, it increased its budget to US \$ 4,800 and it switched back to its strategy in 1993, that is, to TV commercials.

Another two brands advertised their products in 1995 : APOLLO and VIENNA with respective shares of 20% and 8%. They both advertised in newspapers.

Therefore, the following main observations can be extracted :

- AL ALALI continues to advertise on a regular basis
- Total advertising expenditure on ready mixes was mainly used on the same media throughout the past three years i.e. TV in 1993, newspapers in 1994 and back to TV in 1995.

## **2.In-Store Promotions**

The marketing strategy of ready mixes and especially biscuits seems to focus on promotional activities more frequently than on advertising. These may be undertaken by the manufacturers themselves for the local brands. As for the imported brands, the distributors of these products are the ones who undertake these promotional activities. Promotions are usually set up in the supermarkets (large and small) and they are normally organized by advertising agencies.

It seems that the most commonly used form of promotions is giving out free samples of the product to stimulate trial. This seems to be one of the most effective ways to attract potential clients. Other promotional activities include giving out free gifts that accompany the brand which is bought. This is referred to as 'Bandage Offer'. Another similar promotion involves the concept 'buy one get one free'. Price cutting also seems to be quite effective as promotional discounts on certain brands are used to compete with other similar brands. Sampling or tasting before buying a 'special offer' is also used for biscuits, however, it is not a very common practice, and it does not exist at all for ready mixes. Finally, there is the booking of a certain number of shelves in supermarkets in order to organize some sort of display, stressing the idea of 'special offers'. The aim is to attract the consumer's eye directly to that particular brand.

It has to be noted that most of these promotional activities are carried out for biscuits and very rarely for ready mixes. It seems that 'free samples' is the main promotion used in this market segment.

## **G.MARKET ENTRY**

In the view of a new brand entering the markets of biscuits and ready mixes, it would be useful to know how the wholesalers and retailers come about to know of the existence of this new brand and how they can be contacted. Furthermore, it would help to know what aspects these main players would consider before placing an order for a new brand, and how they would consider placing these orders.

### **1.Brand Awareness**

Wholesalers and retailers are exposed to the potential existence of new brands in the UAE market through different services available :

•Retailers, and wholesalers in particular, attend local and international/food shows and fairs organized by :

-The Dubai Trade Center

- **.International Spring Trade Fair**
- **.Middle East World Trade Fair**
- **.Gulf Food Show**

-EXPO Sharjah

- **.International Food Fair**
- **.Food Processing, Manufacturing & Packaging**

-MEFEX, Bahrain

-**MALAYSIAN FOOD FESTIVAL**, Malaysia

-**ANUGA**, Germany

-**SIAL**, Paris

•Supermarkets are mainly approached directly by trade delegations, brand representatives and suppliers.

•Wholesalers and retailers may become aware of new brands and their specifications also through :

- Published articles in trade magazines
- Commercial departments in Embassies
- Chamber of Commerce
- Advertisements to a certain extent
- Surveys
- Correspondence from manufacturers or suppliers

### **2.Brand Characteristics**

When a wholesaler or retailer is approached by a distributor of a new brand, there are several aspects and characteristics that would influence the decision to place an order.

These include :

- Price
- Quality
- Brand name
- Packaging
- Advertisement for the brand
- Promotions
- Free samples

For wholesalers, the most important aspects seem to be price and quality. Some consider low prices to be more important than quality, others primarily take into consideration the quality of the product. Where this is the case, the importance of the brand name seems to play a significant role in the purchasing decision.

Other aspects that may influence purchasing decision are trading terms and credit terms, and whether the distributor or manufacturer of the new brand would participate in the marketing budget of that particular brand, thereby providing promotion offers and free samples.

For supermarkets, the most important aspect seems to be the quality of the product, especially the quality of the ingredients used for ready mixes. Competitive prices and discounts also seem to represent an important role in purchasing decision. Furthermore, attractive packaging seems to be a very important aspect, especially for ready mixes. It appears that consumers look for competitive prices and good quality, but are also primarily attracted by the appearance of the product, its packaging.

### **3.Purchasing the Brand**

When a new brand has the appropriate qualities and characteristics, and therefore, catches the interest of the buyers, the wholesalers and retailers are willing to place the product in the market. However, most of them agree to purchase this new brand on consignment basis of three to six months. This is to evaluate the consumers' reactions and to see if the product sells well before placing a definite order. Moreover, they prefer the purchase order to be at the distributor's risk. Some even ask for full sale or return.

However, exceptions are the large retailers/wholesalers such as SPINNEYS. They have a Buying Committee of outlet managers, purchasing managers and the general manager. It is this Committee that discusses the needs and costs of the purchasing process, and which decides what new brands to buy.

## **H.PROSPECTS FOR GROWTH**

The markets for biscuits and ready mixes do not seem to follow similar rhythms of growth. It is clear that the market for biscuits is much larger in size and the range of varieties and brands available is much wider. There are great incentives to invest in the UAE, as mentioned earlier. However, there are other aspects to look into such as the size of the population and, therefore, the size of the consumer market, the rate of growth of these specific market sectors and their stage of development, as well as the needs and expectations of consumers especially in a fast-moving society like today's.

### **1.Biscuits**

The market of biscuits seems to be growing. A rate of growth given by the players in the market has been estimated between 10%-20% based on their personal evaluation and understanding of the market. The reasons for these expectations are the following :

- The population has been steadily increasing, hence the consumer market is expanding and the number of potential consumers of biscuits is, therefore, on the rise.
- The population is not only increasing in number. The multi-racial characteristics of the population in the UAE provides the possibility to answer different cultural preferences and tastes.
- The market of biscuits is still in its growth stage as it has not yet reached saturation. There are still many foreign brands that are not available in the UAE market. It is not just a matter of increasing the quantity, but the possibility to increase brand-types and varieties is still open, thereby, permitting the constant improvement of the overall quality of this market.
- Biscuits are ready-made snacks that are consumed daily and in every household. Biscuit consumption is not restricted by socio-demographic factors. They are consumed by practically every member of a given household.
- It is a promising market for locally manufactured biscuits, as sales have been on the rise due to low costs, competitive prices and the availability of a wide range of variety. These locally manufactured biscuits aim at a low to middle income population.
- Imports, in general, and therefore of biscuits, in particular, are encouraged due to low duties and tariffs etc.

## **2. Ready Mixes**

There doesn't seem to be a clear situation regarding the growth status of ready mixes. Certain players feel it will remain steady as it is, others feel there will be a slight increase while the majority foresee a decline in this market sector.

- The few wholesalers who think that this market is expanding believe that this market needs a bigger variety of brands, and that it can still absorb the new brands coming in.

The reasons given for foreseeing a decline in the growth of this market are as follows :

- Cakes and desserts are not items that are consumed daily.
- Ready mixes are speciality items. They are usually bought by housewives only, at a frequency of once a month.
- Therefore, ready-mixes of cakes and desserts are not much in demand. Rather, there is a higher demand for convenience food items.
- Nowadays, food items can be purchased readily-made. Cakes and desserts no longer have to be prepared at home using ready-mixes, they can be bought straight from bakeries, hotels or even supermarkets.

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## **IV. CONCLUSIONS**

•The UAE provides excellent facilities and incentives to set up either a manufacturing base or a representative branch with regional distribution as an objective. Another possibility would be exporting to the UAE.

This is because :

·it practices free, open trade

·it is a tax free country

·it is in proximity with many potential markets

•As a market the UAE is attractive as :

·income is relatively high

·the country is highly urbanized

·laws against counterfeits are tightening

·despite the recession in the rest of the world, the UAE economy still seems to be prospering

•Imports are very high. They constitute the bulk of all sorts of goods from intermediate, industrial and consumer products.

•Manufacturing is mostly prosperous in oil and gas related products. This also forms the UAE's main exports.

•Distribution of goods seems efficient but not well defined.

•There is a presence of leading brands in the market. However, regarding biscuits, there is also propensity of outlets to stock new brands.

•The different imported brands of biscuits and ready mixes seem to have very different origins from the GCC countries, Asia, Europe and America.

•Government policies regarding health and quality regulations are not difficult to abide by and, therefore, do not cause any problems or dissatisfaction regarding manufacturing or importing biscuits and ready mixes.

•Not much advertising is done for these products, however, it is on the rise, constituting an opportunity to be exploited.

•The UAE, and especially Dubai, is becoming an internationally known area where local and foreign trade fairs and food shows are held. This provides the opportunity for new brands to penetrate the market.

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## VII. APPENDIX

### FREIGHT FORWARDERS

(Including Dubai Cargo Village Tenants)

Company	Telephone #	Facsimile #
ADSO	821461	821469
Airlink International	825647	821121
Airport Customs	822122	822227
Air Express International	821005	821435
Al Futtaim Cargo	822144	822763
Al Ghaith Al Ghanim (Maltrans)	821859	822539
Al Heelam Clearing & Forwarding	822847	06/597863
Al Kunaiby Cargo	822149	822473
Altradico	221935	282028
Al Rais Cargo	822000	822200
Al Sharif Trading Enterprise	822177	822051
Aratrans	822051	822052
Asian Air Travel & Tours Agency	823573	xxxxxx
ATS Freight	822171	822155
Brawil Freight Services	533633	533915
Blue Bell Shipping	822105	822104
Bin Hussein Cargo	822884	241644
Bidgewater Freight	821421	822399
Circle Cargo Center	825803	823909
Concord Freight	822444	822525
DANZAS	825880	825642
Deira Cargo Clearing & Forwarding	822114	822856
DHL International	8004004	822977
DNATA World Cargo	822301	822131
Dubai Clearing & Forwarding	822022	822172
Dubai Express	822827	822853
DTTC	822716	822863
Federal Express	822863	822809
Freight International Inc.	822006	822007
Freight Systems Co. Ltd.	822982	822874
Gulf Express Freight	822085	822647
House of Travel (Badur Express)	822555	xxxxxx
Inchape Shipping Services	822192	822162



LDS	822888	822815
Liner Cargo Services	822075	822721
Modern Freight	822118	822094
National Com. of Freight Forwarder	825860	821413
Orient Transport	822199	245980
Panalpia	822955	822969
Rais Hassan Saadi (Trident Ship)	821899/821897	xxxxxx
Royal Air Cargo Agencies	822055	822053
Shuttle Freight Forwarders	822212	822207
SNTTA	822077	822065
Stalco	822445	822871
Swift Freight	822133	822885
TNT Express Worldwide	822400	822900
Tonto Travel Tourism & Cargo	822522	822300
Trans Ocean Bridge	822173	822167

#### LIST OF SHIPPING COMPANIES IN DUBAI

Company Names	P.O. Box	Telephone	Facsimile
Al Fardan Shipping Agencies & General Transport Est.	50356	667557	660250
Al Jaroodi Shipping Est.	10714	520808	524331
Al Prince International Shipping	16356	515105	xxxxxx
Al Rais Shipping Agencies	24713	223565	275476
Al Shafar Transcontinental Shipping Agency (BR)	2847	822171	822155
Aqua Sea Shipping Freight Services	24822	360750	xxxxxx
Arabian Express Freight Services	52486	344471	347065
International Shipping Services	23194	369889	375432
Blue Bell Shipping	24078	366969	364533
Blue Sea Shipping Agency	51527	528438	528570
Dubai Maritime Transport Co.	855	642341	341599
Emirates Cargo Services	2700	375454	xxxxxx
Emirates National Sea & Air Transport	42	310000	310516
Free Port Shipping (LLC)	50439	523112	523663
Gulf Esco Shipping	19364	552400	553400
Gulf Shipping Co.	2578	521451	524024
Inter Ocean Shipping	6211	525600	520332
Inter Sea Shipping	50590	367776	368500
International Sea & Air Freight Est.	50456	365222	xxxxxx
Jamal Al Marri Land Transport Shipping	3764	xxxxxx	xxxxxx
Khaleej Shipping Services	24713	520100	520700
Kuwait Shipping Agencies Co. S.A.K.	3278	210808	272581

Land Link International Shipping	50923	824311	824315
Linkage International Shipping & Forwarding	10388	278844	270505
Med Shipping, Clearing & Forwarding	20366	377588	347191
Memphis Shipping & Ship Chandling	14139	224662	xxxxxx
Middle East & Africa Shipping Co.	3539	227750	228794
National Shipping Co.	5239	666335	692452
National Shipping Co. of S.A. (DxB - BR)	6653	551300	551600
National Shipping Services	576	520333	520717
Orient Shipping Services LLC	23230	522626	512041
P & O Gulf Logistics	61230	816407	xxxxxx
Pan Liner Shipping	52574	377977	347488
Saba International Shipping	15091	349733	358062
Sea Star Transport & Marine	55344	242972	242973
Services Sea Trade Shipping Services Services	21594	515262	511655
Sealink Shipping Services	52331	519990	522850
Sharaf Shipping Agency LLC	576	520555	520531
Shipping Trading & Lighterage	464	367367	345105
Sunmarine Shipping Services	7	521515	xxxxxx

## DUBAI PORTS AUTHORITY OPERATIONS CHARGES

### GENERAL AND BULK CARGO

Per Freight Ton Unless Otherwise Noted	Received to Port Facility	Direct Delivery
	Dirhams	Dirhams
Aluminium Products	12	7.5
Bagged Cargo	12	7.5
Bulk Materials-Solids Less than 10,000 DWT Tonnes	N/A	4.5
10,000 DWT Tonnes or more	N/A	3.5
Bulk Materials-Liquids Less than 1,000,000 tons per year	N/A	1.4
Between 1 & 2 million tons per year	N/A	1.15
Between 2 & 5 million tons per year	N/A	0.9
Between 5 & 10 million tons per year	N/A	6.5
In excess of 10 million rates to be negotiated	XXX	XXX
Chilled Frozen Cargo Fruits Rate per DWT Ton	11	N/A
Chilled Storage (+18C)	11.5	N/A
Cold Storage (+12C to-26C)	XXX	XXX
Inward Ex Sea	17	N/A
Onward Ex Sea	9	N/A

Inward Ex Road	17	N/A
Outward Ex Road (Rates per DWT Ton)	17	N/A
General Cargo Nos.	16	10
Heavy lifts-20 tons	20	12
Iron and Steel	19.5	10
Livesocks (Per head)	N/A	2
Scrape Metal	XXX	XXX
Less than 1000 tons	N/A	11
100 tones or more	N/A	5
Synthetic Resin	12	7.5
Plywood Bundles	16	10
Timber-White Wood	12	7.5
Baised Waste Paper Rate Per DWT Ton	19	10
Wheat Bran-Rate Per Ton	26	13.5

**Note :** Both the above rates exclude the cost of clearing up residus on completion on Operations which will be to account of Shipper/Consignes.

**Note :** The above charges do not include stevedoring charges.

## **DUBAI PORTS AUTHORITY CRANES/FORKLIFTS RATES**

### **CHARGES PER HOUR OR PART THEREOF**

#### **A. Container Crane (for non-cargo use)**

(Minimum Hire Period - 4 Hours) 1,000

#### **B. Container Crane General Cargo Lifts with Spreader :**

0-15 metric tons 1,000

15-24 metric tons 1,500

25-34 metric tons 2,000

35-41 metric tons 2,500

#### **C. Container Crane General Cargo Lifts with Heavy Lift Beam**

0-15 metric tons 1,300

15-24 metric tons 1,800

25-34 metric tons 2,300

35-41 metric tons 2,800

**MOBILE CRANES**

P & H0-25 tonsDhs. 160per hour

Grove25-40 tonsDhs. 350 per hour

Grove40-60 tonsDhs. 450 per hour

Grove100 tonsDhs. 600 per hour

Mobile Harbour Crane Heavy Lift-Dhs. 1,300 per hour upto 80 tons(Minimum one hour)

Mobile Harbour Crane Heavy Lift-Dhs. 1,500 per hour upto 100 tons(Minimum one hour)

**FORKLIFTS**

2 Tonnes to 6 tonnes capacityDhs. 100

7 Tonnes to 12 tonnes capacityDhs. 200

13 Tonnes to 25 tonnes capacityDhs. 250

Over 25 Tonnes (min. 3 hour period)Dhs. 350

Forklift attachments other than

standard forklifts bladesDhs. 100

**DUBAI PORTS AUTHORITY STEVEDORING RATES - GENERAL CARGO****1.TIMBER - PLYWOOD**

A.In bundles and cratesDhs. 12 per cubic meter

B.LooseDhs. 15 per cubic meter

**2.BAGGED CARGO**

A.Brans, animal feed and bags weighing less than 25 kg each Dhs. 15 per metric ton

B.Cement, brytes, mud & asbestosDhs. 13 per metric ton

C.Any other bagged cargo (except hazardous)Dhs. 12 per metric ton

**3.HEAVY LIFT/MACHINERY**

Each weighing 20 weigh ton or more Dhs. 10 per ton

**4.DANGEROUS/HAZARDOUS**

A.In bagDhs. 25 per metric ton

B.In plastic containersDhs. 25 per ton

C.Any other packingDhs. 15 per ton

#### **5.SCRAP**

A.Steel, iron & copperDhs. 25 per ton

B.AluminiumDhs. 35 per ton

#### **6.LIVE ANIMAL**

A.Cow, buffalo, horse & camelDhs. 8 per animal

B.Goat, sheep & donkeyDhs. 1 per animal

#### **7.GENERAL ANIMAL**

Other than above specifiedDhs. 12 per ton

### **DUBAI PORTS AUTHORITY JEBEL ALI PORT AND PORT RASHID**

#### **IMPORT/EXPORT COVERED**

First 10 daysFree

Next 10 daysDhs. 2.50 per 5 days per freight ton

Next 10 daysDhs. 3.00 per 5 days per freight ton

Next 10 daysDhs. 3.50 per 5 days per freight ton

ThereafterDhs. 5.00 per 5 days per freight ton

**For individual shipments in excess of 2,000 freight tonnes, but less than 4,000 freight tonnes 20 days free time will apply. For individual shipments greater than 4,000 tonnes 30 days free time applies.**

#### **IMPORT/EXPORT OPEN**

First 20 daysFree

Next 15 daysDhs. 2.50 per 5 days per freight ton

Next 15 daysDhs. 3.00 per 5 days per freight ton

Next 15 daysDhs. 3.50 per 5 days per freight ton

ThereafterDhs. 5.00 per 5 days per freight ton

**For individual shipments greater than 2,000 tonnes, less than 4,000 tonnes, 25 days free time**

**will apply. For shipments in excess of 4,000 tonnes 30 days free time.**

### **TRANSHIPMENT COVERED**

First 30 days Free

Next 30 days Dhs. 2.50 per 5 days per freight ton

Next 30 days Dhs. 3.00 per 5 days per freight ton

Next 30 days

### **TRANSHIPMENT OPEN**

First 60 days Free

Next 30 days Dhs. 2.50 per 5 days per freight ton

Next 30 days Dhs. 3.00 per 5 days per freight ton

**The import and transshipment cargo free period will start from the day of completion of off-loading or on the fourth day after vessel which arrives, whichever occurs first. Export cargo free period will start from the date of receipt.**

### **LIST OF THE MAIN ADVERTISING AGENCIES IN THE UAE.**

(Dial 00-971-4 followed by subscriber's number)

#### **Arab Advertising Dubai**

PO Box 1269

Dubai, UAE.

Tel: 629456/7/8

Fax: 629006/628714

#### **Bozell Prime M.E.**

P O Box 13872

Dubai, UAE.

Tel: 824824

Fax: 824008

#### **IMPACT/BBDO**

PO Box 19791

Dubai, UAE

Tel: 347147

Fax: 376394

#### **Intermarkets Advertising LLC**

P O Box 7434

Dubai, UAE

el: 665950/660664

Fax: 667114

**Leo Burnett Middle East**

PO Box 7534

Dubai, UAE

Tel: 620431

Fax: 696109

**Lintas Gulf**

P O Box 60798

Dubai, UAE

Tel: 317080

Fax: 314784

**MEMAC HOLDING INC.**

P O Box 2140

Dubai, UAE Tel: 232644

Fax: 244670

**Publi-Graphics**

P O Box 11853

Dubai, UAE

Tel: 222231

Fax: 226360

**Saatchi & Saatchi Adv. M.E.**

PO Box 23252

Dubai, UAE

Tel: 314731

Fax: 314215

**LIST OF PRINT PUBLISHING AGENCIES IN THE UAE.**

(Dial 00-971 followed by subscriber's number)

**Al Bayan Press, Printing & Publishing Est.**

P O Box 8837

Dubai, UAE

Tel: 4-448282

Fax: 4-491376

**Al Ittihad Publishing Corp.**

P O Box 791

Abu Dhabi, UAE

Tel: 2-455555

Fax: 2-455126

**Al Nisr Publishing**

P O Box 6519

Dubai, UAE

Tel: 4-447100

Fax: 4-449139

**Al Wehda Newspaper**

P O Box: 2488  
Abu Dhabi, UAE  
Tel: 2-478400  
Fax: 2-478937

**Dar Al Khaleej for Printing & Publishing**

P O Box 30  
Sharjah, UAE  
Tel: 6-598777  
Fax: 6-599655

**Galadari Printing & Publishing**

P O Box 11243  
Dubai, UAE  
Tel: 4-382400/4-384545  
Fax: 4-382238

**Hawk Publishing**

P O Box 52587  
Dubai, UAE  
Tel: 4-825789  
Fax: 4-825345

**Motivate Publishing**

P O Box 2331  
Dubai, UAE  
Tel: 4-824060  
Fax: 4-824436

**Skyline Advertising & Publishing House**

P O Box 13021  
Dubai, UAE  
Tel: 4-235225/6  
Fax: 4-223767

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Canada