2009

Approaches to enter emerging markets: A UAE case study

Melodena Stephens Balakrishnan
University of Wollongong in Dubai, melodena@uow.edu.au

Publication Details

Balakrishnan, M. Stephens. 2009, Approaches to enter emerging markets: A UAE case study, 9th Annual Hawaii International Conference on Business, Hawaii, pp. 1-28.

Approaches to enter emerging markets: A UAE case study

Melodena Stephens Balakrishnan
Faculty of Business Administration and Management
University of Wollongong in Dubai
Dubai, United Arab Emirates
PO Box: 20183
Email: melodenabalakrishnan@uowdubai.ac.ae

Abstract
UAE as a country brand ranks one for resorts & lodging. It is 31st among 134 countries in terms of national competitiveness according to the World Economic Forum. It ranks one in terms of invested sovereign wealth funds according to IMF, is the fifth largest oil producing nation. During this time of recession, it is still expected to have a growth of 2.7% according to Standard Chartered.

This paper briefly highlights some important ways for global corporation and international entrepreneurs to succeed in building new businesses within UAE learning from the past experiences. The methodology used in this paper is primarily based on an extensive literature review and some interviews. Further triangulation was achieved looking at grey literatures (non-peer reviewed) and web articles. This paper is exploratory in nature. The study presents a conceptual model at the end that will provide guidelines for new entrants into the UAE market.

1.0: Understanding the UAE: Some opportunities and challenges
The UAE as a country brand ranks high as number one for resorts & lodging options; number two for being a rising star brand; for a shopping destination; as a country to do new business in; number seven for conferences; number 10 for fine dining; standard of living, advanced technology in the Country Brand Index (2008). It is composed of seven emirates and has a total population of approximately 4.8 Million, of which 80% are expatriates representing 185 countries. UAE as a country has been political stable since its inception in 1971.

There are three governments – the federal government which oversees the country strategy, the administrative government which rules each emirate and finally the municipalities within each emirate. Till recently the emirate of Dubai was pioneering the aggressive development (Balakrishnan, 2008). As the strategy is now being replicated across different emirates within UAE, some consolidation is taking place through the federal government based in Abu Dhabi.

According to the World Economic Forum Global Competitive 2008-09 report UAE ranks 31st among 134 countries in terms of national competitiveness. UAE is the 5th largest oil producing nation, however its dependency on oil has decreased to less than 40% (UAE Interact, 2008). It has the largest invested sovereign wealth funds according to IMF (de Ramos, 2008; IMF, 2008). Its diversified global strategies and huge investments in unique infrastructure projects have made UAE a hub in this region not only for trade and logistics, but also tourism (Balakrishnan 2008). In spite of world recession, the UAE economy is still forcast to grow by 2.7% in 2009 according to Standard Chartered (Bundhun, 2009) though the global GDP is expected to grow by only 0.5% according to the IMF (2009).

This paper briefly highlights some important ways for global corporation and international entrepreneurs to succeed in building new businesses within UAE learning from the past experiences. It uses literature review and cases to highlight some of these strategies that can help new business ventures succeed in the UAE. The methodology used in this paper is primarily based on an extensive literature review and some interviews. Further triangulation was achieved looking at grey literatures (non-peer reviewed) and web articles (Dhaliwal and Gray, 2008). This paper is exploratory in nature. The study presents a conceptual model at the end that will provide guidelines for new entrants into the UAE market.

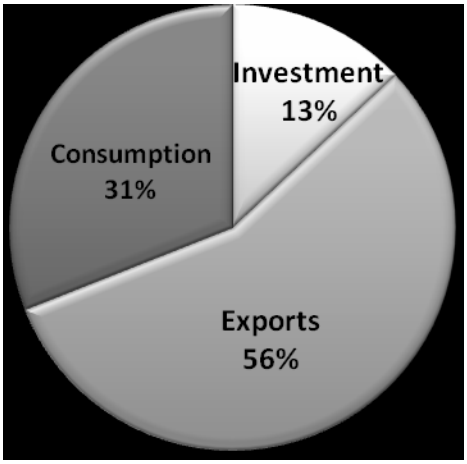
2.0: Opportunism

Traditionally emerging markets were only evaluated on macroeconomic and political factors but more recently factors like long-term market potential, cultural dimensions to measure cultural distance, competitive analysis of an industrial sector and customer receptiveness have been included (Sakarya et al., 2007). One third of the world population is accessible from UAE within a four hours flight (uaeinteract, 2008) with over 544 Million people having a GDP in excess of US$1000 within the ME subcontinent, Caspian Sea and North Africa (Gulf News, 2007). According to a presentation by the Director of Marketing, Dubai Technology & Media Free Zone (Hejmadi, 2004) you can access 16Bn customers in the region of a potential USD 1 trillion value.

Jebel Ali as a free trade zone handles about 5% of the total trade routed through free trade zones (Malhotra et al., 2008). Free trade zones account for 80% of non-oil trade (WTO, 2006). In 2006 UAE's trade (ratio of imports plus exports to GDP) was 145% (WTO, 2006). Figure 1ab gives a breakdown of UAE GDP in terms of exports. UAE is basically a consumption led economy as a large percentage of exports comes from crude oil and re-exports. Manufacturing is a focus area for the nation. Market entry for international players opportunities present themselves in various forms as discussed below.

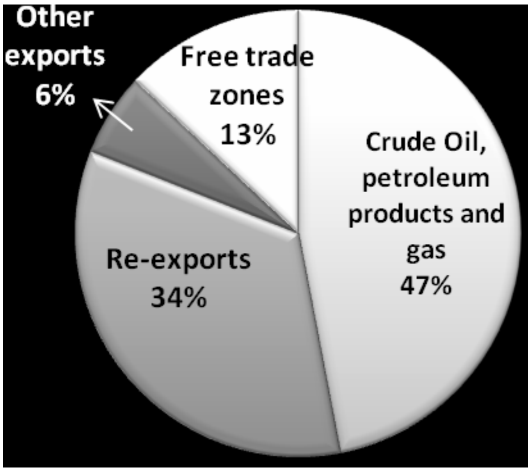
Take Figure 1a, 1b here.

Figure 1a: Components of UAE GDP



Source: Dubai Chamber of Commerce and Ministry of Finance (Uppal, 2009)

Figure 1b: UAE Exports (2008)



Source: Dubai Chamber of Commerce and Ministry of Finance (Uppal, 2009)

2.1: Capitalizing on economic thrust areas

Growth in business opportunities are found in economic thrust areas. The key focus areas of the economy are on infrastructure and small and medium sized businesses looking at the following sectors: trade, real estate and construction, banking and finance, tourism and hospitality, manufacturing and industrial development, medical, education and retail (UAE Government Strategy, 2007). The real estate sector got a new lease of life by allowing foreign ownership in March 2006 and now contributes 12% to the non-oil GDP (uaeinteract, 2008).

New opportunities come from studying imports. UAE is a net services importer (WTO, 2006). Machinery, electrical equipment and transportation vehicles accounted for the largest share of imported goods. Another import of great value is food. UAE imported around 80% of the food items in 2007 (RNCOS Report, 2008). UAE was in talks with Pakistan to buy farms worth USD 5 billion and signed a MoU with Philippines to ensure food supplies (Roberts, 2008; Maceda, 2008). Another example is plastic products which met less than half the demand according to a study released by Emirates Industrial Bank in 2003 (ameinfo.com 2003). By 2007, a USD 3 billion investment was made to expand the capacity of polyethylene and polyolefin of the Borouge's petrochemical facility (uaeinteract, 2007).

Table 1 depicts key economic thrust areas in for the UAE and also shows the commitment to success. These key economic areas are broken down into Infrastructures, trade, real estate and construction, services like banking and finance, health and education, retail and wholesale and manufacturing. Table 2 identifies key industries in the manufacturing sector by number and investment. These are potential areas of entry because they (1) indicate clusters (2) have government backing.

Table 1

Key thrust areas	Salient features
Infrastructure: Real Estate (Civil)	Focus in construction Began in 2002 in Dubai, of the USD 1 Trillion construction projects in MENA, 29% are in UAE, UAE has 390 active civil projects valued at Dh1.58 trillion ($430 billion) in 2007 (ameinfo.com, 2007; Proleads, 2007). UAE figures at the top, globally, in terms of per-capita expenditure on construction (Business Monitor International, 2008) Electricity, gas & water (2.5% of 2006 GDP)
Infrastructure: transport	Airlines: The UAE's infrastructure also gets good marks, particularly its air transport infrastructure, which is ranked a high 5th out of all countries (WEF, 2008) Dubai's ports are ranked the world's third busiest after Singapore and Hong Kong.
Infrastructure: communication	Etisalat will invest US$25Bn in foreign projects and already has investments in Afghanistan, Egypt, Pakistan, Iran & Singapore. Began Tejari.com(G2B and B2B website) – Now has put together 77,000 deals worth USD4 bn, has 80,000 companies (uaeinfor.com, 2008*)
Logistics	Free Trade Zones: JAFZA began in 1985 with 19 companies; In 2007, JAFZA is the world's largest FTZ with 6000 companies registered, has the 7th largest seaport and will have the largest air cargo terminal (JAFZA, 2008). Transport, Storage, Communication Contributes 10.24 % of GDP (2006)
Trade	Trade makes 16.4% of GDP compared to 14.5% for Singapore As of 2005, the Registered Sponsors were 5000. In 2006 government allowed 100% ownership in FTZ, leading to phenomenal growth of FTZs. 125 of Fortune 500 companies are based in JAFZA, the world's largest FTZ. 50% of Dubai's non-oil exports and 31% of its imports pass through JAFZA. Third most important re-export center in the world (after Hong Kong and Singapore) Member of WTO
Real Estate/Construction and Services	Freehold ownership (housing) for non-nationals allowed in March 2006. real estate and business services sector forms 12.3 per cent of the non-oil GDP; The building and construction sector adds an additional 12 per cent to non-oil GDP (Ministry of Finance). This was the second most preferred industry for professionals according to a Bayt.com and YouGovSiraj survey (ameinfo.com 2008) Tejari launched an on-line real estate portal by the name Simsari in 2006. Unique projects like Palm, World reclaimed land projects, World's tallest building – The Burj.

Banking and Finance	Dubai International Financial Center – a free zone begins in 2004. Today, DIFC has 600 companies, including top ten of Fortune 500. 30% of professionals prefer working in this area according to a Bayt.com and YouGovSiraj survey (ameinfo.com, 2008). Expected to contribute to USD 15Bn to UAE's GDP by 2015 from USD3.4Bn (DIFC, 2008).
Wholesale and retail	Contributes 16.6 % of GDP (2006) total retail sales in the UAE are expected to touch US$ 15 Billion mark by 2011 (RNCOS, 2008) Gross Leasable Area (GLA) in the UAE is estimated to reach 7.4 Million Sq Meter by 2010 end (34% of GCC Total). In 2007, UAE's GLA was 17% of the GCC total, (RNCOS, 2008). 3 of the world's largest Malls here (Balakrishnan, 2008).
Tourism and Hospitality	tourism contributes about 23% in GPD of the country & estimates 18 Million tourists will visit by 2016 (RCNOS, 2008) Hotels & restaurants 2.7% of GDP (2006) UAE ranks 40th out of 130 countries according to World Economic Forum's (WEF) Travel and tourism competitive Index (WEF, 2008). Unique projects: The Burj Al Arab, The Emirates Palace Hotel, Atlantis, Hydropolis (underwater hotel) Emirates, Etihad: 124 destination, Estimated arrivals in 2007 Shopping Festival No of Hotels: 95% occupancy;
Education, Health & Social Services	Contribute 10.4 per cent to GDP (2006) Dubai Health Care city: Estimated US$ 1 billion contribution by
Manufacturing	Contribute 19.5 % of GDP (2006): focuses on cement and blocks, ceramic, textiles and clothing, pharmaceuticals, gold & jewellery Approx. 170 Greenfield operations See table 2 for relative distribution of industries and investments as % for 2006.

Ministry of Finance: www.uaeinteract.com/economicdevelopment

Table 2: Relative Distribution of Industries & Investments for UAE
(As a %) for 2006

Sector	Industries	Investments
Food	45	8.7 (from UAE investors, 75%)
Paper	2.6	7.6
Basic	10.3	1.8
Textile	1.3	7.3
Chemical	21.8	17.9 (from UAE investors' 22%)
Metal & Equipment	5.7	26.4
Furniture	1.1	12.4
Non-metallic	11.9	13.5
Others	0.3	4.4

Ministry of Finance: www.uaeinteract.com/economicdevelopment

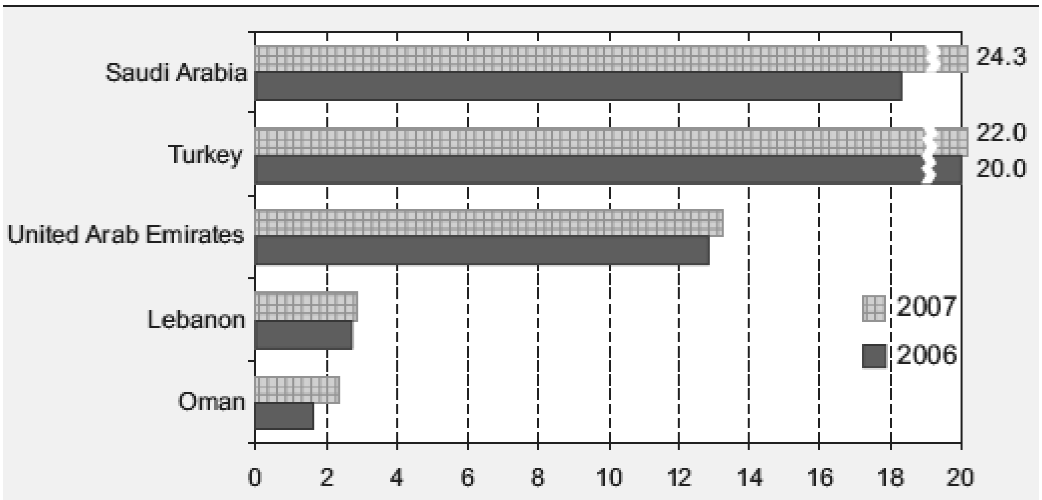
2.2 FDI and SWF

In 2007, world FDI totalled US$ 1.5 trillion of which UAE had an inflow of US$ 54.78 Billion and between 2005-07 UAE had an FDI outflow of US$ 21.6 Billion, which was 1/3 of the outgoing Arab outflow (UNCTAD, 2008; uaeinteract 2008b). UAE received four times more direct investment into UAE-based enterprises from foreign-sources than its national entities spent on investments outside the UAE during the periods 1997-2006 and this accounted for 17% of gross fixed capital formation (uaeinteract, 2007).

By tracking FDI flows and economic thrust areas, new market entry opportunities can be identified. According to the World Investment Report (WIR), in 2007 global were valued at $1,833 billion with cross-border mergers and acquisitions (M&As) accounting for 89% of that value at $1,637 billion (WIR, 2008). Figure 2ab show the top recipients of FDI inflows and outflows between 2006-07. UAE is the third largest recipient and giver of FDI in West Asia during this period. However the outflows have decreased suggesting outflows which suggests a more inward focused strategy as 86% of the finance for manufacturing came from UAE investors (uaeinteract, 2007).

Take Figure 2a & 2b.

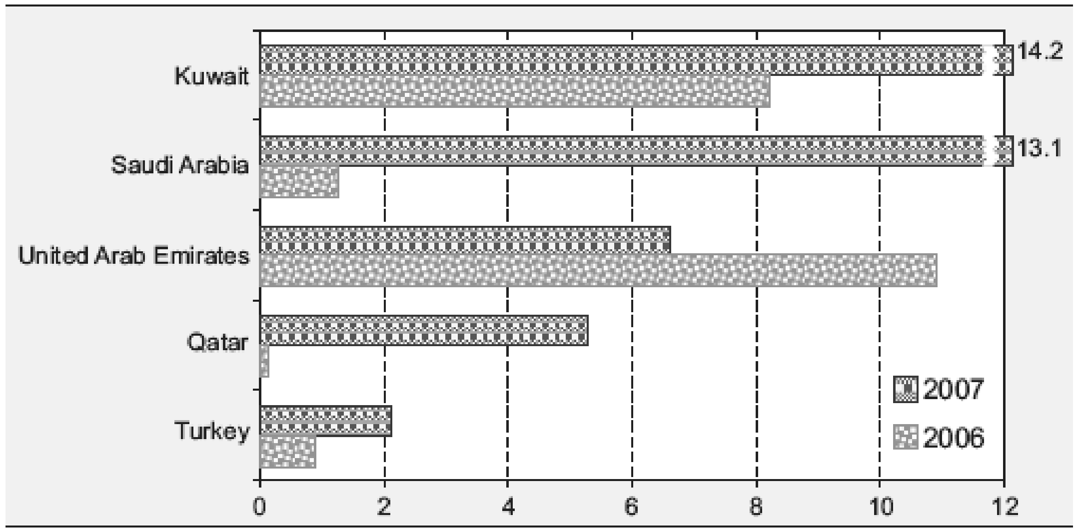
Figure 2a: West Asia: top five recipients of FDI inflows 2006-07 (Billions of dollars)



Source: UNCTAD, FDI/TNC database (www.unctad.org/fdistatistics) and annex table B.1.

ª Ranked by magnitude of 2007 FDI flows.

Figure 2b: West Asia: top five sources of FDI outflows 2006-07 (Billions of dollars)



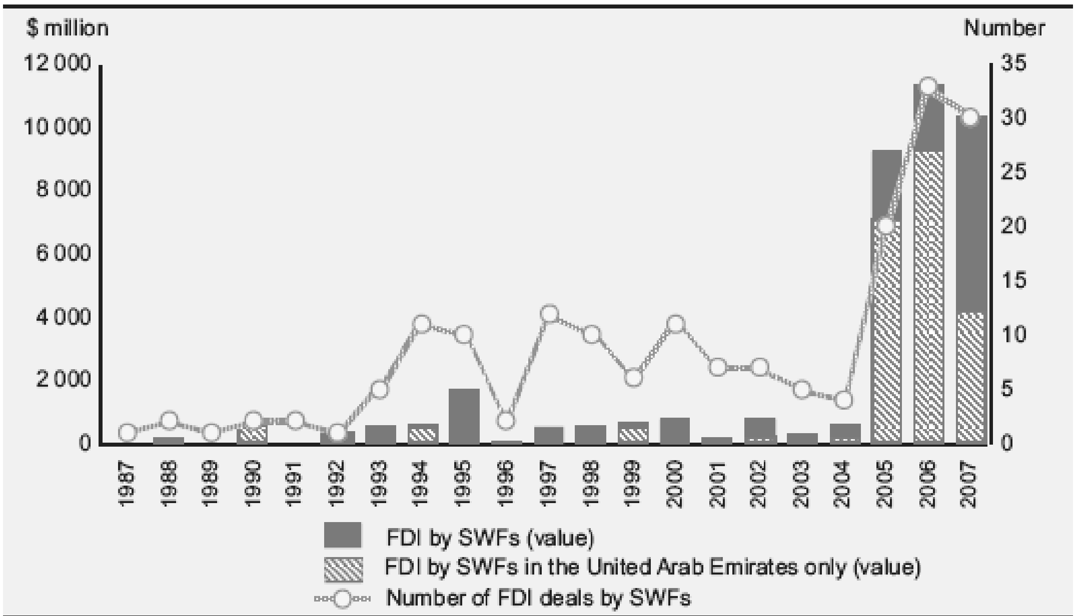
Source: UNCTAD, FDI/TNC database (www.unctad.org/fdistatistics) and annex table B.1.

[a] Ranked by magnitude of 2007 FDI flows.

As recession spreads, it is estimated the FDI in developing nations will drop by 31% (World Bank, 2009). This makes sovereign wealth funds (SWF) very important. SWFs from the Gulf and Asia hold only 0.2 percent of their investments in the form of FDI, with up to 75 percent concentrated in developed countries (WIR, 2008). One of the key reasons is the predominance of privately held family enterprises which hinders the possibility of acquiring additional equity. Further it is difficult to trace FDI flows due to lack of transparency in information. Traditionally in the developing world, 38% of SWFs have been spent on plant and machinery and purchasing of controlling interest; 10% into funds and 54% for loans (Morgan Stanley, 2009). Manufacturing is a key thrust area for UAE and studies show that a ten per cent increase in the foreign presence in downstream sectors is associated with a 0.38 per cent rise in output of each firm in the supplying industry (Smarzynska (2002). Today the values added of foreign affiliates of transnational corporations represent 11% of GDP in 2007 (WIR, 2008). Table 3 shows the FDI flows between 1987-2007 which indicate not only value but number of deals by SWFs. In 2007 there was a decrease in value and number. Table 4 indicates key investment areas for FDI by SWF.

Take Figure 3 & 4

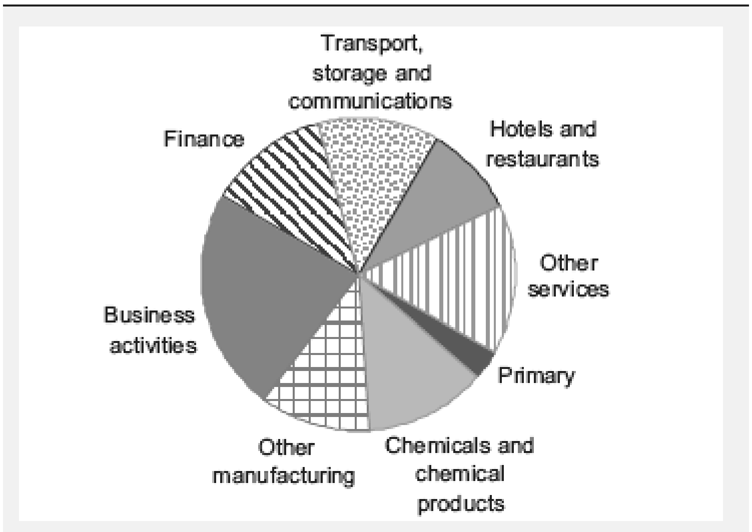
Figure 3: FDI flows by sovereign wealth funds[a] 1987-2007



Source: UNCTAD cross-border M&A database (www.unctad.org/fdistatistics).

a Cross-border M&As only. Greenfield investments by SWFs are assumed to be extremely limited.

Table 4: FDI[a] by SWF by key target sectors & industries (2007 end[b])



Source: UNCTAD, based on annex table A.I.14.

a Cross-border M&As only. Greenfield investments by SWFs are assumed to be extremely limited.

b Cumulative investments (M&As) between 1987 and 2007.

2.3 Tracking economic & foreign policy

UAE is a member of WTO as of 10 April 1996 and a contracting party to GATT since March 8 1994 (see WTO, 2006 for more details). Strategy needs to be considered in terms of how effectively and efficiently resources or the market environment can be competitively exploited by potential capabilities (Chaharbaghi and Lynch, 1999). The investors who regularly fund born global businesses are more opportunistic than local investors and will exit when the opportunity to capitalize their initial investment presents itself (Moen et al., 2008). In UAE, in the past because companies needed local sponsors, they were constrained as they could not terminate the contract without the agent approval.

Historically investment in the UAE was dependent on having a local sponsor and that still exists in a majority of places outside the free trade zones. In 2005 there were 5179 agencies registered of UAE nationality with 42% of requests for sponsorship in engineering, electrical, mechanical, water desalination, drainage, pharmaceutical and medical industries (WTO, 2006). Today, Jebel Ali Free Trade Zone is the largest of its type in the Middle East with over 6000 companies from 100 countries (Jebel Ali, 2008). Malhotra et al (2008) find that the primary motive for investment in Jebel Ali Free trade zone was 100% ownership though in general free trade zones offer investors a range of benefits in terms of duty-free imports, improved logistics, reduced bureaucracy, financial benefits and greater control in terms of ownership, greater access to markets.

Since 1983 the GCC member states have a free trade zone where originating goods are exempt of customs tariff and are in the process of setting a customs union. Since 2003 a common 5% tariff has been in place. They are also in the process of setting up a common currency which will lead to some opportunities as seen by EU. The tentative date is year 2010 (Irish, 2008). The FTA between GCC and EU is in the final stages of negotiation. The largest net outward investors were USA, UK, France, Germany and Spain (WIR, 2008). UAE has been actively wooing FDI through its foreign policy.

Opportunities also arise through bilateral agreements. In 2007 there were 8000 German residents, and 300,000 German tourists and 49,000 Emiratis visitors to Germany (Stapleton, 2008). In February 2008, Sheikh Mohammad, the Vice President and Prime Minister of UAE and Ruler of Dubai visited Germany and had bilateral talks. After this state visit, it was found that there was a renewed interest by German investors in UAE as the German Business Park costing Dh 750 Million was planned in May 2008 with German companies like Porsche planning to move its MENA headquarters to the park (Stapleton, 2008). UAE (Dubai) has signed a strategic partnership agreement with Hamburg in December 2008 which is a strategic point for trade routes into the Baltic region and Scandinavian countries (Fenton, 2008). Hamburg is Europe’s second largest container port, and the third largest civil aviation hub which will all help make UAE an international trading hub. Another example is a MoU signed between UAE and Switzerland to encourage research of renewable energy and will act as a stepping stone for Swiss investment in the UAE (Kader, 2009).

3.0: New Business Opportunities:
3.1: Product categories
UAE is a net importer of services. If you look at Jebel Ali Free Zone statistics, 75% of businesses are in trading, warehousing and distribution, 20% are in manufacturing and only 4% are services (WTO, 2006). Services account for 78% of employment (CIA World fact book). Hence this is a potential area that can be tapped (See Table 1) especially as the UAE economy moves away from being oil dependent. Out of a total of Dh1 trillion committed to tourism-related projects in the GCC that are scheduled for completion by 2018, UAE accounts for Dh858 billion or 85 per cent of investment (uaeinteract 2008). HR outsourcing has led to business opportunities for recruitment and manpower management (Davidson, 2005). Some product category segments are mentioned below.

Finance: The market for Islamic financial products is estimated to be growing at 12 to 15 per cent per annum and is valued in excess of $260 (DIFC, 2008). The market penetration is a mere 20 per cent of the Arab population. The potential is huge as 50 to 60 per cent of the total savings of the world's 1.2 billion Muslims will be in the form of Sharia compliant products over the next decade. Examples of the potential market size are seen in the Takaful insurance market which grew sharply since its introduction in 1985. Malaysia now accounts for around 30 per cent of the global Takaful market. This market is highly fragments with just 200 Islamic financial institutions.

Education. A look at the census figures shows that Abu Dhabi and Dubai are the two most populated emirates with population of 1.678 million and 1.306 million respectively yet Dubai has less than half the number of schools Abu Dhabi does though Dubai has 90% of its population living in the city (Tedad, 2006). Over 40 per cent of pupils attend private schools. UAE citizens can attend government institutions free of charge. UAE does poorly in tertiary and secondary education enrolment but part of the problem is high cost to the general public with private fees ranging. The skilled labour will not have the financial resources to study. To encourage education, a free zone -Knowledge Village (KV), was established in 2003 in the Dubai Free Zone for Technology and Media. Over 6000 students come to the campus every day. 25% of these students are imports from countries in the Middle East, while the remaining 75% are from Arab and foreign communities residing in Dubai. The Dubai Academic City (DAC), launched in 2006 is the world only free zone for higher education, and will accommodate 20 - 30 universities and house between 30,000 and 40,000 students. To help build a knowledge-based society throughout the region Prime Minister and Ruler of Dubai has created the UAE-based U$10 billion Mohammed Bin Rashid Al Maktoum Foundation. There needs to be a greater diversification in education to sciences, vocational training and arts (Balakrishnan, 2008).

Health: Looking at the health sector, we find that Dubai has one third the hospitals Abu Dhabi has and health costs will rise. The UAE government is spending over $2 billion every year on the medicine outside the country for its citizens (Al Deen, 2007). Besides capturing this market, UAE is focussing on treatment tourism which had global revenues exceeding $56 billion in 2007 as medical tourism can generate Dh7 billion annually to the UAE by 2010, according to a report by Abu Dhabi Chamber of commerce and Industry (Al Deen, 2007). One segment is the 600 million tourists with special needs of which UAE is aiming to attract about six million of them. An offshoot is the cosmetic industry. The Middle east market for halal cosmetics is valued at UDS 2.1 billion of the USD 2 trillion global market (Kumar, 2009).

Water & Energy Management: Water and Energy are future areas of interests. In the GCC, energy and commodities related investments were responsible for a majority of inward FDI, while their outward FDI concentrated on telecommunication and financial services, like the acquisition of mobile licenses in Sub-Saharan Africa by UAE-based Etisalat and Kuwait-based Zain (WIR 2008). According to the WIR, four fifths of infrastructure FDI in developing countries was concentrated in telecommunication and electricity generation, while transportation and water and sewage treatment attracted less attention with 17 percent and 4 percent, respectively. However in UAE water, power and sewage treatment are key areas with the population explosion. Infrastructure projects planned over the next ten years are estimated at $227 billion. Water is a scarce commodity as it is obtained largely through desalination. Being one of the world's most water scare regions, the Middle East is expected to invest almost $30 billion in desalination facilities over the next few years (Technopark, 2008). Water demand in the UAE has increased five-fold since 1970 and a study by the Environment Agency - Abu Dhabi has revealed that the UAE only has enough domestic use emergency water supplies to last between two and five days (ameinfo.com, 2009).

Over the next seven years, the amount of energy required to power buildings in the UAE will double, according to Masdar. Gulf OPEC members pledged $750 million (about Dh 2,754.75 million) at a summit in Riyadh in November 2007 to fund research on clean technologies. UAE has the second largest carbon footprint per capita according to the World Wildlife Fund, 2007 (Ferris-Lay 2007). But the emphasis in this case will be on carbon capture and storage in order to fight global warming. Masdar City aims to be the first carbon-neutral city in the world. According to Masdar officials, the projected overall investment volume over time for Masdar City is $22 billion (about Dh80.8 billion), and for Masdar renewable energy projects $15 billion (about Dh55.09 billion). The Masdar Institute of Science and Technology (MIST) has been set up in co-operation with MIT (Massachusetts Institute of Technology), and aims to acquire and develop know-how in the field of renewable energies. The ultimate goal is to convert the UAE from a technology-importer to a technology-exporter (Woertz, 2008). This indicates opportunities in water harvesting, alternate energy, more efficient transportation, building construction and air-conditioning.

New technologies are also potential areas for development. UAE has set up the Dubai silicon oasis free trade zone to focus on microelectronics and semiconductor industry and a Dubai biotechnology and research park. Evolving new technologies on cutting edge research are non-technologies, biological electronics and regenerative neurotechnology. UAE has set up 38 free trade zones (see Table 3). These also indicate potential opportunities of investment in related businesses, ancillary services and trade.

Take table 3.

Table 3: Free Trade Zones

Free Trade Zone	Products	Companies
Dubai Airport Free Zone (1996)	aviation industry, pharmaceutical products, logistics & freight, jewellery, IT and mobile phones accessories	1300
Sharjah Airport International (1995)	IT services, media, consumer durables, light to medium manufacturing	2900
Jebel Ali Free Zone (1985): Port Access	Transportation, hospitality, tourism and trade (diversified)	6000
Hamriyah Free Zone (1995): Port Access	Diversified	3250
Ras Al khaimah Free Trade Zone (2000)	Diversified	5000
Dubai Internet city (2000)	Information and communications technology	1200
Dubai Media City (2000)	media and marketing services, printing and publishing, music, film, new media, leisure and entertainment, broadcasting and information agencies	1100
Abu Dhabi Ports Company Khalifa Port and Industrial Zone (KPIZ) –	Base metal, heavy machinery, transport vehicle assembly, chemicals, shipyard, building material, processed food and beverages, light manufacturing, information and communication technology, alternative energy, trade and logistics	Operational 2010
Abu Dhabi Airport Free Zone (2006)	NA	Operational 2010
Ahmed Bin Rashed Port & Free Zone (1987)	Trading, consultancy, access to port	34 Light Industrial Units
Ajman Free Zone (1988)	Access to Port	NA
Dubai Auto Zone (DAZ) Dubai Cars and Automotive Zone (DUCAMZ)	in the auto sector, a specialised Economic Zone to cater to the GCC markets and a Retail Zone to serve the local markets	Operational Date not known
Dubai Biotechnology and Research Park (DuBiotech) expected to be completed by 2009	incubators, R&D labs, biotech-related educational and research institutions, manufacturing as well as organisations from supporting and convergent industries.	26
Dubai Flower Center (2006)	Flowers	NA

Table 3 (cont): Free Trade Zones

Free Trade Zone	Products	Companies
Gold & Diamond Park (1999)	Retail & manufacturing	37 retail, 118 manufacturing
Dubai Healthcare City	medical teaching institutions, private hospitals and clinics, pharmaceutical offices, research centres and rehabilitation homes	75 Forthcoming 2010,
Knowledge Village (2003)	Training centres, education and consultancies	300
Dubai International Academic City (DIAC)	Higher education and tertiary education	20 universities
Dubai Logistics City (DLC)	all transport modes, logistics and value added services, including light manufacturing and assembly	Operational dater not known
Dubai Maritime City	maritime companies, residences, educational	Opearationa 2012
Dubai Multi Commodities Centre (DMCC) (2002)	Gold, diamond, commodities	1300
Dubai Outsource Zone	call centres, IT, finance, insurance, healthcare, logistics, tourism, real estate, and energy with knowledge processes, research and development, and business continuity and planning. To be top 10 in the world, focus MENA	750 ICT
International Humanitarian City (IHC)	humanitarian value chain: NGOs, Manufacturers and suppliers (aid related goods and services) e.g. shelters, medical equipment, food items, vehicles,; Service providers e.g. logistics, security, maintenance, consulting, etc	55
Dubai International Financial Exchange (DIFX), (2005)	NASDAQ Dubai, banking, capital market, asset & fund management, reinsurance, Islamic finance	NA
Dubai Silicon Oasis Authority (DSOA),	Industrial, commercial and residential	NA
Dubai Studio City	production, post-production, equipment rental, business centre and satellite facilities; residential areas, hotels, an entertainment centre, film schools and training institutes	1000
Dubai Carpet FZ	FORTHCOMING	
Fujairah FZ	Trading, manufacturing, warehouse, distribution	50 in 2003
Zone Corp	ICAD I (2007): heavy-to-medium manufacturing, engineering and processing industries, including metal products, construction materials, fibreglass and plastics assembly ICAD II (2007): light-to-medium manufacturing, engineering and processing industries, including wood processing, engineering, oil and gas, construction materials, and chemicals ICAD III (2008): light-to-medium engineering and processing business with an international focus. Wood processing and engineering, chemicals and plastics, construction materials, high-tech industries, food and textiles ICAD IV & V: forthcoming: high value-added manufacturing, commercial and service based industries Energy Zone: Forthcoming Al Ain Industrial City (I & II) (2007): SME	NA

Table 3 (cont.): Free Trade Zones

Free Trade Zone	Products	Companies
Dubai's International Media Production Zone (IMPZ)	commercial, residential and community service projects	100
Dubai Cars & Automotive Zone [DUCAMZ] (2000)	re-exporting used cars	NA
Dubai Autopart City	FORTHCOMING	
TechnoPark (2002)	Hi-tech, desalination, oil & gas sector	10
Dubai Design Center	building furnishings, fixtures and materials FORTHCOMING	
Dubai Building material zone	FORTHCOMING	
Dubai carpet FZ	FORTHCOMING	
Dubai Energy City	FORTHCOMING	
Dubai Textile City	FORTHCOMING	
Heavy Equipment & Truck Zone	FORTHCOMING	

Sources: http://www.uaefreezones.com/fz_zonescorp.html

3.2: Market segments in national market

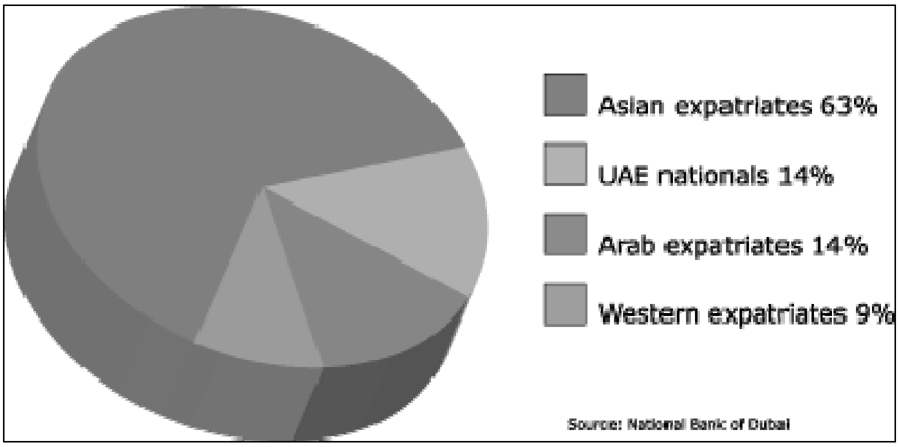
The demographic analysis of UAE presents opportunities especially because of 80% of its population being foreign.. The population is skewed with respect to male-female gender with a ratio of 2.7 (Tedad, 2005). Indians form the single largest expat group, however there are many pockets of nationalities. Being an aviation transit point, UAE is a popular tourist hub. It received 8.8 million visitors in 2007 (Al Tamimi, 2008) the government has recently set up a The National Authority for Demographic Structure in 2008. Though the focus is still on luxury, there is a need for more economical options. Chief executive of Alpha Tours, Gassan Aridi, "... it needs to be a destination for the masses as well... in order to achieve this growth, it needs to be both (luxury brand)," more budget and four star hotels were needed to fill the gap in the market and reach middle income and mass market tourists (Marian, 2008)

Markets are opening up by transportation access. UAE has easy access to over 2 billion people in South and West Asia, the CIS and Africa (JAFZA, 2008). UAE boasts of two main air carriers – Emirates airline and Etihad Airlines. Together they reach over 120 destinations. When Emirates Airlines began it direct flight to San Paulo, Brazil; it tapped into a segment not tapped before. Tourist numbers from Brazil increased by 106% in 2008 from previous year (DTCM, 2008). Though San Paulo is the largest and richest city in Brazil, it also has the second largest Japanese settlement (discovernikkei, 2008). The route with the shortest flying time to Japan is now via Dubai and this may lead to strategic market opportunities.

UAE has not been an economical transit hub for visitors. This makes international brand awareness and acceptance high. UAE retail sales are estimated at US$9.4 billion with Dubai accounting for 60% of UAE retail sales (Australian Government – Dept of Foreign Trade and affairs). The figure below indicates average spend by nationality group and is a rough reflection of the demographic spread. A study by Dubois and Duquesne (1993) finds that income accounts for half of the luxury acquisition and culture explains one-third totally accounting for three-fourths of luxury good penetration. UAE is known for its luxury brands. It has 59,000 millionaires residing in UAE. However it attracts high net worth individuals through its shopping festivals (Dubai Shopping Festival, Dubai Summer Surprises) and luxury lifestyle. There is a potential of 85,400 high net individuals in the world and 300,000 millionaires the Middle East in 2005 (Sharif, 2006)

Take Figure 6.

Figure 6: UAE consumer expenditure by nationality group



Source: Australian Government – Dept of Foreign Trade and affairs

New market opportunities arise from convergence of transportation. Since UAE is an aviation, and sea hub, it offers new potential markets. Tourist compositions can be linked to inflows and outflows. Anecdotal evidence points to business investment following a reccé in the form of a visit. This presents opportunities to cater to ethnic minorities. Table 4 depicts FDI flows inflows and the proportion of hotel guest. This identifies potential investors, migration patterns and hence consumption opportunities in the form of ethnic products and produce.

Table 4: 2005 FDI inflow

<table>
<tr><td>Country</td><td>Amount USD</td><td>Hotel guest nights (for Dubai) 2007</td></tr>
<tr><td>Britain</td><td>4.5 billion</td><td>Europeans: 38%</td></tr>
<tr><td>Japan</td><td>3.8 billion</td><td rowspan="2">Asians: 22%</td></tr>
<tr><td>India</td><td>2.09 billion</td></tr>
<tr><td>Iran</td><td>767 million</td><td></td></tr>
<tr><td>USA</td><td>1.16 billion</td><td>Americas: 7%</td></tr>
<tr><td>Kuwait</td><td>699 million</td><td rowspan="5">Arabs: 23%</td></tr>
<tr><td>KSA</td><td>666 million</td></tr>
<tr><td>Lebanon</td><td>204 million</td></tr>
<tr><td>Bahrain</td><td>195 million</td></tr>
<tr><td>Qatar</td><td>327 million?</td></tr>
<tr><td>Sudan</td><td>161 million</td><td>Africans: 7%</td></tr>
<tr><td></td><td></td><td>Australia & Pacific: 3%</td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

Source: uaeinteract (2008); DTCM (2008)

Travel and tourism in the Arab world still accounts for only six per cent of international tourist arrivals World Economic Forum (Al Tamimi, 2008). The UK market historic roots with UAE when it was formally known as the Trucial States prior to 1971. Effectively resourced sponsorships generate a competitive advantage in the “market”, which in turn leads to competitive advantage and superior performance in product markets (Fahy et al, 2004). Emirate airline was instrumental in wooing the UK expatriates through its sponsorship of football and the Arsenal club. Today UK expatriates number the largest western expat community in UAE numbering about 100,000 (McIntosh and Theodoulou, 2008). Dubai represents the fastest growing per-capita export market for UK food and drink (Mishra, 2006).

4.0 Modes of entry: Greenfield versus local partner

The market selection and entry mode are part of the same decision making process (Koch, 2001). UNCTAD estimates that in 2004, 156 Greenfield investments took place due to the liberalization of real estate and creation of special economic zones (WTO 2006). Research by GoÈrg (2008) shows that of all the choices available for entry into a foreign market, which are FDI, Greenfield investment or acquisitions, a firm will be best off by acquiring an existing high-technology firm. This is the case is UAE is low. However the country exudes an extremely positive attitude toward foreign travelers (6th) and is also seen as safe from crime and violence (ranked 14th) (WEF, 2008). The increase in intraregional FDI and cross border M&A, therefore, hints at a growing economic integration of GCC countries and a willingness to take risks as a considerable part of intra-regional FDI is being directed towards greenfield developments, i.e. projects that establish new industries and services in a country from scratch (WIR, 2008) especially with the added incentive of free trade zones. IN March 2008, UAE announced a new company law to allow 100% foreign ownership in some sectors outside free trade zone where currently ownership is capped at 49% (WIR, 2008). Table 5 shows the number of Greenfield FDI projects UAE invested in and was invested in the UAE.

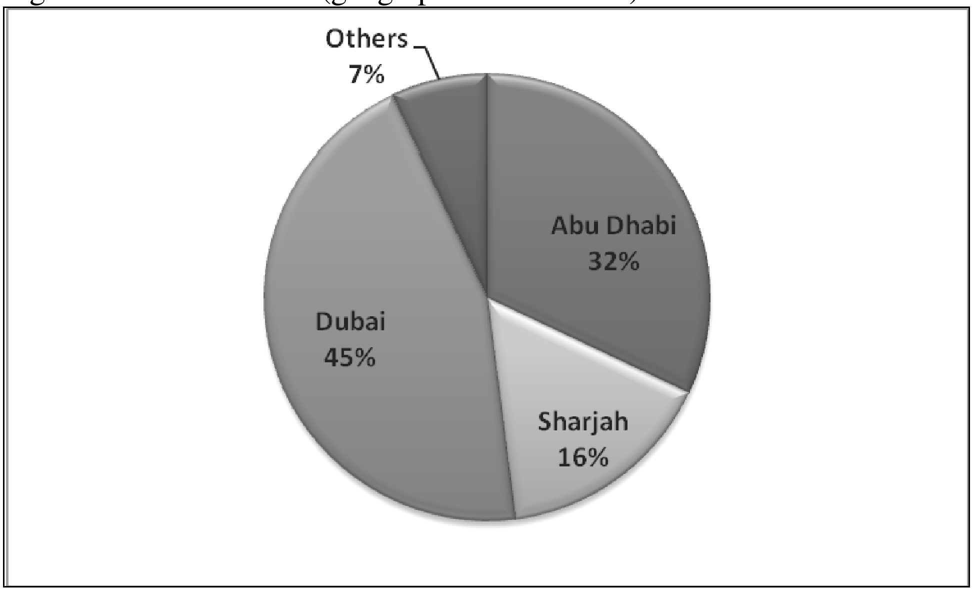
Table 5: Greenfield FDI projects invested in UAE and UAE invested in the World

Year	World as a Destination UAE as a Source	World as a Source UAE as a Destination
2003	49	146
2004	41	156
2005	107	231
2006	222	294
2007	123	277
2008*	57	86

Another method of entry into a market is to partner with a MNC (Prashantham and Birkinshaw 2008). Mergers are beneficial in the sense they encourage corporate governance, provide local knowledge however they can be detrimental as they reduce competition (Delois and Beamish, 2002; Mitra and Golder, 2002; Floyd, 2002). Mergers & acquisitions have the capability to improve the brand value of the target brands value if the marketing capabilities of target capabilities of both are high and if the brand portfolio is diverse (Bahadir et al., 2007). Joint ventures (JVs) are one method of entry. Virgin Radio tied up with ARN Media the largest media house in the Middle East and was launched in 2008 in Dubai after two years of research. The liberal Virgin way needed to be toned down for the Middle East and the cost of not accelerating up the experience curve quickly was high as one of their radio presenters had to be fired for offending religious sensibilities (Morris, 2008).

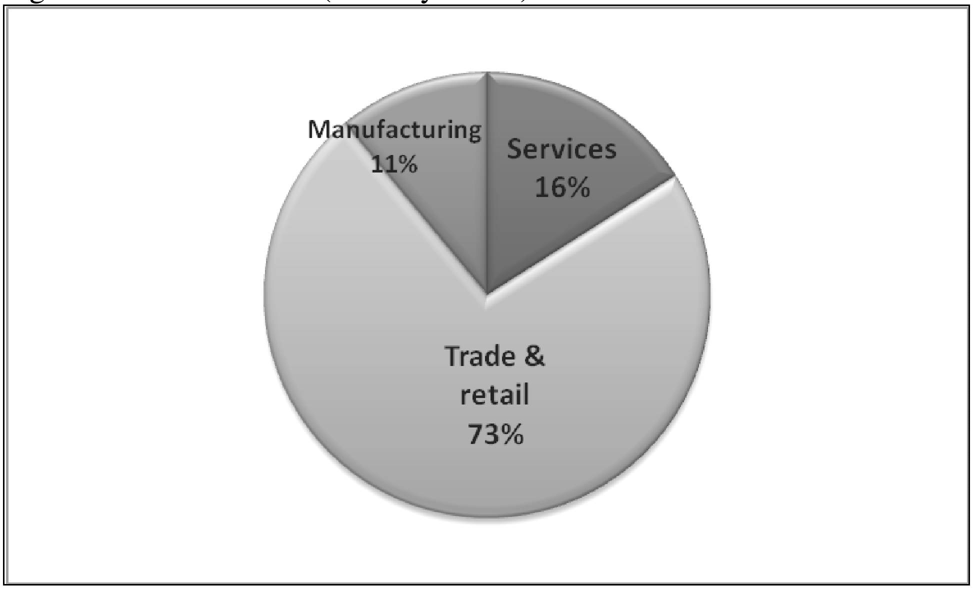
JVs do not have to be with large firms, entry can be achieved through collaboration with small and medium sized industries.UAE ranks low on business start-ups, young and established businesses ranking 41 out of 42 countries surveyed with funding and fear of failure being key barriers (GEMS, 2006). It is estimated that out of more than 500 million entrepreneurs in the world, only 5% have access to financial services (Dun and Bradshreet, 2008). Financing new ventures could also be a method to enter into this market. In terms of financing, today Sharia-compliant financing to make up 60% of UAE's Dh64 billion mortgage market (Gulf News, 2008). SMEs constitute 85% of the businesses in the UAE and according to the Dun &Bradstreet "UAE SME Lending Report" report; more than 50% of them struggle to get credit as they face high lending rates of 15% (Maceda, 2009). GEMS 2007 finds that established businesses SMEs tend to focus on novelty products but nascent businesses are 9 times more likely to be involved in the technology sector than established SME. Figure 4 and 5 show SME geographic and industry distribution in the UAE.

Figure 4: SMEs in UAE (geographic distribution)



Source: Dun & Bradstreet (Maceda, 2009)

Figure 5: SMEs in UAE (industry sector)



Source: Dun & Bradstreet (Maceda, 2009)

Franchising

Global SMEs are a significant contribution to new trade growth accounting for 20% of growth in Australia and they generally offer leading-edge technology products for niche markets (Rennie, 1993). Many SMEs have the opportunity to partner with MNCs using their market expertise, innovation expertise and customer expertise (Prashantham and Birkinshaw, 2008). The GEM 2006 study finds that entrepreneurship is linked to a decline in GDP (for every $1000 decrease in a country's GDP there is a corresponding increase of 0.12 point in TEA – total entrepreneurial activity). This finding contradicts with the UAEs intention to increase GDP per capita of its citizens and also refocus on SMEs. Currently according to the report entrepreneurship accounts only for 10% o the population of UAE. The UAE private sector labour force consisted of about **(2.1 %)** nationals with **72 %** employed in small enterprise (SME, 2008). There is a government focus to improve entrepreneurship for nationals who contribute 20% to the population but of which 50% are below the age of 20 (Tedad, 2005). This makes franchising a lucrative option to enter into the UAE. Franchising is a popular method for growing international businesses (Duckett, 2008).

3.0 Wasta ..timing and the cultural setting.

Wasta is the power of the influence and status a person holds by virtue of familial, tribal or personal connections (Neal et al, 2007: 293). This has overlap with how rich a family is (Neal et al., 2005). The Australian Government's Department of Foreign Affairs and Trade the importance of wasta is indicated in the following statements "*For the first visit, arranging quality meetings is crucial. Using Austrade, a State government or business adviser in the UAE is the most effective technique for companies new to the UAE*" and *"Similarly to Asia, personal relationships with Arabs are paramount."* Wasta overlaps with guanxi (Hutchings and Weir, 2006). Guanxi can be defined as "the durable social connections and networks a firm uses to exchange favors for organizational purposes" (Gu et al, 2008: 12). Some findings from Gu et al. (2008) are extrapolated from guanxi to the context of Wasta. Hence using wasta also means there is a reciprocal cost and organizations with strong systems may need to evaluate that cost-benefit ratio. Guanxi (wasta) impact brand market performance, and has a high impact during low competition. It acts as an asset for building channels and responsive strategies. Hoverer when technical turbulence is high and competition is high, wasta can have a detrimental impact on performance.

In the UAE context, working norms are different. Weekends are Friday and Saturday which means a 3 day international cut-off because of weekends. The religious festivals dates commence with the sighting of the moon and hence cannot be planned exactly. During Ramadan, in keeping with host nation's tradition, food cannot be eaten in public places out of respect for those who are fasting. Many retailers are closed during the day and business stay open long into the night. Emiratisation is a quota for Emirati nationals who currently only represent 2% of the workforce and there are some organizational challenges with implementation as presented by Rees et al., 2007. This means culture itself plays a big role in the success of a firm. Cultural elements of branding are important in globalization (Krueger and Nandan, 2008). Inflation has been high touching 12% with 53% of an average citizens spend being on food (14.2%) and rent (39.4%) (Saleem, 2009ab).

An important criteria for market entry decisions as highlighted by Dacko (2002). This is information dependent. According to the press freedom index released by Reporters without borders, in 2008, UAE was ranked 69 (Gulf News, 2009). Though the Federal National Council passed a new media law scrapping jail terms for journalist, the fine of Dh 5 million is still a big dissuader (Salama, 2009). Information available in the press may not always be indicative of the true scenario and this further dissuades employees from giving interviews. Triangulation of data can be achieved looking at independent report published by NGOs, statistical centres and even collaboration with industry experts though most information will be "off the record".

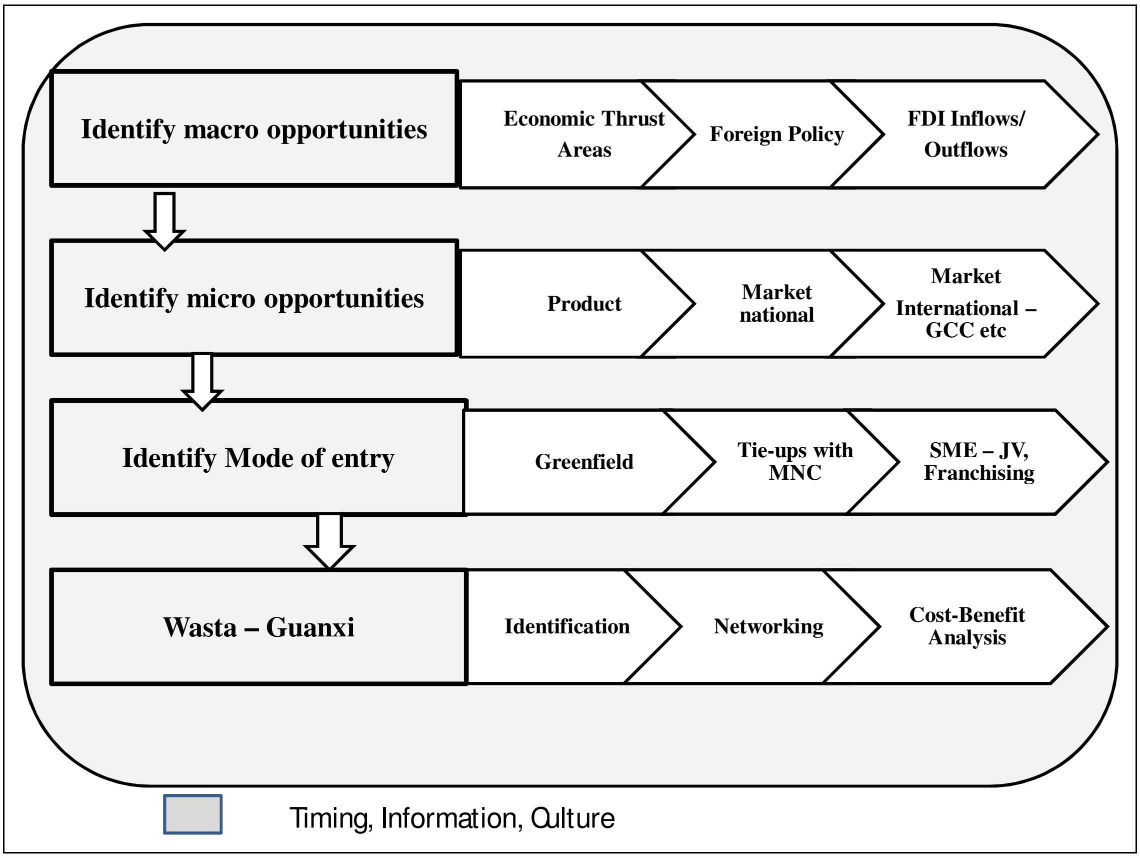
4. Conceptual Model:

For a first time entrant into the UAE, the first factors to be considered is the macroenvironemnetal opportunities. To see whether the opportunities match with existing firms strategic objectives or whether the market entry as a potential to succeed, organizations can study economic thrust areas. A lot of information is available on government web-sites like uaeinteract.com which is the government sponsored media site. Further reports provided by NGOs like the World Bank, World Trade Organization among others also provide some rich data. Local consulates are other potential sources of information. An analysis of the foreign policy also presents potential opportunities and loopholes. Details of foreign visits and their outcomes are listed in uaeinteract.com. Finally an analysis of FDI inflows and outflows gives organizations an idea of where investments are happening and also availability of potential sources of funds

An analysis of the microenvironment helps organizations identify products and markets. All free trade zones offer 100% ownership but the commercial rent rates will differ and so will benefits (logistics, warehousing, factory, worker accommodation, residential etc). Since the UAE is actually a springboard into the region, long-term investors will want to consider spillover effects. Prior to recession, real estate price escalation was a large contributor to inflation so firms entering now would want to plan for the future if they have the financial resources to do so. Various modes of entry have been described. The risk and cost of investments increases as you move from franchising to Greenfield investment.

Finally wasta is an important concept that can lead to the early success of a new market entrant. Firms need to firstly identify what type of wasta is required – governmental, corporate, customer, supplier etc. Next they need to network and find "brokers". For example some consulates may help with the process. Others use business acquaintances. |Finally a cost-benefit analysis needs to be undertaken to see if the favours will benefit the organization in the long-term and also to assess the costs of keeping the wasta on-going. Figure 6 presents the conceptual model.

Figure 6: Factors to consideration for entry into emerging markets: UAE context



This is exploratory research and future research can study the new market entry strategies and the relative importance of each frame using a quantitative questionnaire. It can look at SMEs as a separate category and transnational corporations are another category. The model can be expanded to other developing countries to see if the relative importance of each factor remains or changes.

Bibliography

Al Deen, M. E. (2007), "Medical tourism in UAE to generate Dh7b by 2010", Gulf News, dated 29 April 2007, Available: http://archive.gulfnews.com/articles/07/04/29/10121674.html, [Accessed: 15 January, 2009].

Al Tamimi, J. (2008a), "Tourism boom in the GCC", Gulf News, dated August 18, 2008, Available: http://archive.gulfnews.com/articles/08/08/19/10238196.html, [Accessed: 18 January, 2009].

Al Tamimi, J. (2008b), Gulf News, Published: August 17, 2008, Exploring diversity, Available: http://archive.gulfnews.com/articles/08/08/18/10237939.html, [Accessed: 18 January, 2009].

AMEInfo (2003), ameinfor.com, Available: http://uaeinteract.com/docs/UAE_plastic_industry_growing_EIB_study/7494.htm, [Accessed: 29 December, 2008].

Ameinfo (2007), Prestige skyscrapers", ameinfo.com, published 11 October, 2007, available at http://www.ameinfo.com/133911.html, [Accessed:31 December, 2008].

Ameinfo.com (2008) "UAE's banking and finance industry reigns supreme, latest Bayt.com and YouGovSiraj figures reveal", ameinfo.com, Available at: http://www.ameinfo.com/176317.html, [Accessed: 28 November, 2008].

Ameinfo.com (2009), "UAE water concerns", Available: www.ameinfo.com/132705.html, [Accessed: 2 February, 2009].

Bahadir, S.C.,Bharadwaj, S.G. and Srivastava, R.K. (2007), "Financial Value of Brands in Mergers and Acquisitions: Is Value in the Eye of the Beholder?" Journal of Marketing, Vol. 72, No. 6, pp. 49-64.

Bundhun, R. (2009), "UAE growth to slow to 2.7% in 2009 – Standard Chartered" Arabian Buisness.com dated 15 December 2008, Available: http://www.arabianbusiness.com/541140:uae-groeth-to-slow-to27-in2009---standard-chartered, [Accessed on March 10, 2009].

Business monitor International, The UAE Infrastructure Report 2008, Available: http://www.businessmonitor.com/infra/uae.html, [Accessed on February 1, 2009].

Chaharbaghi , K.and Lynch, R (1999), "Sustainable competitive advantage: towards a dynamic resource-based Strategy", Management Decision, Vol. 37, No. 1, pp. 45–50.

CIA World Factbook (2009), Available: https://www.cia.gov/library/publications/the-world-factbook/geos/ae.html

Dacko, (2002), S.G. "Understanding market entry timing decisions: the practitioner-academic gap", Marketing Intelligence & Planning, Vol. 20, No. 2, pp. 70-81.

Davidson, G. (2005), Human Resource Management International Digest, Vol. 13 No. 3, pp. 3-5.

Delios, A. and Beamish, P. W. W.,(2000), Survival and Profitability: The Roles of Experience and Intangible Assets in Foreign Subsidiary Performance. Available at SSRN: http://ssrn.com/abstract=305345 or DOI: 10.2139/ssrn.305345, [Accessed February 3, 2009]

De Ramos, R. R. (2008), "Agreement on Sovereign Wealth Funds", Business Week, Available: http://www.businessweek.com/globalbiz/content/mar2008/gb20080325_139235.htm?campaign_id=rss_daily, Accessed on Nov 1, 2008

Dhaliwal, S. and Gray, D. (2008), The Asian business sector and the dynamics of change: A story of growth, diversity and success in the UK, Equal Opportunities International , Vol. 27 No. 3, 2008, pp. 221-236.

DIFC (2008), Available: http://www.difc.ae/about_difc/sectors_of_focus/islamic_finance/, [Accessed 3 February, 2009].

Discovernikkei (2008), "Demographics-Nikkei Wprld Demographics, 1993", Available at: http://www.discovernikkei.org/wiki/index/php/Nikkei_World_Demographics [Accessed 27 December, 2008].

DTCM (2008), DTCM holds Dubai road show in Brazil, Available: http://dubaitourism.co.ae/PressReleases/PressReleaseList/tabid/183/ctl/Details/mid/561/ItemID/2429/language/en-US/Default.aspx, [Accessed: 26 December, 2008]

DTCM (2008), Statistics, Available: http://dubaitourism.co.ae/EServices/Statistics/tabid/171/language/en-US/Default.aspx, [Accessed January 31, 2009].

Dubois, B. and Duquesne, P. (1993), "The market for luxury goods: income versus culture", European Journal of Marketing, 27 (1), pp. 35-44.

Duckett, B. (2008), Business format franchising: a strategic option for business growth – at home and abroad", Strategic Direction, Vol. 24, No. 2, pp. 3-4.

Dun and Bradshreet (2008), Workshop on Commercial Credit Bureau: Creating a sustainable and profitable lending environment", Available at: http://www.difc.ae/workshop/previous_workshop/2008/worshops/files/Dun-Bradshreet%20Emcredit%20Presentation%20on%MSMSEs.pdf, [Available: January 5, 2009].

Entrepreneurship Monitor (GEM) 2006 report, The UAE has doubles its business angels.... "A study of Entrepreneurship in the United Arab Emirates 2006" , Available: http://www.gemconsortium.org/docuument.aspx?id=828; [Accessed December 29, 2008].

Fahy, J., Farrelly, F. and Quester, P. (2004), "Competitive advantage through sponsorship: A conceptual model and research propositions", European Journal of Marketing, Vol. 38 No. 8, 2004

Fenton, S. (2008), "Non-oil trade with Germany remain robust", Gulf News dated December 18, 2008. Available at: http://www.archive.gulfnews.com/articles/08/12/18/1026684.html; Accessed on December 27, 2008.

Ferris-Lay, C (2007), "Green city", Arabianbusiness.com, Available at: http://www.arabianbusiness.com/502211-green-city; [Accessed: December 31, 2008].

Floyd, D. (2002), "Investment decisions in Eastern Europe: choosing the optimum investment – the case of Poland", European Business Review, Vol. 14, No. 2, pp. 98-103.

GoÈrg, H. 2000, "Analysing foreign market Entry: The choice between Greenfield investment and acquisitions", Journal of Economic Studies, Vol. 27 No. 3, 2000, pp. 165-181.

Gulf News (2008), Sharia-compliant financing to make up 60% of UAE's Dh64 billion mortgage market, Gulf News, Available: http://www.gulf-news.com/business/Banking_and_Finance/10239725.html, [Accessed 31 January, 2009]

Gulf News. (2007), "Building Dubai's image" posted on 16 January, 2007, Available: http://uaeinteract.com/news/default.asp?ID=359

Gu, F., Hung, K., and Tse, D.K. (2008), "When does guanxi matter? Issues of capitalization and its darker sides", Journal of Marketing, Vol. 72, July, pp. 12-28.

Hejmadi, S. (2004), Best Practices in Free Zones", Accessed: http://www.authorstream.com/Presentation/Tarzen-58842-sez10-New-Chip-Block-as-Education-ppt-powerpoint/, [Available: 3 February, 2009].

Hutchings, K. and Weir, D. (2006), Guanxi and *Wasta*: A comparison, Thunderbird International Business Review, Vol. 48, No. 1, pp. 141-156.

IMF (2008) "International Monetary fund: Sovereign Wealth funds – A work Agenda" dated Feb 29, 2008 Available at: http://www.imf.org/external/np/pp/eng/2008/022908.pdf , [Accessed: 1 February, 2009].

IMF (2009), "World Economic Outlook Update" dated January 28, 2009, http://www.imf.org/external/pubs/ft/weo/2009/update/01/index.htm, [Accessed 10 March, 2009].

Irish, J. (2008), “GCC Leaders approve monetary union pact”, Gulf News, 30 Deccember, 2008, *http://www.arabianbusiness.com/542353-gulf-leaders-approve-monetary-union-pact---gcc-official* Accessed 31 January, 2009.

JAFZA (2008), “Facts and Figures” available at: http://www.jafza.ae/en/about-us/facts-figures.html

Kader, B.A. (2009), “UAE, Switzerland sign energy pact: students to work together in research”, Gulf News, January 21, 2009, p. 11.

Koch, A. J. (2001), “Selecting overseas markets and entry modes: two decision processes or one?” Marketing Intelligence & Planning, 19/1 [2001] 65±75

Krueger, D. and Nandan, S. (2008), “Branding in the Global Arena: The role of culture”, Marketing Management Journal, Spring, pp. 30-38.

Loveday, Morris (2008), “Virgin Radio DJ dismissed over ‘phone call to God’ during show”, The National, dated 23 October, 2008, Available: http://thenational.ae/article/20081022/NATIONAL/498068405/0/ART, [Accessed: 3 February, 2009].

Maceda, C. (2009), Loans dry up for small businesses, GN, 12 January, p. 29.

Malhotra, S., Papadopoulous, N and Balakrishnan, M. (2008), “Free trade zones as global institutions: a multi-country case study analysis” AIB Milan conference proceeding paper.

Marrian, N (2008), “Tapping mass market will boost Dubai's visitors to 15m by 2015” GN dated August 24, 2008 Available: http://archive.gulfnews.com/articles/08/08/25/10239858.html; [Accessed: 2 February, 2009]

Maceda, C (2008), “UAE signs an MoU with Phillipines to ensure food supply”, Gulf News dated july 22, 2008 Available at http://www.gulfnews,.com/business/commodities/10230759.html, [Accessed: 2 February, 2009]

McIntosh, L. and Theodoulou, M. 2008 Terror red alert for 100,000 British expats in Dubai, news.scotman.com dated 17 June 2008, http://news.scotsman.com/world/Terror--red-alert-.4190515.jp, [Accessed: 2 February, 2009]

Mishra, S. (2006), The appeal of British brands” dated May 19, 2006, Available at: http://archive.gulfnews.com/articles/06/05/19/10041107.html, [Accessed: 2 February, 2009]

Mitra, G. And Golder, P.N. (2002), Whose Culture Matters? Near-Market Knowledge and Its Impact on Foreign Market Entry Timing, Journal of Marketing research, Vol. 39, No. 3, pp.350-365.

Morgan Stanley (2009) as quoted in "FDI in developing nations to drop 31%" GN, January 22, 2009, p. 45.

Neal, M., Finlay,J.L. Catana, A. G.and Catana, D. (2007), "A Comparison of Leadership Prototypes of Arab and European Females", *International Journal of Cross Cultural Management* 2007; 7(3); 291-316
National Bank of Dubai (2008) The UAE retail sector, Available: http://www.dfat.gov.au/publications/business_uae/doing_business_uae.html#uae, [Accessed: 1 February, 2009].

Neal, M., Finlay, J., and Tansey, R. (2005), ""'My father knows the Minister": A comparative study of Arab women's attitudes towards leadership authority", Women in Management Review, Vol. 20 No. 7, 2005, pp. 478-497

Øystein Moen , Roger Sørheim and Truls Erikson (2008), "Journal of Small Business Management 2008 46(4), pp. 536–549

Prashantham, S and Birkinshaw, J. (2008), 'Dancing with Gorillas: How small companies can partner effectively with MNCs, California Management Review, VOL. 51,NO. 1, pp. 1-23.

Proleads (2007) "UAE has Dh1.58tr worth civil projects", available at: http://www.middleeastelectricity.com/upl_images/UAE%20has%20Dh1.58tr%20worth%20civil%20projects.pdf **,** Accessed: 31 Dec 2008.

Rees, C.J., Mamman, A., Bin Braik, A. (2007), Emiratization as a strategic HRM change initiative: case study evidence from a UAE petroleum company", Int. J. of Human Resource Management 18:1 January 2007 33–53

RNCOS Industry Research Solutions (2008), "Booming Retail Sector in UAE, Available: http://www.rncos.com/Report/IM108.htm, Accessed: 2 February, 2009.

Rennie, M. W. (1993). "Global Competitiveness: Born Global," *The McKinsey Quarterly* 4, 45–52.

Roberts, L. (2008), "UAE turns to Pakistan to stave off food crisis", dated 6th May 2008 Available at: http://www.Arabianbusiness.com/518467-uae-turns-to-pakistan-to-stave-off-food-crisis?In=en, [Accessed: February 1, 2008].

SMARZYNSKA, BEATA K. 2002. .Does Foreign Direct Investment Increase the Productivity of Domestic Firms? In Search of Spillovers through Backward Linkages., World Bank Policy Research Working Paper, no. 2923.

Eckman, M.S.S. and Hyllegard, K.H. (2007), "Market selection for international expansion: Assessing opportunities in emerging markets ",International Marketing Review, Vol. 24 No. 2, 2007, pp. 208-238

Saleem, N. (2009a), "2008 inflation is 12%", Gulf News, 4 February, 2009, p. 38.

Saleem, N. (2009b), “53% of income spent on food, rent”, Gulf News, February, 3, 2009, p. 37.

Sharif, A (2006), “Number of millionaires in UAE rises to 59,000”, GN, dated 21 June, 2006, Available: http://archive.gulfnews.com/articles/06/06/21/10048395.html; [Accessed: 30 January, 2009].

Stapleton, M. D. (2008), “From strength to strength” Gulf News dated November 12, 2008 Available at: http://archive.gulfnews.com/articles/08/11/12/10259008.html [Accessed: 27 December, 2008].

SME (2008), Available at: http://www.sme.ae/english/index.html

Technopark (2008), Corporate Brochure, Available: http://www.technopark.ae/media-files/2008/06/10/20080610_20080506-tec002-brochure-final.pdf, [Accessed: 3 February, 2009].

Tedad (2005), Available: http://www.tedad.ae, [Accessed: November 15, 2008].

UAEInteract (2008): “UAE records highest Arab FDI growth” posted 25/11/2008, Available at http://www.uaeinteract.com/does/UAE_records_Highest_Arb_FDI_growth_/33078.hym, [Accessed 29 December, 2008].

UAEInteract (2006), “UAE Population touches 4.104,695” posted on 31 July 2006, Available at: http://www.uaeinteract.com/doc/UAE_population_touches_4.014695/21620.htm [Accessed: 27 December, 2008].

UAEInteract (2008), “UAE at a glance 2008” Available at: http://www/uaeinteract.com/factfile, [Accessed: 27 December, 2008].

UNCTAD (2008), Available at http://www.unctad.org

Uppal, R. (2009), “Revival onus with government”, Gulf News, dated 14 January, p. 47

WEF (2008) Travel and tourism Competitive index Available at: http://www.weforum.org/pdf/TTCR08/Rankings.pdf

Woertz, E. 2008 'Alternative Energy Trends and Implications for GCC countries, July, Available: www.grc.ae; [Accessed: 2 February, 2009].

World Investment Report (2006) cited in “Investment: Flowing in, flowing out” US-Arab Trade line, Vol. 15, No. 3, 2007.

WTO (2006), "Economic Environment" Available: http://www.wto.org/english/tratop_e/tpr_e/tp263_e.htm, [Accessed 28 December 2008].