

Webinar on “Simplifying Company Formation in UAE” jointly organized by UAE-India Business Council (UIBC) and MBG Corporate Services

MBG in association with UAE India Business Council (UIBC) presents

Webinar

Simplifying Company Formation in UAE

Date 14 July 2021 **Time** 2:30 PM IST
1:00 PM UAE

Maj Gen (Retd.) Sharafuddin Sharaf, Chairman, UAE-India Business Council (UIBC)

Bhaskar Dasgupta, Associate Director, Market Development, Abu Dhabi Global Market (ADGM)

Dr Aman Puri, Consul General of India in Dubai

Mayur Batra, Chairman, MBG

Sakina Dickenwala, Director- Legal Services, MBG Corporate Services

UAE-India Business Council (UIBC) in association with MBG Corporate Services organized a webinar on “Simplifying Company Formation in UAE” on 14th July 2021. The webinar emphasised the ease of doing business in the Emirate and focused on the competitive advantages offered by the UAE for commercial and industrial investment to potential investors and businesses from across India.

The virtual event was attended and addressed by Maj Gen (Retd.) Sharafuddin Sharaf, Chairman, UAE-India Business Council (UIBC) and Vice Chairman, Sharaf Group; Dr. Aman Puri, Consul General of India in Dubai; Mr Mayur Batra, Founder & Chairman, MBG Corporate Services; Mr Ajay Aggarwal, President, The Toy Association of India; Dr. Bhaskar Dasgupta, Associate Director - Market Development, Abu Dhabi Global Market (ADGM); and Mrs Sakina Dickenwala, Director – Legal Services, MBG Corporate Services who shared their perspectives on the subject. The webinar also witnessed the participation of trade professionals, entrepreneurs, investors, and business stakeholders from India.

In his opening remarks, Maj Gen (Retd.) Sharafuddin Sharaf welcomed the participants and apprised them about the UAE’s robust economy including its strategic location, advanced and developed infrastructure, strong financial reserves, large sovereign wealth fund, consistent government spending, progressive policy of economic diversification, free zones and increased foreign direct investment etc. which provides Indian entrepreneurs a vibrant and connected ecosystem to invest and grow their innovative business ideas. Maj Gen Sharaf mentioned that the UAE needs investments to grow the manufacturing sector where Indian investment could really help to expand the country’s industrialisation. Moreover, the UAE has a large pool of resources with investors looking for opportunities in the emerging markets, he added.

He also shared his perspective on the UAE-India economic relations and reiterated that the bilateral strategic partnership between both countries in various fields has been manifested through regular exchange between the leadership and officials on both sides. Hailing the strong spirit of friendship and cooperation that has nurtured between the two countries, Maj Sharaf mentioned that there are many sectors where UAE’s interests intersect with India. Oil and gas are at the core, but there exist unprecedented opportunities for high-tech industries as well as small and medium enterprises to develop and enhance competencies in emerging disciplines, such as research & development, clean energy, food security, healthcare, artificial intelligence, infrastructure, biotech, and space, he continued. He also highlighted the role of UAE-India Business Council (UIBC) in strengthening the bilateral partnership between the two countries by creating an inclusive bilateral trade environment between the UAE and India.

UAE: Story so far

421 GDP Country (US\$ Bn), 2019	1.7% GDP Growth 2019	8.7% % Manufacturing Industry Contribution	~19 (US\$ Bn) FDI Investment in Country (2020)
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- Political**
 - UAE continues to make strides toward comprehensive growth in the economic and social spheres. The government is able to sustain its pro-growth and investment policy, which is the cornerstone for the country's economic stability, thanks to marginally higher oil revenues and the implementation of a value added tax.
- Economical**
 - The country is the largest exporter of crude oil and natural gas in the world. It is ranked 16th in ease of doing business, and IMF has forecasted that the Dubai economy is bound to grow over 3.3% in 2021-22.
- Social**
 - The UAE is categorized with a population having high income.
 - The country has witnessed tremendous social and economic growth over the past three decades.
 - It ranked 34th in the 2017 UN Human Development Report and social development is considered beneficial for its economic growth.
- Technological**
 - The UAE has collaborated with other international agencies to gain experience and knowledge in order to overcome a lack of capacity, particularly in terms of technical expertise.
- Legal**
 - The UAE legal system is composed of both civil and Islamic laws. While the state is a secular order with modern institutions, the ruling class uses Islam as a source of legitimacy and has thus incorporated religious dogmas into the legal and political sphere in one way or another.
- Environmental**
 - Environmental issues are high on UAE's agenda, but economic and political considerations often take precedence of long-term environmental policies.
 - Due to population growth, widespread rapid urbanization, energy demand, industrial development, steady increase in tourism, the UAE faces environment challenges.

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During the interactive session, Dr. Aman Puri reaffirmed the close and longstanding political, economic, and cultural ties between the two countries that have transformed into Comprehensive Strategic Partnership (CSP). Describing the UAE-India partnership as “a model for the whole world”, Dr. Puri said that identifying emerging opportunities for growth between the UAE and India is vital to enable economic revival in the post-Covid-19 world.

He reiterated that the UAE has always been a very attractive place for investors and is continuously renewing itself offering a full-time growth environment for investors and businesspeople from around the world including from India. The UAE Government's pro-business attitude, zero percent corporate tax rate, minimal VAT on goods & services and transparent business regulations has made it an attractive destination & provides a platform for entrepreneurs and start-ups to set-up and scale their business. He also highlighted the important role of the Indian diaspora in the UAE for making a significant contribution to the UAE's economic growth and transformation.

Dr. Puri shared that the UAE offers fruitful economic and investment opportunities for Indian businesses in a variety of sectors and urged them for exploring the different markets within the UAE and across the region. He further briefed regarding the several initiatives of the UAE leadership and the Government towards supporting businessmen journey in the country.

In his address, Dr. Puri also mentioned that India is looking forward to a very active and strong participation at Dubai Expo scheduled to be held in Dubai starting 1st October this year. We believe that Indian nationals will be the single largest group amongst the visitors at the Expo 2020 and we are very much looking forward to an opportunity for our Indian businesses and investors to be able to showcase their strength at this global platform and make further links to expand not only in the UAE and the region but also globally, he continued.

While addressing the participants, Mr Mayur Batra shared remarks on openness and fairness of UAE market for Indian investors and presented an insightful presentation on "Business in UAE & Indian Investors: A Shining Beacon of Opportunities". He talked about the macro of the UAE economy and also highlighted UAE's Centennial plan for 2071, which visions the country to become a macro background economy with manufacturing, services, logistics, financial services, innovation, technology, and clean energy other than hydrocarbon being new pillars of growth.

Mr Batra's remarks focused on the changes that have ushered in the UAE economy for making it a hub for global investment specially for the Indian community including allowing 100% foreign direct investment in LLC local companies thereby giving further access to the market. He apprised that the UAE and India has one of the best double taxation agreements and geographically also UAE is the closest country with local zero direct taxes which makes it very active for holding companies as well as expansion in the region for Indian companies, businessmen, entrepreneurs.

Prominent Trade Between India and UAE (Covering Import and Export Data Including Value & Composition)

Trade (Export & Import)

- Oil and Non-Oil Foreign Trade by Top Trading Partners**
- 2nd largest trading partner Non-oil trade exchange value of AED 152.1 billion, (8.5% of the UAE total non-oil foreign trade for 2019).
- India also imported 21.83 MMT (US\$ 10 Billion) of crude oil from UAE in 2019-20.
- UAE Imports by geographical distribution**
- Ranked 2nd globally in terms of the UAE Imports with a value of AED 98.2 billion (10.7% with an annual growth of 15.9%)
- UAE imports commodity distribution**
- Contributed to total of 10.70% of 10 commodities which consist of
 - Native, unwrought, powder gold with a value of AED 215.1 billion and a relative weight of 23.5%
 - Mobile phones (AED 134.9 billion).
- UAE Exports by geographical distribution**
- 2nd largest geographical destination for the UAE non-oil exports with a value of AED 24 billion, (10.4% Of the total)
- UAE re-export by commodity distribution**
- Total of 6.50% of re-exports movements of
 - Electrical machines
 - Equipment and parts.
 - Precious metals.
 - Jewellery.
 - Natural pearls.
 - Gemstones
 - Machinery
 - Devices and
 - Tools

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Emphasizing about the strategic facilities and advanced logistics infrastructure in the UAE, Mr Batra said, the country offers seamless access to import and export facilities to promote international trade. He also called on all Indian companies to take advantage of the numerous opportunities in UAE and get introduced to potential investment opportunities through participating in the variety of exhibitions held in the country.

In his remarks Mr Ajay Aggarwal, shared details about the Toy Association of India and its members. He briefed on the safety measures/ standards followed as per the norms of Bureau of Indian Standards (BIS) while manufacturing the toys. Mr Aggarwal reiterated about the buyer seller meet organized by the association in Dubai during 17-18 November 2018 and highlighted scope, challenges, benefits, and the expansion of the Indian toy industry in international markets and how the UAE seems to be the best place to invest in.

In his presentation, Dr. Bhaskar Dasgupta gave a detailed overview about the "Business Opportunities in Abu Dhabi" and talked about Abu Dhabi's economy, business environment and various incentives for the Indian firms looking to establish there. He also highlighted the role of Abu Dhabi Global Market (ADGM) in guiding foreign investors to the tremendous opportunity and potential that the emirate offers and benefits of setting up at the ADGM centre.

For her part, Mrs Sakina Dickenwala shared information on the entry options, FDI update and legal framework of business setup in the UAE for foreign investors.

The interactive session ended positively with an active participation from the Indian companies. The webinar provided a platform to reflect the close synergy between the UAE and India, and a lucrative opportunity for Indian businesses to unlock the immense potential of the UAE.

Commercial Relations – Indian Investment in the UAE

\$29 Billion Investment in 2019-2020

26,000 Companies

Major Companies

Main Sectors of Investment

- Real Estate
- Manufacturing
- Wholesale/Retail Trade
- Transportation/Logistics
- Finance