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# Dubai and Doha: Unparalleled Expansion

BY MARCO DILENGE

*At the intersection where Europe, the Middle East, and Africa meet, there is not one but two growing bastions for business: Dubai, the United Arab Emirates; and Doha, Qatar. Dilenge explores the dynamics of these two cities and why businesses are flocking to them.*

*Persian Gulf*

**Doha**



**QATAR**

**Dubai**



**UNITED ARAB  
EMERATES**

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trategically located at the crossroads of Europe, Asia, and Africa, Dubai, the

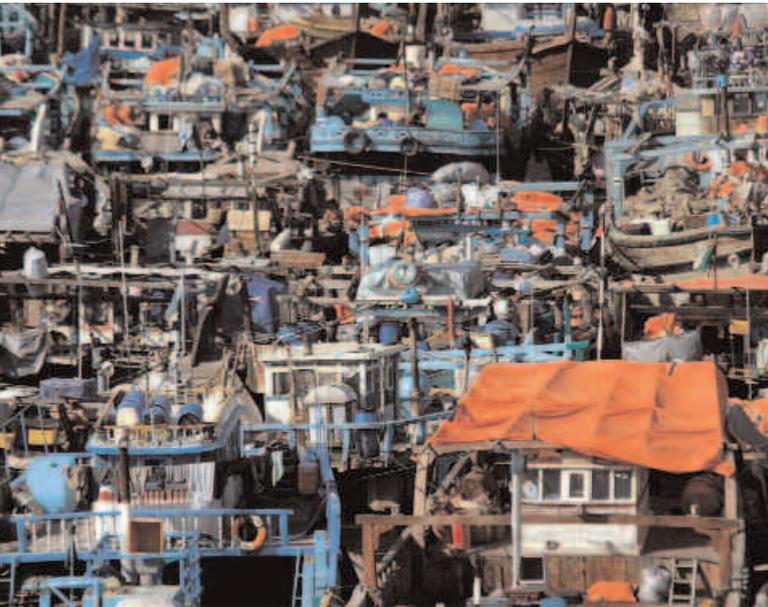
United Arab Emirates (UAE), has established itself as the commercial, financial, and business hub of the Middle East. In Dubai there are no taxes, no customs, and no restrictions on transferring funds—in

short, a dream location for capitalists the world over.

Dubai's population comprises mainly expatriates, with UAE nationals constituting the minority. According to the UAE Ministry of Labor, more than one million residents of Dubai, or 83 percent of the population, is foreign-born. The majority of foreign nationals hail from India (51 percent), followed by Pakistan (16 percent).

Dubai is home to some 100,000 Western expats, according to FCM Travel Solutions. The official language of UAE is Arabic, but English is widely spoken in Dubai.

Expats of various nationalities have been pouring capital into Dubai during the last few years, contributing not only to the city's prosperity but also to an unprecedented property boom. The property expansion also is driven by the fact that



foreigners are permitted to purchase and own specifically designated property without a local partner or sponsor. Rents are soaring with the continuing flow of transferees and companies from around the world attracted to Dubai's no-tax benefits.

The demographics of Doha, Qatar, are different from most Middle Eastern cities, but similar to those of Dubai. As in Dubai, the majority of Doha's residents are

expatriates. The market for real estate is thriving because it is legal for foreigners to buy land in specific zones of Doha for private use. This entitles them to renewable residency permits, and allows them to live and work in Qatar.

Unlike Dubai, Doha's wealth is based on oil and natural gas. The Qatari government is trying to rapidly diversify the Qatari economy in order to move away from this

dependence on oil. As a result, Doha currently is experiencing rapid growth. According to the "CIA World Fact Book," Qatar's population growth is 2.5 percent in 2007, which, in addition to the growth rates of the last few years, has caused a boom in the real estate sector, with rents skyrocketing. According to the BBC, as of late January 2007, Doha had higher real estate prices than Dubai.

## Growing — and Diverse — Populations

**T**he United Arab Emirates' (UAE) Ministry of Information and Culture estimates the population of Dubai at more than 1.3 million, which some analysts say is a conservative figure. According to the U.S. Library of Congress—Federal Research Division, Dubai's population increased at an annual growth rate of 8.5 percent between 2000 and 2005; the Dubai Statistics Department reported that the emirate of Dubai welcomed 292,000 new residents between 2005 and 2006.

According to the UAE Ministry of Labor, 83 percent of Dubai's population is foreign-born, with the majority of expatriates coming from India and Pakistan. Making up less than 2 percent of Dubai expats, more than 11,000 residents hail from Europe and more than 3,000 are from the United States.

The entire UAE claims more foreign-born residents than nationals; according to the United Nations Population Division, out of a little less than five million residents, 3,211,749 (71.4 percent) are foreign-born. In 2004, expatriates constituted 2.5 million of the total labor force of 2.7 million, according to the U.S. Library of Congress—Federal Research Division, meaning nationals made up less than 10 percent of the workforce.

Qatar has a population of less than one million, 90 percent of whom live in Doha, according to the U.S. Department of State. Expatriates make up 52 percent of the population and 89 percent of the total labor force. Foreign-born residents come from a variety of regions, with the majority representative of South and Southeast Asia, Egypt, Jordan, Iran, and other Arab states. According to the State Department, about 8,000 U.S. citizens reside in Qatar. ■

### Areas of Origin of Dubai's Foreign-born Population

<b>India</b>	538,560	51%
<b>Pakistan</b>	168,960	16%
<b>Arab*</b>	116,160	11%
<b>Bangladesh</b>	95,040	9%
<b>Philippines</b>	31,680	3%
<b>Sri Lanka</b>	19,008	1.8%
<b>Europe</b>	11,616	1.1%
<b>United States</b>	3,168	0.3%
<b>Other Countries</b>	71,808	6.8%

\*Arab countries refer to Southwestern Asian and Northern African nations.

Source: 2005 population statistics from the UAE Ministry of Labor

## Rapid Growth

According to Richard Robertson, managing director, Middle East, for Crown Relocations, Dubai, both Dubai and Doha are cities dedicated to diversifying and moving into trade and commerce, as the governments are aware that the oil reserves are being depleted. It has been stated by the government of UAE that oil reserves in Dubai will be exhausted within 20 years.

The ruler of Dubai, Sheikh Mohammed bin Rashid Al Maktoum, is following in the footsteps of the ruler of the UAE, Sheikh Khalifa bin Zayed Al Nahyan, by attempting to bring

Dubai to the forefront of international trade and tourism.

Both cities are striving to improve their resources and infrastructures. However, Dubai is a fast-paced, round-the-clock city, while Doha is not. Qatar boasts the world's single largest gas reserve, which is exponentially fueling the economy. This gives Qatar a checkbook with lots of zeros to purchase and improve its own infrastructure.

In addition, both countries and companies are seeking to develop and invest overseas into global markets with local products—be it finance, real estate, or port management, to name a few.

## Expatriates and Real Estate

Although the UAE Ministry of Information and Culture estimates the population of Dubai at 1.3 million, Robertson said that figure is conservative—the population likely is more than two million. As a matter of fact, the population of Dubai has more than doubled since 1995, according to the UAE Ministry of Information and Culture. Seventy-five percent of the population is male, according to the Dubai Department of Health and Medical Services.

In Dubai, property rents on average have increased between 40 and 100 percent in the last year and



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The advertisement features a red background. On the left, there is a tilted image of the 'MOBILITY' magazine cover. The cover has the title 'MOBILITY' in large black letters, a red balloon with 'Welcome Back!' written on it, and the headline 'Repatriation: How Companies Can Protect Their ROI'. Below the headline, there are two office chairs. On the right, there is a list of five bullet points in white text, followed by contact information for Mark Dow.

between 30 and 70 percent in the three years prior.

According to a recent survey conducted by Qatar-based Barwa Real Estate Company, Qatar suffers from an estimated shortage of 40,000 housing units. The large expatriate population is suffering from the spiraling inflation driven by unchecked rents, prices that have caused an increase on all basic commodities. According to a local survey on rent increases in Qatar, rent for an unfurnished two-bedroom apartment in 2003 was between 1,500 to 2,500 riyals (US \$412 to \$687) monthly, to reach about 5,000 riyals (US \$1,374) by 2005 and

10,000 to 12,000 riyals (US \$2,747 to US \$3,297) by 2007.

### Culture

According to Robertson, there is much multicultural diversification in Dubai and Doha with people of all nationalities and religious beliefs living side-by-side.

He said that he feels it is important for anyone who lives, works, or conducts business in this region to experience some level of cultural training—what is morally acceptable to one nationality is not necessarily acceptable to another.

“I can say I am proud to be here spending time assisting companies

and individuals with their needs and utilizing our knowledge and resources, be it locally or globally,” said Robertson.

“We, as a team, are working with these countries as they grow and expand. No matter how long a person is here, they are always involved, in some way or another. We are in the ‘solution business’ in a market that is thriving with opportunities. We have to adapt, be proactive and resourceful to meet and exceed market demands,” he said. ■

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