

# **CBI Tailored Market Intelligence: Tropical Flowers and Foliage from Colombia United Arab Emirates and other Middle East markets**

## Part 3: Doing Business

### 3.1 Purchasing Process

#### Who, When, Where

Meetings and personal contacts are key to doing business in the Middle East. Building relationships is important in Arab culture, and the best way to do this is in meeting face-to-face.

Successful negotiations largely depend on the right personal relationship with the decision maker. Key requisites for doing business are building trust and establishing compatibility. A good network and the right contacts are important, ideally built via a contact who knows the business and the people.

In most cases, an exporter will be dealing with non-Arab personnel in import companies. Most larger Dubai-based flower importers have a designated purchasing manager. Importers are generally looking to build a longterm relationship with a few preferred suppliers who are trustworthy and can supply a consistent quality of tropical flowers and foliage.

Use of written contracts is not widespread. Middle East culture places more value on a person's word than on a written agreement. Contracts are often viewed as memoranda of understanding rather than as binding, fixed agreements. Contracts are used for larger and regular shipments, but are not always required for smaller shipments.

Standing orders are often used in longer relationship between importer and supplier. The importer can give orders on a weekly basis, or set a minimum order per week and add additional orders in case of a big event.

#### Purchasing Criteria

The price factor is paramount in negotiating with Emiratis, and also with Saudis, Qataris and Indian traders in the Middle East. The flexibility of the counterparty to agree on a price is critical to closing a business deal.

As price competing with Asian suppliers is not possible, Colombian growers need to emphasize their distinguishing assortment and quality. Buyers are especially interested in novelties and specialty products. Ideally, the exporter needs to be able to offer sufficient volume per colour/variety to cover large events (sometimes importers combine suppliers).

A key criteria is information. Exporters need to provide accurate information about their products. In transferring information and selling products, virtualization and digitalization are becoming increasingly important when dealing with larger trading companies in the UEA.

### 3.2 Business Culture

#### Meetings

To enter the market, it can be useful to have a local sponsor who acts as an intermediary and arranges appointments with appropriate people.

Appointments should be made several weeks in advance. However, a firm date will not be settled until you are physically in the country. Try to schedule meetings in the morning. Punctuality is appreciated, but not crucial. It is not uncommon to have a meeting cancelled once you arrive.

Entertaining foreign businessmen who are not well known to the buyer is done primarily in restaurants and international hotels. Business meetings start after inquiries about matters such as health and family.

#### Behaviour

Islam governs personal, political, economic and legal lives. The family and tribe are the basis of the social structure. Respect of Islamic rules is less strict in UAE and Qatar than in Saudi Arabia.

Friday is the Muslim holy day. Many companies also close on Thursday, making the weekend Thursday and Friday.

Men shake hands. Good friends greet one another with a handshake and a kiss on both cheeks. Men and women outside the family do not greet one another in public. People take their time for greeting and often converse about general matters. If you are invited for a meal, there will be a great deal of socializing and small talk before the meal is served.

Gifts are not the norm, as in many other countries. Never give alcohol unless you are certain they will partake.

People will most likely judge you on your appearance. Dress well if you want to make a good impression. For most occasions, you will be expected to wear a suit. Business women should ensure their collarbones and knees are covered and that their clothes are not form-fitting.

### **Business Communication**

Arabic is the official language of the countries on the Arabian Peninsula, but English is widely spoken and used in business and a compulsory second language in schools. Spoken Arabic varies from country to country.

If your promotional material is in English or Arabic, the buyer will expect that someone in your company speaks these languages.

The most effective communication tools are the phone and email. Constant, prompt and reliable communication is a prerequisite for maintaining a longterm business relationship with your customers. If possible, you should also ensure you can be reached by mobile phone during office hours.



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