



EDC GUIDE

Cultural tips for doing business with **GULF COOPERATION COUNCIL COUNTRIES**

How to maximize your success

Canada

 **EDC**
TAKE ON **THE WORLD**

When it comes to business etiquette, what's acceptable in one country, may not be in another. To be successful in international trade, you need to understand the culture, traditions and business habits of your clients and partners in your target markets and adapt your communication and business strategies accordingly. It could mean the difference between winning—or losing—a contract.

Created in 1981, the Gulf Cooperation Council (GCC) includes six member nations and is a regional integration organization, just like the European Union. The GCC boasts a free trade zone and customs union.

The GCC offers strong market opportunities for Canadian exporters and investors as the region focuses on developing their infrastructure, embracing new industries, launching a well-funded space program and leveraging existing hydrocarbon relationships to sell cleaner forms of energy, including the development of blue and green hydrogen. With the GCC's rapidly growing population, the region continues to be a big importer of educational and health-care solutions.

5 KEY ETIQUETTE TIPS

- 1. Learn the cultural differences.** A business approach toward one GCC country would work well in the other markets, but be mindful of the specificities of the Sharia law—the body of rules and regulations of Islam, which cover all aspects of life and business. What is and isn't permissible is essential to know. For example, the Sharia states that consuming alcohol or pork is considered sinful.
- 2. Build trust.** When conducting business with smaller companies, it's important to develop a rapport built on trust and compatibility. In larger companies, you may deal with expatriate managers rather than local business owners. Hospitality is a key aspect of Arab culture, so be ready to enjoy refreshments during a meeting, including tea, coffee, juice and biscuits.
- 3. Make a good first impression.** While English is widely used at business meetings throughout the GCC, it's recommended that you learn a few standard greetings, like *Assalamo Alaikum* (peace be upon you). Punctuality is expected of foreigners, but polite excuses will be accepted if you're a tad late. Time moves slower than in North America, so go with the flow. Business meetings can start late and run over the allotted time. Phone call interruptions during meetings can be common.
- 4. Consult the calendar.** One of the first things to note when doing business in the GCC is the different work week. Friday is considered the holy day in Islam, so the weekend usually falls on Friday and Saturday. But in December 2021, Abu Dhabi, Dubai and Sharjah in the UAE decided to switch the weekend for the public sector to Friday (Friday afternoon in Abu Dhabi and Dubai), Saturday and Sunday to fully align with global markets. The private sector is expected to follow suit. Other GCC countries could gradually align their weekends to the UAE, so be prepared. Also, it's typically best to avoid conducting meetings during Ramadan, the holy month for Muslims, which occurs yearly at different dates and features fasting from dawn to dusk. Some meetings can still take place after *Iftar*, which is the meal taken at sunset.
- 5. Be tactful.** Handshakes are acceptable, although it's recommended to wait for your counterparty to extend their hand first. Handshakes or any form of touching of women must be avoided. A conservative business attire works best for both men and women. While expat women no longer have to wear a headscarf in Saudi Arabia, you should always carry one. Expect to deal with tough negotiators, as trading is part of the region's DNA. In all circumstances, politeness and tact must be used.



INTERESTING FACTS ABOUT THE GCC

- › More than 58 million people live in the GCC area, with roughly 63% made up of expats, who hail mostly from the Indian subcontinent. According to a recent report, it's estimated that 35 million foreigners form the region's economic backbone.
- › The GCC states are ruled by different monarchies: Qatar, Kuwait and Bahrain follow the model of constitutional monarchy; Saudi Arabia and Oman rules with absolute monarchy; and the United Arab Emirates (UAE) has a federal monarchy consisting of seven federal regions ruled by different *sheiks*.
- › The UAE is Canada's largest export market in the Middle East and North Africa and is the 20th-largest international investor. Canadian merchandise exports to the UAE in 2020 grew by 17.8% from the previous year, to C\$1.8 billion. Saudi Arabia is Canada's second-largest trade partner in the Middle East and North Africa.
- › In 2018, Canada concluded negotiations toward a foreign investment promotion and protection agreement (FIPA) with the UAE. The process to sign a FIPA with Bahrain is underway.
- › The UAE created the world's first government ministries for happiness and for artificial intelligence and continues to position itself as the most liberal and progressive country within the GCC.
- › Muslims are obliged to pray five times a day with prayer times announced by mosques using the call to prayer (*athan*). Not all Muslims go to the mosque: Some pray at home or in the office. Daily routines, appointments and meetings might need to be scheduled around prayer times.
- › Dubai has the world's longest driverless metro system with more than 74 kilometres of track and is home to world's tallest building, the iconic 828-metres-high Burj Khalifa.
- › As part of the Saudi Arabia's Vision 2030, there has been some easing of restrictive policies, including the return of the entertainment industry after a 40-year ban. Saudi women's rights are growing and in the past several years, they've been allowed access to education and health care without a guardian, the right to live alone and to drive.



FOR MORE INFORMATION

- › Visit EDC's [country and market info page](#).
- › Visit the Canadian Trade Commissioner Service's [country and sector information page](#).
- › Reach out to [Chafic Mourad](#), EDC's senior regional manager for the Middle East.

ABOUT EXPORT DEVELOPMENT CANADA

Who are we?

Export Development Canada (EDC) is Canada's export credit agency. Our job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities. We're a self-financing Crown Corporation that operates at arm's length from the Government of Canada.

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