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The Road Ahead: How Businesses in the UAE and Israel can Maximize Their Trade Opportunity

Karla Dorsch, Managing Partner, Dubai, United Arab Emirates

Last year's Abraham Accords was met with enthusiasm and excitement from businesses in the region and beyond. We talk with NGS Global Managing Partner Karla Dorsch as to what has taken place so far, where the biggest opportunities lie and what cultural nuances business leaders in each country need to be aware of.

NGS Global: What are the Abraham Accords?

Karla Dorsch (KD): An agreement was signed by Israel and the United Arab Emirates (UAE) to normalize relations between the two countries in September 2020. First and foremost a peace pact, many regional analysts predicted positive flow-on effects with regards to trade, investment, education, energy, healthcare, and more.

NGS Global: What key trade/business related deals or announcements have happened so far?

KD: There has been an immediate impact in terms of cooperation between the countries, bilateral trade relations, and investment opportunities.

Perhaps most significantly, the UAE abolished its boycott law against Israel and established a \$10 billion fund for investment in Israel's energy, healthcare, water, and technology sectors. A \$3 billion development plan for investments in the private sector for the Middle East and North Africa region has also been launched by the US, the UAE and Israel. Known as the Abraham Fund, the investment venture is focusing on two major deals: a supranational program for the modernization of checkpoints and an increase in energy security through the provision of reliable and affordable access to electricity. Israeli pipeline company EAPC has also signed a deal to bring UAE oil to Europe.

In other developments, multiple daily flights are currently operating between Tel Aviv and Dubai, which would have been an unthinkable proposition prior to the agreement taking place. Visa-free travel is available to Israeli and Emirati citizens between the two countries (although this is temporarily suspended until July 1 as a result of COVID). Israel also organized a virtual hackathon event in which participants from the UAE and Israel took part.



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NGS Global: In what areas do you see the biggest opportunities for Israeli and Emirati companies to work together? Why?

KD: Transport and civil aviation, trade and economic relations, innovation, communication, and investments.

The accord aims to build trade relations between these nations, introduce incentives, and lessen existing trade and travel restrictions. This will increase economic productivity. Alongside the establishment of the development funds I have previously mentioned, the opening of the UAE embassy in Israel and the Israeli mission in the UAE will boost relations and interaction, which motivates investment. Communication channels will help enhance information shareability and promote growth opportunities convenient for small, medium, and large enterprises.

NGS Global: What advice would you give to Israeli companies that want to work with firms in the UAE? What key particular cultural sensitivities would it be helpful to be mindful of in this context?

KD: Executive teams at Israeli companies that want to work in the UAE should analyze the UAE market, socio-political climate, understand the laws and regulations, and venture into viable opportunities only after having done their research. Investors have to keep in mind that the Islamic religion predominates in the UAE. Business relations and trust are essential for successful business practices, and this is gained over time and effort in getting to know each other. Rarely are decisions made quickly, and often Emiratis may find it difficult to say 'no' out of politeness, which is sometimes seen as prevaricating.

NGS Global: What about the reverse?

KD: Israelis tend to be assertive in their negotiation style and often mix business and pleasure. Any form of unethical conduct is unacceptable. Local contact creation is important in order to develop lasting commercial relations in Israel. Business leaders throughout the country are motivated and ambitious. Emirati leaders wanting to make deals in Israel should show respect and acknowledgment of people's positions while maintaining formality.



NGS Global: Would there be an opportunity for companies in one country to tap in to talent or search for executives in the other? If so, how should they go about this?

KD: Due to the lessened trade restrictions, companies can tap into the talent of either country. There are numerous startup and scale-up businesses in Israel and the UAE respectively. The youth population in both countries is large, with quality high-ranking educational institutions and professional prospects. If companies tap in to this pool of cross-



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border talent, they will realize an unmatched competitive level in terms of inventions, innovations, and technological advances to counter cyber threats.

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Companies can agree to have partnership agreements and exchange their knowledge in different fields to solve issues encouraging experimentation and productivity. It is essential for companies to acquire highly qualified and experienced personnel, particularly at the executive level and with working knowledge of the different cultural nuances previously mentioned, to spearhead the decision-making process and prevent disagreements.