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Japan – Top exporter of used passenger cars to Dubai

A recent survey by JETRO on Dubai's used car trade revealed that Japan is the top exporter of used cars to Dubai. Dubai imported used passenger cars worth Dh. 2,009.5 million (US \$ 546 million) in 2009, of which, Dh. 800 million (US \$ 217.5 million) worth of cars (39.8%) were from Japan. This figure excludes the Dh. 756.2 million (US \$ 205.5 million) worth of used cars imported into Jebel Ali Free Zone in the same year. Value of used cars imports into Dubai fell by nearly 19.0% in 2009 compared to the value in 2008. Imports from USA, the 2nd largest supplier of used passenger cars to Dubai, stood at Dh. 725.6 million (US \$ 197.2 million), or 36.1% of the total import during the first seven months of 2010. Other major sources of used cars for Dubai were Germany, South Korea, UK and Italy.

Trend in imports of used passenger cars into Dubai (value in million AED)

Country	2007	2008	2009
Japan	803.1	1,127.1	800.2
USA	401.7	788.3	725.6
Germany	363.9	338.1	296.9
S. Korea	61.8	114.2	95.6
UK	35.1	77.4	61.2
Italy	12.6	19.5	19.4
France	2.8	4.3	1.7
Sweden	2.1	2.3	1.8
Others	5.5	21.7	7.1
Total	1,688.6	2,472.9	2,009.5

Source: Dubai External Trade Statistics

Among the Japanese cars, the most demanded category was cars in the range of 1500 - 3000 cc, for which, the import value stood at Dh. 434 million (US \$ 117.9 million) in 2009. Import of 4-wheelers, having capacity of 3000 cc or more were also in high demand, for which, the import value stood at Dh. 146.3 million (US \$ 39.8 million) in 2009. Out of a total of 106,148 units of used cars imported into Dubai in 2009, 54,952 units (51.8%) were from Japan.

The value of Dubai's re-export of used passenger cars in 2009 stood at Dh. 3,213 million (US \$ 873.1 million), close to the value of re-export in 2008, which was Dh. 3,226 million (US \$ 876.6 million). The total number of used cars exported from Dubai in 2009 stood at 85,852, as against 98,913 in 2008. Value of used cars exports to Iraq,

the largest market for Dubai for this commodity, stood at Dh. 971.1 million (US \$ 263.9 million) in 2009. For exports to Saudi Arabia, the 2nd largest destination for Dubai, the value stood at Dh. 717.0 million (US \$ 194.8 million). Exports to Iran, the 3rd largest market, were worth Dh. 273.3 million (US \$ 74.3 million). Other major export destinations in 2009 were Oman, Libya and Qatar. Dubai also exports used cars to many other destinations in Asian and African countries in smaller quantities.

Trend in re-export of used passenger cars from Dubai (value in million AED)

Country	2007	2008	2009
Iraq	303.2	930.0	971.1
S. Arabia	186.8	253.0	717.0
Iran	573.6	651.1	273.3
Oman	110.2	182.0	196.8
Libya	76.8	96.9	177.1
Qatar	28.3	17.9	47.0
Others	1,355.7	1,095.3	830.7
Total export	2,634.6	3,226.2	3,213.0

Source: Dubai External Trade Statistics

A good majority of used cars exported to Iraq in 2009 were of capacity between 1500 cc and 3000 cc (77.7%), followed by 4-wheel drive cars of the same capacity (14.8%). Exports to Saudi Arabia increased by 283.4% Dh. 717 million (US \$ 184.8 million), from Dh. 253.0 million in 2008.

Dubai's used cars trade through Free Zones:

Import of used cars into Free Zones in Dubai has declined by 43.2% in 2009 compared to the imports in 2008. According to Dubai's Free Zone statistics, total import of used cars into the Free zones in 2009 stood at 69,466 units, and out of this, 39,950 units were exported. In 2008 the imports were 77,898 units, from which, 48,380 were exported. In 2007, imports stood at 81,267, and exports at 56,640 units.

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Japan topped the list of suppliers of used cars into Dubai Free zones in 2009, followed by the US and Germany. There had been a 43.2% decline in imports into the free zones in 2009 compared to imports in 2008.

Trend in import of used cars into Free Zones in Dubai (value in million AED)

Country	2007	2008	2009
Japan	1,099.2	1,059.8	522.5
USA	88.1	114.9	133.7
Germany	67.7	98.0	77.7
S. Korea	16.7	37.6	10.9
UK	15.5	13.4	7.8
Singapore	7.7	1.6	-
Canada	5.2	2.9	-
Others	10.0	2.9	3.6
Total	1,310.1	1,331.1	756.2

Source: Dubai External Trade Statistics

Top export destination of Dubai's Free Zones for used cars was Angola in 2009, with Dh. 104.6 million worth of cars exported to that country. In 2007 and 2008, Iraq topped the list of export destinations. Other major export destinations were Tanzania, Somalia, Congo Republic, Kenya etc. in Africa, and Turkmenistan, Iran, Azerbaijan, Kazakhstan, Afghanistan etc. in Asia and Saudi Arabia in the GCC.

Trend in exports of used cars from Free Zones in Dubai (value in million AED)

Country	2007	2008	2009
Angola	44.4	74.7	104.6
Turkmenistan	41.2	78.3	81.8
Tanzania	53.5	62.3	50.6
Iraq	143.0	82.2	46.1
Somalia	11.9	14.0	24.2
Saudi Arabia	32.1	-	22.7
Azerbaijan	14.0	19.5	20.4
Congo Republic	21.8	35.3	20.0
Uganda	18.9	20.0	16.2
Kenya	24.0	23.9	15.9
Ethiopia	1.1	3.4	13.6
Iran	12.0	43.7	12.1
Afghanistan	22.7	6.2	9.0
Sudan	2.9	4.8	8.7
Zambia	19.6	18.2	4.3
Tadzhikistan	34.6	11.3	4.0
Kazakhstan	57.6	19.3	3.3
Others	126.1	143.4	100.7
Total	681.4	651.5	558.2

Source: Dubai External Trade Statistics

'Japan Automotive News' of Japan (Feb. 2010 issue), quoting Japan's Ministry of Finance Customhouse statistics, said that Japan exported a total of 675,858 units of used vehicles in 2009, down 49% from a year earlier. The slide, according to the publication, was due to the global economic crisis and the tariff rate increase in Russia of used vehicles.

The publication also said that the United Arab Emirates (UAE) retained the No. 1 position among the major markets for used vehicles for Japan, with an export of 8,638 units during the month of December 2009 alone. Chile was in the 2nd position with 6,402 units, South Africa in the 3rd position with 5,774 units and Russia in the 4th position with 5,762 units.

A review of 2010 amendments of UAE Commercial Agencies Law

UAE Federal law No. 18 of 1981 (Commercial Agencies Law) as amended by Law No. 13 of 2006, is amended again in March 2010 vide law No. 2 of 2010, strengthening the position of agents once again, after it was somewhat loosened in 2006.

Before going into the 2010 amendments, let us look at the salient features of the 2006 amendments that were considered lenient to principals, as against stringent conditions in the original Law.

- 1 A limited term commercial agency was valid only during the period of agreement between the principal and the agent. The Ministry would de-register an agency, unless the Ministry received an application from the parties, expressing their desire to renew the contract for a further term. If the agency was for an unspecified period, then the agency and its registration should continue indefinitely unless the parties agreed to terminate the agency.
- 2 The amendments made both the principal and the agent eligible for compensation for damages caused by the termination of an agency agreement.
- 3 The amendments had done away with the Dispute Committee, and instead, resolution of disputes was put to the jurisdiction of the judiciary.

Soon after the issue of the amendments in 2006, the Ministry of Economy issued Ministerial Resolution No. 381 of 2006, announcing the provisions for cancelling a commercial agency, as follows.

- 1 Submission of a duly attested letter informing the termination of the commercial agency agreement, upon mutual consent of its two parties
- 2 Issuance of a final court judgement to cancel the registration of the commercial agency
- 3 Expiry of registration of the commercial agency, or expiry of the renewal of the registration without mutual consent of the two parties to extend the same, within one year of such expiry
- 4 Submission of an application form prepared by the Ministry, countersigned by the commercial agent, for cancellation procedures
- 5 Submission of a letter from the agent, duly attested, stating his desire not to renew the commercial agency, before the date fixed for renewal, specified in the agreement
- 6 Passing of one year from the expiry of the agency, and the agent did not submit an application to renew the registration of the same in the Commercial Agents Register
- 7 Issuance of a resolution by the cabinet to allow for importing the commodities subject to a commercial agency, which is registered with the Ministry.

Now, with the amendments in 2010, the ability of principals to cancel agencies was further curtailed. The new amendments are incorporated in article 8, 27 and 28 of the Law, which reads* as follows. (*the following is not a legal translation and should not be taken for legal purposes)



- 1 Article (8): - "Taking into consideration the provisions of the two articles (27) and (28) of this law, the principal may not terminate this agency contract or having it not renewed, unless, there shall be substantial reason justifying the termination or the non-renewal. The agency shall not be re-entered in the register of the commercial agents in the name of any "other agent", even if the previous agency has been made through a limited period (fixed term agency contract), unless the said agency has been terminated upon mutual satisfaction by and between the principal and the agent, or if there has been any other substantial reasons that shall justify the termination of the agency, or its non-renewal, for which the committee shall be convinced, or after the issuance of a decisive judgement regarding the same from a court of justice.
- 2 Article (27): - A committee shall be established and called Commercial Agencies Committee to hear disputes between commercial agents and principals.
- 3 Article (28):- The said committee shall be competent in perusing any dispute that may arise due to the commercial agency duly registered with the Ministry, and litigating parties shall not resort to file a lawsuit before jurisdiction in this regards, before presenting such dispute before the Commercial Agencies Committee. The said Committee shall commence perusing the dispute within sixty days from the date of submitting application for perusing such dispute to it. The Committee may seek assistance in performing its duties from whomsoever it may find fit and appropriate. Appeal may be made in the committee decisions before the competent court within thirty days from the date of being notified of the committee's decision; otherwise, the committee decision shall be then considered decisive and non-appealable.

In short, the amendments in March 2010 removed the concept of principals being entitled to unilaterally deregister a fixed term agency agreement upon the expiry of its term. The new amendments have also reintroduced the Commercial Agencies Committee, to which any dispute has to be referred to, before the matter is taken to a court of law. It is now evident that the original intention of affording protection to UAE nationals and companies with regards to commercial agencies has been revived and strengthened through the 2010 amendments.

Algeria - Tunisia Business Seminar in Dubai – organized by JETRO

JETRO Dubai has organized a seminar on business opportunities in Algeria and Tunisia in North Africa.



scene from Tunisia

The seminar was held at the Novotel World Trade Centre on 26th September 2010, attended by representatives of Japanese companies from around UAE, GCC and Japan. While presentation on business opportunities in Algeria was made by Mr. Kiyoshi Mizushina, Advisor of JGC Algeria, presentation on Tunisia was

made by Mr. Toshitaka Yoshida, advisor to Foreign Investment Promotion Agency (FIPA) of Tunisia.

Japanese residents and Japanese companies in North African countries:

Country	Japanese residents*	Japanese companies**
Morocco	314	12
Algeria	954	9
Tunisia	186	5
Libya	120	16
Egypt	1051	51

Source*: Japanese Ministry of Foreign Affairs

Source***: Bank of Tokyo Mitsubishi UFJ, Cairo

Mr. Shinichiro Fukushima, Executive Director at JETRO Dubai made a brief introduction on the forthcoming 2nd Japan-Arab Economic Forum, which will be held in Tunisia between 11th and 12th December 2010. References were also made on the Carthage Investment Forum organized in June every year by FIPA of Tunisia.

Topics on Economy, Business and New Technology:

Japan-GCC trade picks up in 2010

During the first seven months of 2010 (Jan-July), the value of Japan's imports from the GCC surged by 49.91% to US \$ 59,022.89 million, compared to US \$ 39,372.24 million during the same period in 2009. This increase is mainly attributed to the rise in the price of crude oils – Japan's main item of imports from the GCC. The average price of crude oils rose by 50.29% to US \$ 76.80 per barrel (bbl) during Jan-July 2010, from US \$ 51.10 per barrel during the same period in 2009. The volume of crude oil imports during this 7-months period of 2010 was 579.04 million barrels against 583.48 million barrels in the same period in 2009. Though the value of import jumped in 2010 compared to 2009, it is still much behind from the value attained in 2008, during which period, the price of crude oil was at its peak.

Japan's imports from the GCC during Jan-July 2010 (value in million US \$)

Rank	Country	2008	2009	2010	G.Rate %
0	World	443,295	299,892	384,291	28.14
0	GCC	87,054	39,372	59,023	49.91
1	Saudi Arabia	31,386	14,335	20,750	44.76
2	UAE	28,603	11,214	16,724	49.13
3	Qatar	15,100	8,166	12,675	55.22
4	Kuwait	8,692	4,001	5,714	42.84
5	Oman	3,037	1,441	2,827	96.17
6	Bahrain	237	216	333	53.91

Source: Japan Customs, compiled by World Trade Atlas

While Japan's imports from Saudi Arabia surged by 44.76%, imports from the UAE surged by 49.13%. The highest increase in imports among the GCC countries is recorded from Oman with an increase of 96.17%. This high rate of growth was caused by an increase in the quantity of crude oil imports from Oman during this period. Oman's crude oil production has been on the increase since 2008 and it has been reported that during the first seven months of 2010, Oman's crude oil production increased by 7.65% compared to the same period in 2009. Japan imported 26.50 million barrels of crude oil from Oman during the 1st seven months of 2010, compared to

16.08 million during the same period in 2009. At the same time, during Jan-July 2008, the quantity of import was 18.34 million barrels. The second highest increase in imports is from Qatar with 55.22%. There has been a 10.22% increase in the volume of import of petroleum gases from Qatar, contributing to the overall increase in the value of import. Japan imported 7.37 million tons of petroleum gases from Qatar during the Jan – July period of 2010, compared to 6.69 million tons during the same period in 2009. Import value of petroleum gases from the GCC as a whole rose by 30.09% to US \$ 9,255 million during the first 7 months of 2010.

Aluminium import, the 2nd largest commodity of Japan's imports from the GCC, recorded an impressive 307.59% increase, amounting to US \$ 227.37 million during the first seven months of 2010, compared to US \$ 52.06 during the same period in 2009.

Exports:

Japan's exports to the GCC grew by 24.86% to US \$ 11,628.6 million during the first seven months of 2010 supported by spectacular increases in the export of passenger motor cars, rubber and iron & steel products. Export of passenger motor cars surged by 113.49% to US \$ 4,947.4 million during the 7-month period of 2010, compared to US \$ 2,317.4 million during the same period in 2009. However, compared to the value of export of passenger motor cars during the same period in 2008, the figure for 2010 is still 16.8% below.

Japan's exports to the GCC during Jan-July (value in million US\$)

Rank	Country	2008	2009	2010	G.Rate
0	World	471,408	302,181	430,590	42.5
0	GCC	15,000	9,313	11,629	24.9
1	UAE	5,929	3,580	4,223	18.0
2	Saudi Arabia	4,074	2,992	3,653	22.1
3	Oman	2,159	1,058	1,913	80.8
4	Kuwait	1,149	523	855	63.3
5	Qatar	1,167	964	651	-32.5
6	Bahrain	522	197	335	70.2

Source: Japan Customs, compiled by World Trade Atlas

Export of cars above 3000 cc jumped by 146% to US \$ 3,302 million, a figure even higher than the figure for the first seven months of 2008. In the same time, export of medium capacity cars (1500 – 3000 cc) increased by 76.6% to US \$ 1,252 million in 2010 from US \$ 709 million in 2009.

While export of rubber products – mainly of new tyres for motor vehicles - recorded an increase of 26.67%, export of Iron & Steel products rose by 81.14%. Export of aluminium products recorded an increase of 114.13% to US \$ 54.89million during Jan-July 2010, from US \$ 25.64 million during the same period in 2009. Among aluminium products, export of aluminium plates, sheets, strap etc. increased by 75.7% to US \$ 37.93 million during Jan – July period in 2010, compared to US \$ 21.59 million and US \$ 21.41 million respectively during the same periods in 2009 and 2008. Other items that recorded increases in exports were organic chemicals, miscellaneous textile articles and beverages, in various degrees.

Though export of general machinery and electrical machinery in general recorded negative growths during the first seven months of 2010 indicating the still stagnant industrial sectors in the GCC countries, export of several specific items in these categories showed major increases. For example, exports of mechanical shoves grew by 40.4% to US \$ 126.3 million and export of automotive engines grew by 49.6% to US \$ 61 million.



Export of general machinery as a whole declined by 23.7% to US \$ 1,607.4 million, necessitated by declines in the export of gas turbines, pumps (liquid, air or gas) and heat exchange units. Among electrical machinery, major declines were recorded in the exports of insulating cables, wires etc (68.7%) and parts of line telephones equipment (72.1%).

JETRO Updates

11 companies join the Japanese Pavilion at Arab Health 2011 in Dubai:

Eleven companies from Japan will participate in the Arab Health & Congress 2011; under the umbrella of the Japanese Pavilion set up by JETRO. Arab Health & Congress 2011 will be held between 24th & 27th of January 2011 at the Dubai International Exhibition Centre. The small and medium sized companies from Japan, participating in this exhibition for the first time in Dubai, are specialized in the fields of anaesthesia apparatus, ventilators, surgical equipment, medical disposables and different kinds of medical welfare equipment. During the exhibition period, JETRO will have one-to-one meeting facilities for the benefit of the visitors to the JETRO pavilion. The exhibition is being organized by IIR Middle East, a leading exhibition organizer in the region. Arab Health 2011 expects to attract increased number of visitors compared to the previous year. In 2010, the exhibition attracted 2,652 exhibitors from 58 countries and 66,612 visitors from 141 countries. The Arab Health Exhibition that brings together healthcare authorities, medical device manufacturers, medical supply distributors and healthcare professionals, also features several conferences during the exhibition period.

Following are the companies from Japan participating in Arab health 2011.

1 ACOMA MEDICAL INDUSTRY: Presenting various types of aesthesia apparatus and lung ventilators. They will showcase their newest line, the "A ne spirator", a unique high-precision ventilator-integrating anaesthesia apparatus. (www.acoma.com/en)



2 DR. JAPAN: Presenting a wide variety of spinal needles and biopsy needles. Specialized in medical needles, Dr. Japan's revolutionary puncture needle is patented in Japan, US and Europe. (www.drjapanjp.com)



3 ITO: Presenting 2- channel Electrotherapy / Multi-frequency Ultrasound Combo Unit, Portable Ultrasound and Outcome Evaluation Systems. Ito is a highly acclaimed manufacturer of physiotherapy equipments (www.itolator.co.jp)



4 KEISEI MEDICAL: Presenting Air fluid- ized Support System and Electric Dermatome (for skin grafting). Keisei manufactures various equipment and tools for plastic surgery, micro surgery, oral surgery, orthopaedic surgery and brain blood vessel etc. (www.keiseimed.com)



5 KOIKEMEDICAL: Presenting CPAP and Oxygen Concentrators, two types of home care medical devices. "Jusmine", Japan's first CPAP machine with advanced technologies that provide the patient comfort and high quality sleep. (www.koikemedical.co.jp)



6 PACIFIC MEDICAO: Presenting Humidifier Heater Base and Portable Sleep Diagnostic Devices. The company is specialized in respiratory care products and ventilator devices. (www.pacificmedico.com)



7 SARAYA: Presenting Electric Sphygmomanometer, Automatic Dispenser and No-touch Dispenser. Saraya excels as the manufacturer of daily hygiene and sanitation utilities. (www.saraya.com/english)



8 SENKOMEDICAL INSTRUMENT MANUFACTURING: Presenting Tracheostomy Tube, Heat and Moisture Exchanges and Sterile water for inhalation. (www.mera.co.jp)



9 TAKEUCHI MANUFACTURING: Presenting electrical-hydraulic operating tables with powered sliding table top with a built-in remote controller (www.takeuchimedical.co.jp)



10 TSK LABORATORY: Presenting biopsy needles, hypodermic needles and insertion needles. (www.tsklab.com)



11 YAMADA SHADOWLESS LAMP: Presenting ideal LED examination lamps of outpatient care, emergency departments, ICUs, NICUs, clinics etc. (www.skylux.co.jp)



The Japan Pavilion at Arab health 2011 will be set up at Stand Number SAL 10, Arena, Sheikh Saeed Hall, Dubai International Convention and Exhibition Centre (DICEC) between 24th (Mon) and 27th (Thu) January 2011, by JETRO – Japan External Trade Organization. For more information, please contact Mr. Junji Nakao, e-mail: Junji_Nakao@jetro.go.jp at JETRO Dubai



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