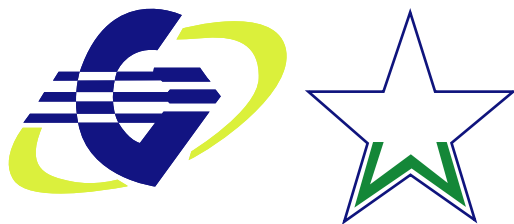
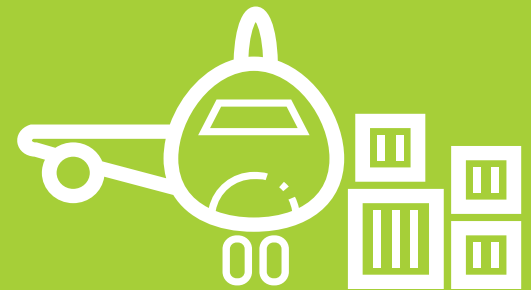


A Practical Guide to Freight Shipping To and From the Arabian Gulf

10 tips for more flexible, affordable shipping in the region



Globelink West Star Shipping, LLC



The Arabian Gulf offers one of the most strategic locations for logistics in the world. It also presents one of the greatest market opportunities for businesses of all types to grow.

Countries of the Gulf Cooperation Council (GCC) – Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman – understand the need to diversify beyond oil as a source of revenue, so they have made large investments in other parts of the economy. The result has been a growth in trade based largely on exporting new types of goods (other than hydrocarbons), and an increase in consumer goods imports to satisfy an expanding middle class throughout the GCC.

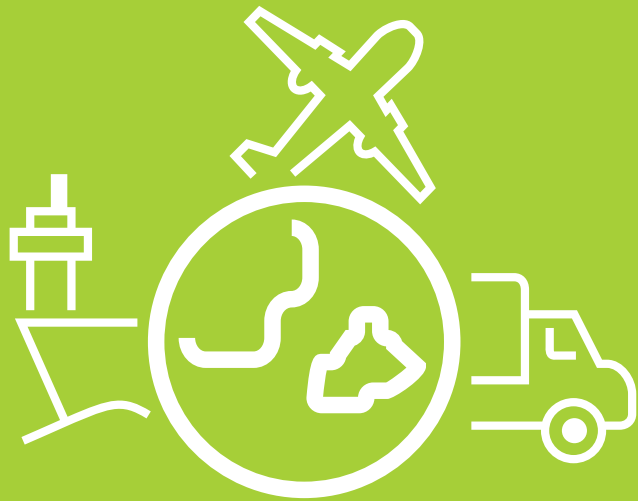
Of course, where there is more trade, there comes a greater need for efficient shipping and logistics services.

Shipping to and from the Arabian Gulf is not without its challenges, so a knowledge of the different shipping requirements and opportunities in each country is essential to avoid shipping problems and overspending.

To assist companies who are expanding trade activity in the Middle East, we offer 10 tips to make freight shipping more flexible and affordable to and from the Arabian Gulf.



1 Capitalize on Dubai's Central Location and Excellent Infrastructure



Regardless of how much or how little you know about shipping in the Middle East, your choice of a regional logistics hub can largely determine your success. No other location rivals the United Arab Emirates (UAE), specifically Dubai, as a gateway to the region.

Located within an 8-hour flight of 75% of the world's population, the UAE is a critical business link for companies interested in the Arabian Peninsula. It also serves as a vital supply chain link between huge markets like China, India, and Europe.

Dubai has successfully established itself as a hub for major regional transportation corridors, which often makes it the easiest point of entry for most other countries in the region.

- Jebel Ali is a deep port that can handle the new generation of large container ships. It is, by far, the busiest port in the Middle East.
- Dubai World Central (DWC) started cargo operations in 2010 and passenger operations in 2013. Upon final completion, DWC will become the world's largest airport with a capacity of 12 million tonnes of cargo per annum.

2 Capitalize on Duty Free Zones



The region's commitment to economic growth extends beyond just world-class ocean ports and cargo airports. Most countries in the region have extensive networks of duty free zones and free trade agreements with other countries around the world.

While beneficial, these incentives set up a confusing mix of opportunities and headaches. Knowing how to navigate and take advantage of free zones takes experience – and this experience can lead to big payoffs.

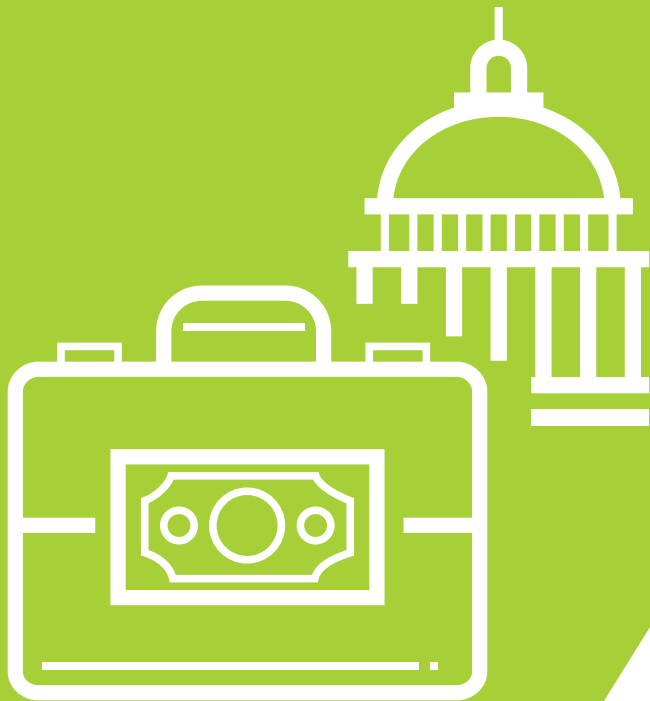
For example, free zones allow you to import cargo duty free, without having a bonafide consignee (or trade license).

The shipment can be imported using an approved logistics provider as the owner of record. That provider can distribute goods to the consignee in domestic markets, as well as all GCC countries and beyond.

The UAE offers many free zone, duty free industrial zones, and commodity-specific free zones. The most notable are:

- JAFZA ,DAFZA and DWC in Dubai
- Hamriya and SAIF Zone in Sharjah
- KIZAD and ICAD in Abu Dhabi
- RAK Free Zone in Ras Al Khaimah
- Fujairah Free Zone
- Ajman Free Zone

3 Look for Incentives



In order to encourage trade, many GCC countries offer significant trade incentives.

These include things like zero percent corporate tax, free zones catering to specific industries, no restrictions on employment, full repatriation of capital and profits, and minimal red tape.

Here are some specific examples of incentives and how they might benefit your business:

- Kuwait and some other GCC countries will offer full or partial exemption from customs duties on machinery, equipment and spare parts required for the establishment or extension of a project.
- Dubai Customs has waived duty on certain products (like IT and technology related products), so the consignee just has to pay a 1% service fee, instead of the usual 5%.
- The UAE has signed free trade agreements with countries like Switzerland, Egypt, Morocco, Algeria, Libya, and Singapore. As a result, trade from/to these countries is duty free, provided the relevant customs documentation requirements are met.

4 Know the Different Shipping and Documentation Requirements of Each Country



Each country in the Middle East is unique when it comes to shipping – even within the UAE, where each Emirate has its own requirements. This can make the process of shipping very different, so don't make broad assumptions about shipping to the region.

Not surprisingly, Dubai is highly advanced when it comes to the normal steps in the transportation process, like customs clearances and moving cargo efficiently through its ports. Other countries can have very nuanced and restrictive policies that make importing slow or complicated.

- Qatar Customs insists that all food items, when shipped as LCL, be loaded only in a container which contains food products. If not, the shipment will be rejected.
- Saudi Arabia imposes a higher customs tariff on imported cargo if that identical cargo is produced locally.

The impact from these types of situations can not only show up as shipping delays, but also extra costs in the form of detention and demurrage.

The point is to be aware of the unique shipping requirements of the country you are shipping to, and account for them in your planning. It helps to work with a local logistics provider who is well-versed in these differences.

5 Understand the Limitations of the Local Logistics Infrastructure

Aside from the obvious differences in paperwork requirements, no two countries' logistics infrastructures are the same.

Understanding any limitations that exist gives you an advantage when planning your supply chain flow.

- In Saudi Arabia, a normal customs clearance may take between 7 – 21 days. A proper pre-alert and evaluation of post-shipment shipping documents can speed the process and avoid headaches.
- In the UAE, even though there is one Federal Authority for customs, each Emirate may have its own customs procedures, depending on the cargo.



6 Know Any Retail Restrictions



Individual countries can have restrictive policies regarding specific types of products (like alcohol) or limitations on how, and to whom, certain retailers can sell.

Working with a locally based logistics partner who understands these limitations in each country is all the more necessary.

Here are just a few examples of known restrictions:

- All food items coming into GCC must have expiry / production details mentioned in Arabic on the product.
- Food, spirits and wines, tobacco, pharmaceuticals, printed matter, and dangerous chemicals require special approvals, depending on the cargo. You must check with your local service provider before proceeding.
- Free imports of branded products in the domestic tariff area (like Dubai City instead of Free Zone) are restricted. These branded products can only be imported and sold by authorized distribution channels.

7 Think Beyond the Ocean or Air Freight Container

Your logistical costs go far beyond the simple cost of shipping.

In choosing a logistics partner, consider suppliers that can provide special handling and other value added services.

These capabilities allow importers to reduce transportation and labor costs by performing finishing work (like co-packing and assembling) closer to the destination market.

Without such services, these activities might need to be done, at a higher cost, at the manufacturing point, or you may have to involve other suppliers, which adds time and complexity to the process.

For example, if you are shipping hazardous goods via air, you want to work with a shipping partner that can handle industrial packing, crating and hazardous cargo packing for air freight, which requires special certifications issued by IATA.



8 Understand the Unique Requirements for Food Shipments



Muslims in the Middle East, and around the world, are becoming more aware of their religious obligations regarding Halal. This has increased demand for Halal foods and other consumer goods.

Halal simply means permitted or lawful, so Halal foods are those prepared in such a way that they can be eaten by people who follow Islamic tenets.

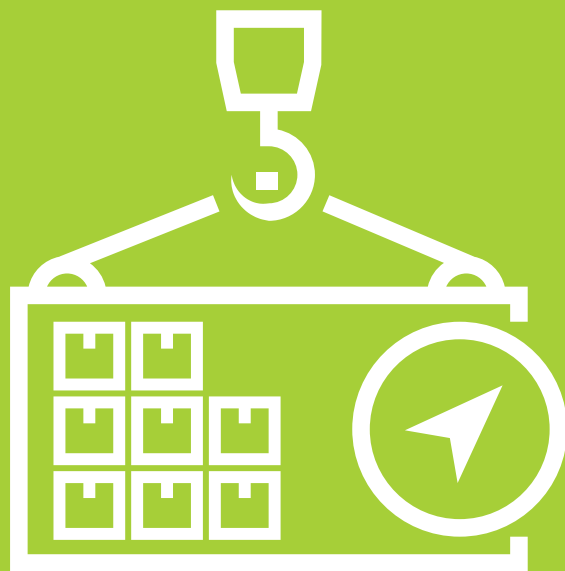
Dubai, ahead of the curve, has established itself as the global trading hub for the world's Halal food industry with the announcement of its "[Halal Cluster](#)." Companies selling Halal food products into the region can leverage the Halal Cluster to safely and efficiently access the growing Middle East market, as well as position themselves to serve other Muslim consumer populations.

General requirements for food shipments in the region include:

1. A proper commercial invoice, packing list and certificate of origin
2. Halal Certificate / Health Certificate
3. Cargo that clearly communicates the manufacturing and expiry date and has an Arabic language label. This is applicable for all food products being imported into GCC countries.

For a food shipper seeking to establish distribution in Dubai, knowledgeable, local logistics companies, like Globelink West Star, can provide comprehensive support to speed and simplify the process.

9 Choose a Provider That Offers Flexible Options for Less-Than-Container Load (LCL) Shipments



An obvious result of the region's growth has been an increase in the volume of cargo moving to and from the Gulf.

Logistics efficiency is driven by volume and this creates new and better opportunities for small-volume freight shippers through Less-Than-Container Load (LCL) consolidation. Using a consolidator, they can combine freight with other shippers and pay only part of a lower-cost FCL rate.

Choosing a high-volume consolidator is the best way to maximize the benefits of LCL since larger consolidators are able to offer more routing options. This increases your flexibility and keeps freight moving quickly to its destination.

To further increase flexibility, choose a consolidation partner that operates around the clock. This allows you to transport or collect cargo at any time of the day or night.

10 Work with an Experienced Local Partner



Your logistics partner needs to be an expert on more than just the rules surrounding free trade zones and customs clearances. They first need to be experts at providing the best solution for the shipments you have happening right now.

This means offering you a flexible range of delivery options (be it ocean, air, or ground) that provide the right level of service at the best possible rates.

Experienced local partners are likely to have strong, established partnerships with carrier resources in each country, giving you access to reliable, well-priced capacity.

A single logistics partner with a presence across the entire Middle East region makes life easier. For example, central handling of currency conversion eliminates the need to manage multiple rate and contract negotiations with many different carriers.

At minimum, you should expect a local partner to have:

- Knowledge of customs clearance rules and any regulations that may impact your cargo
- Strong relationships with regulatory authorities
- Strong ties with key shipping lines and airlines for reliable capacity

Global Trade Requires Local Logistics

As trade grows between GCC countries and the rest of the world, it magnifies the importance of efficient shipping into and out of the Middle East.

Without a strong knowledge of the region's unique shipping challenges and opportunities, the benefits of increased trade could be limited by poor logistics practices.

Smart shippers have learned that engaging with an experienced, local logistics provider can help them navigate the regulatory differences across countries, access reliable capacity, reduce costs, and avoid the hassles and delays that can slow down a supply chain.



Globelink West Star Shipping is an international shipping and logistics company that gives small and mid-sized firms affordable, flexible shipping options to and from Arabian Gulf states and Northern Africa.



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