



## MIDDLE EAST NORTH AFRICA BUSINESS INFORMATION CENTER

### DOING BUSINESS IN THE MIDDLE EAST AND NORTH AFRICA

The countries that make up the Middle East and North Africa have a combined population of more than 320 million and form an area of tremendous strategic and economic importance to the United States. Although doing business in the Middle East can present some unique challenges, many U.S. companies have found a high source of demand for their goods and services in the region. The U.S. free trade agreements (FTAs) with Israel and Jordan have further opened the way for American companies seeking to trade with Middle Eastern partners. In addition, the United States is promoting free trade agreements with other states in the region including Morocco, Oman, and the United Arab Emirates. When doing business in the Middle East, American businesses benefit greatly from basic knowledge of conditions in and customs of Middle Eastern and North African countries.

#### CAN U.S. COMPANIES TRADE WITH THE MIDDLE EAST AND NORTH AFRICA?

Given the current uncertainty about U.S. relations with some countries in the Middle East and North Africa, businesses may wonder whether there is a market for their goods in the region. In fact, exports from the U.S. have become a part of daily life in the Middle East and North Africa. During 2004, American businesses exported goods and services valued at more than \$23.5 billion to the region, with Saudi Arabia and Israel serving consistently as the largest Middle Eastern buyers of American goods.

There are, however, countries in the Middle East and North Africa against which the United States maintains comprehensive trade sanctions. American companies are generally prohibited from trading with Iran and Sudan. There are limited exceptions to these sanctions, primarily involving the export of food, medicine and medical supplies, as well as trade in informational materials. And although restrictions have been lessened in other countries (such as Iraq or Libya), there are important restrictions U.S. exporters need to know. To learn more about U.S. sanctions, please contact the U.S. Treasury Department's Office of Foreign Assets Control at 1-800-540-6322 or visit its website at <http://www.treas.gov/ofac>.

In addition to the countries above, there are four lists of entities and individuals with whom U.S. persons are not allowed to do business. These lists include individuals, groups, and entities such as terrorists and narcotics traffickers designated under programs that are not country-specific. Many of these parties are located in the Middle East and North Africa, but not necessarily in sanctioned countries. American companies are obligated to conduct due diligence to ensure that they comply with all U.S. regulations, including country embargoes, license requirement, and prohibited party bans. For more information about these lists and other export controls, see the TIC article for Export America titled [Export Controls](#).

Some products may require licenses, particularly in situations involving national security, foreign policy, short-supply, nuclear non-proliferation, missile technology, chemical and biological weapons, regional stability, crime control, or terrorist concerns. The Department of Commerce's Bureau of Industry and Security (BIS) has primary responsibility for the licensing of dual-use goods, i.e., items with both commercial and military/strategic applications, while the State Department's Office of Defense Trade Controls (DTC) deals with defense articles, services, and related technology. Several other agencies issue licenses for particular goods. For a brief description of each agency's

responsibilities and their contact information, visit <http://www.bis.doc.gov/About/reslinks.htm>. Contact BIS at 202-482-4811 or DTC at 703-875-6644 for more details.

U.S. businesses are reminded to comply with U.S. laws and regulations prohibiting actions supporting the Arab boycott against Israel. For questions concerning U.S. antiboycott regulations, contact the Office of Antiboycott Compliance at 202-482-2381.

### **ARE THERE SPECIAL DOCUMENTS REQUIRED TO EXPORT TO COUNTRIES IN THE MIDDLE EAST AND NORTH AFRICA?**

The documentary requirements for exports to the Middle East and North Africa vary by country. Arab countries require that commercial invoices be certified either by the [National U.S.-Arab Chamber of Commerce](#) (tel: 202-289-5920) or, in the case of the United Arab Emirates, by the [Arab American Chamber of Commerce](#) and legalized by each respective country's consulate. A list of foreign embassies and consulates in the United States is available on the Trade Information Center's website at <http://www.export.gov/tic>. Choose the link titled "Trade Offices Nationwide."

In order to take advantage of the free trade agreements with Israel and Jordan, a unique certificate of origin must be completed. For goods to meet FTA standards, they must have been made entirely in the United States and any third-country materials must have undergone a "substantial transformation" in the manufacturing process. In addition, at least 35% of the customs value of the product must be attributed to U.S. origin materials. Finally, the good must be shipped directly from the United States to its partner country. The certificate of origin for Israel can be obtained from an [America-Israel Chamber of Commerce](#). The certificate of origin for Jordan must be notarized, typically by the chamber of commerce in the exporter's area. To learn more about these certificates of origin or about the specific documents required for each Middle Eastern country, call the Trade Information Center at 1-800-USA-TRADE.

Finally, some Middle Eastern and North African countries require that documents used in international transactions be authenticated. This service is provided by the [Department of State's Office of Authentication](#).

### **ARE THERE ANY SPECIAL CONCERNS I SHOULD KEEP IN MIND WHEN MARKETING MY PRODUCT IN THE MIDDLE EAST AND NORTH AFRICA?**

When marketing products overseas, regardless of the location, businesses should keep their target audience in mind and be sensitive to local conditions. While the countries of the Middle East and North Africa are not a monolith, there are, of course, significant differences between countries. Suggestive advertisements may be deemed offensive in Islamic countries given their more traditional standards of dress and behavior, particularly for women. Advertisements featuring alcohol or pork products are also likely to be poorly received. Use of Arabic and Hebrew script should be done carefully to avoid situations like that which befell a company that printed an Arabic phrase on bath towels, not realizing that the phrase had religious connotations.

More information about markets in each Middle Eastern and North African country can be found on the Trade Information Center website at <http://www.export.gov/tic> under the "Country Information" link.

### **HOW CAN I LEARN ABOUT TRAVEL ADVISORIES FOR A COUNTRY BEFORE I VISIT FOR BUSINESS?**

The U.S. Department of State maintains information about country conditions around the world. For information concerning travel advisories, medical facilities, traffic safety/road conditions, crime, and other related issues, as well as entry requirements and visa information, please see the Consular

Information Sheet for individual countries online at <http://www.travel.state.gov> or by autofax at 202-647-3000.

## **WHAT CUSTOMS SHOULD I BE AWARE OF WHEN I TRAVEL TO THE REGION FOR BUSINESS?**

A basic knowledge of general Middle Eastern and North African customs can increase the likelihood of successful business negotiations and help avoid misunderstandings. The following is a brief list of some common customs that may make your meetings with a Middle Eastern partner more productive.

### **GREETINGS AND HOSPITALITY**

Handshakes are a typical greeting in the Middle East and North Africa and are not only used during the first introduction, but may be used each time two people meet, even numerous times in a single day. For example, the common practice in Saudi Arabia is to shake hands at first meeting and again upon leaving.

Typically, people throughout the Middle East and North Africa maintain closer physical proximity while talking, and conversations often involve more physical contact than is common in the United States. Backing up to increase personal space may feel natural to an American, but will likely be seen as impolite or rude by an Arab or Israeli partner. However, when speaking with a person of the opposite sex, a respectful distance is best. Also, avoid sitting or crossing your legs in such a way that the bottom of your foot faces anyone. This is considered rude.

Middle Eastern and North African hosts tend to be very hospitable and regard treating guests with generosity and warmth as a point of personal honor. In Arab countries, lengthy small talk and ritualized greetings serve an important function, establishing friendly relations at the beginning of a meeting. Tea or coffee is typically offered by the host and should be accepted by the guest; to reject the offer may be seen as an affront.

When a guest in an Arab person's home, avoid giving gifts of food or drink. Though this may be common practice in the United States, in the Middle East and North Africa such gifts imply that the host is inadequate. Gifts of liquor should definitely be avoided in Islamic countries as alcohol is prohibited by the Muslim faith. In Israel, gifts of food or drink are acceptable, but one should ensure that the items are kosher, particularly in the case of Orthodox Jews.

### **PUNCTUALITY AND SCHEDULING**

Punctuality is not rigidly observed in many Middle Eastern and North African countries. However, though Middle Eastern and North African associates may be late, foreigners are expected to be punctual. Businesspeople should avoid the appearance of being in a hurry or impatient. Checking one's watch in a meeting can be deemed offensive.

Business hours differ from country to country and, in some cases, from city to city. You can find more information about business hours around the Middle East and North Africa in the Country Commercial Guide for each country. You can access these sources of market research prepared by U.S. Commercial Service staff abroad online at <http://www.export.gov>. Choose "Country and Industry Market Research" from the menu on the left side of the page and follow the prompts for "Country Commercial Guide."

## LANGUAGE

Though English is widely spoken in the business community, it is wise to have business cards printed both in English and in Arabic, or in the case of Israel, in English and Hebrew.

## WHERE CAN I FIND OUT ABOUT BUSINESS HOLIDAYS?

Information about business holidays can be found on the Trade Information Center website at <http://www.export.gov/tic>. Select "Country Information" and then choose "Business Holidays" from the list on the left. Business travel to Israel during the ten-day period between Rosh Hashanah and Yom Kippur is best avoided. These are the "High Holidays," the most important Jewish holidays, typically falling within the month of September. Travel to Muslim countries during the holy month of Ramadan may also pose a unique challenge. Ramadan, the ninth month of the Islamic lunar calendar (typically beginning in November), is believed to be the time when the Koran, Islam's most sacred text, was sent down from heaven. To observe this holiday, Muslims fast for a full month, refraining from eating or drinking from sunrise to sunset every day, and focusing on contemplation and worship. Office hours are typically shortened and shifted to the evening, and people may be affected by the fasting and customary late night social gatherings.

For more information about any of the topics addressed in this article or other export-related questions, please call the Trade Information Center at **1-800-USA-TRADE** or visit <http://www.export.gov/tic>.

*(This article was written by Maria Mussler of the U.S. Department of Commerce's Trade Information Center and first appeared in Export America in December 2002. It was subsequently revised in May 2004 and is up to date as of February 2005).*

