



With deep sorrow, Da-woodi Bohra Community members - offers its deepest condolences to the people of the United Arab Emirates and the Arab and Muslim world, for the passing away of **H.H. Sheikh Zayed Bin Sultan Al Nahyan**, one of the greatest leaders of the Arab world and the father of United Arab Emirates. H.H. Sheikh Zayed will always remain an inspiration for us Da-woodi Bohras' to excel and build the progress and prosperity of the nation.

Special Interest Articles:

- What's Yours Business Cost?
- Dubai: A Year 2015 Vision
- ...Internet Telephony...
- Spotlight-Shk Shabbir Maimoon

What's your business Cost?

By Mustafa Shk Shabbir

Of late there has been a lot of space devoted in the local media to the issue of Corporate Tax. Common logic commands that because the UAE does not have a tax regime, it may not be possible for the government to generate enough revenues to sustain itself in the near future. Also, because the UAE is an oil-based economy, there is uncertainty over future revenue streams as well as how long oil prices would be able to remain at current 'high' levels. Considering the amount of investment the government is undertaking on infrastructure such as roads, and buildings, the above logic does not seem to be trivial.

On the other hand, the UAE economy is very much dependent on its zero tax policy, and is the best way of promoting foreign investment. Businesses as well as expatriates are attracted to the current business policies of the government.

A while back, it was announced that the Ministry of Finance & Industry does not

have any intention to introduce corporate tax in the UAE. (Khaleej Times, 19-09-2004). For most residents and business owners like us, the announcement did bring a sense of relief and then a few minutes later, it was back to business as usual. What we fail to realise is that the word 'TAX-FREE' is a misnomer (is misleading). We are not paying tax as per a percentage of income. Rather it is being paid indirectly.

There is an old saying in finance, 'There is no such thing as a free lunch'. The same holds true here as well. It's more like going to a bank for a Dhs. 100,000 loan and instead of charging the market interest rate, the bank manager charges you Dhs. 4,000 as a service charge and Dhs. 3,000 as a contribution towards the bank employees' gratuity fund.

All businesses have to incur the following charges

Rent Expense: Has grown by more than 60-300% within 10 years.

Sponsorship Fees: These fees act as a contribution to the welfare of UAE citizens

Real Estate tax: Normally at

the rate of 10%.

Utilities: Higher electricity and water charges, sewerage maintenance charges

Labour and Immigration Fees: Labour guarantee deposit: Dhs. 3,000 per person

New Residence Permits: Dhs. 1,000 per person

New Labor Card: Dhs. 1,000 per person

Besides Business expenses, consider the cost of living. Though, the cost of living in Dubai is not high as compared to say London, New York or Tokyo, but it is etching towards it; slowly but steadily. Considering estimated inflation of 7% anticipated this year alone, it will soon cost a lot more to maintain a certain lifestyle.

To sum it up, my advice to most small and medium sized business owners is - do not be complacent. The costs of living in the UAE are increasing at a rapid pace. The costs of doing business are increasing. It is no longer a question of simply meeting demand with supply. If your business is not competitive, these costs will soon eat into all the profits that you make. Buckle up and act!!

Better Business Tip

If your workday is out of control, consider a period of "no phone" time. By setting aside at least a couple of hours each day where you don't take any calls, you'll be able to make progress on important tasks (such as returning yesterday's calls). The phone is a great tool but don't be a slave to modern communication technology.

Dubai ~ A Year 2015 Vision

By Huzaiifa Halai

The figures in the narration below are from published Dubai government sources.

The year is 2015, about ten years from now. A number of mumineen are waiting for the train at the D.L.R.T (Dubai Light Rail Transit or Metro) station close to their homes in the Marina, on Shaikh Zayed Road, in the area known as New Dubai.

The train arrives and the mumineen, in their kurtas, sayas, and ridas, embark. The Dubai Metro rail, which was completed in 2013, will take them to within walking distance of Al Masjid al Burhani to attend darees. Most of us use the Metro nowadays as the ride is comfortable and much faster. The days of driving through heavy traffic jams and hunting for parking space are over. That was many years ago. The journey now is a pleasant one, and as the rail speeds through the artery of New Dubai, I marvel at the amazing developments that have taken place in the past decade.

In the distance, Jebel Ali Free Zone continues to be a hive of construction activity. It is now in the final phase of its expansion. The past 10 years have seen the government form many free zones with a special focus on manufacturing. A number of mumineen businessmen realized the benefits of free zones that offered 100% foreign ownership, and set up manufacturing facilities in these zones. Business is thriving for them,

and many of them are working full capacity catering to local demand alone. Some have expanded capacity and are exporting across the region. They recall being inspired by Aqa Maula's (T.U.S.) Kalemaat during the Businessmen's bethak in 2004, which encouraged them to set up industry.

Thousands bustle in and out of the trains at every station. Most of them are tourists. It is incredible how the number of tourists visiting Dubai have increased from a mere 5 million in 2004 to well over 15 million today. A number of mumineen entered the tourism industry during the years, and many among them have success stories to tell of their phenomenal growth. Sakina is one such entrepreneur, who opened up a tour guide business in 2005 and today employs enough staff to offer specialized tours in over 15 languages.

The train comes to a halt at the Burj Al Arab station. Qaid enters the train and we engage in casual conversation. Qaid has just met the purchaser at one of the hotels where he supplies. He is optimistic yet humble as he talks about how his business has kept pace with Dubai's growth. As the number of hotels increased to cater to the growing number of tourists, so did his business. With Maulana's (TUS) du'a, a keen business spirit and hard work, Qaid has become a leader in the hotel supplies trade.

As we pass the Mall of the Emirates, Gardens Mall, and

Souk Al Nakheel, I am once again impressed by the retail activity in these malls. Retail space in Dubai increased from 6.5 million sq feet to 27 million sq feet between 2004 and 2010. The resident population has doubled to 2.2 million from a mere 1 million ten years ago so naturally, there is greater demand for everything. Moreover, the population today is highly educated, better paid, and enjoys a higher standard of living and purchasing power than in 2004. Ten years ago, one could hire a graduate sales person for Dhs 3,000 per month. Today, a person with similar skills cannot be hired for less than Dhs 6,000 per month. Land also is more expensive now. These rising costs have forced all businesses to be more efficient. Most businesses now use software that allow them to analyse their business performance and enhance profitability.

However, in this sea of business opportunities, there are those who have been less successful. I know a mumin bhai in business who believed in simply undercutting competitors. He failed to realize that his expenses were increasing. In 2004, his business expenses as a percentage of sales were 12%. Over the years, his warehouse, shop and apartment rent increased, his sales people demanded higher salaries, petrol prices rose, toll and additional fees were introduced, and his expenses increased to 18% of sales. Failing to notice this trend, he continued to work on low margins of profit and was

almost forced to close down his business in 2009. But due to the generosity of investors in our community and the Barkat of Burhani Qarzan Hasana, he is once again establishing himself. He is now wiser, and paying close attention to profitability.

Suddenly, in the distance, the grand Minarets of Burhani Masjid become visible and the train comes to a halt at the Ghusais station. As I leave the station and walk towards Al Masjid al Burhani, I am among the hundreds of other Mumineen from surrounding Mohallas who are also walking with me.

Points to Ponder

1) This is the vision of Dubai as per the government's plan for the future and we see it being implemented today. The U.A.E. is certainly changing rapidly. How can we prepare for, and benefit from, these changes? Where do we see ourselves in this future?

2) How can we benefit from this upward trend in retail? Is retail the key to business expansion?

3) How can we adjust to rising costs (rent, government levies and costs of living) of running business? Is owning property better than renting?

4) What benefits do the numerous free zones offer?

5) Maulana has encouraged manufacturing. What are the key opportunities in manufacturing that we can take advantage of?

Legal Internet Telephony Set To Become Reality In New Year

Printed on 24/10/2004
Gulf News

When the New Year comes, residents here may start making international phone calls via the internet without the fear of being penalized, industry officials said.

This, they said, would create a whole new industry that uses broadband connections, allowing for clearer internet calls that could rival traditional telephone networks.

"There's no stopping Voice over the use of Internet Protocol (VoIP) in the Gulf or anywhere else in the world," said an executive based in the Dubai Internet City free zone.

Under existing laws, Etisalat does not allow personal computer to phone calls.

All this could change starting next year, when the UAE's pledge to the World Trade Organization to open its telecom sector comes into force.

VoIP breaks voice, video and data into packets, allowing them to take different routes before reassembling at the receiver's end - thereby converting the internet into a telephone network. With the information highway, this process happens in split seconds.

Mohammad Al Fahim, Etisalat executive vice-president marketing, said they would soon allow private telecom suppliers to provide all equipment located on a customer's premises in light of the telecom liberalization moves.

The company said in a statement it would allow private suppliers to provide such equipment as telephones, fax machines, cable modems, telex, answering machines and private automatic branch exchange (PABX) systems.

It was not clear on Voice over IP equipment, since some suppliers also offer a PABX for internet telephony. University students, free-zone companies and banks have

jumped into the internet telephony bandwagon.

Emirates Bank International (EBI) said it is implementing Avaya's IP telephony system at 40 branches. It would also replace all its traditional telephone communications at its contact centre, manned by 70 service agents, with internet telephony to cut costs.

Hundreds of employees in its eight new branches will also be connected via IP telephony by the end of the year while other existing branches will be migrated in phases. "IP Telephony will allow us to expand our customer support capabilities, mobilize our resources and make tremendous savings on communications costs," said Abdulk Qassem, chief manager of and operations at EI

How it works Internet telephones turn voice and data into packets, allowing them to take different routes before reassembling at the receiver's end converting Internet into a telephone network. Broad-

band allows the process to take place with no time delays. VoIP (Voice over the use of Internet Protocol) also allows remote collaboration between people on different continents.

Points To Ponder

1) *What is the potential of the business in internet telephony? Telephone bills can be reduced by more than 50%!*

2) *How can I take advantage of this new liberalization and be one of the pioneers in this emerging market, where the individual is a potential customer.*



Better Business Tip

During Moulana's Bayan in the Business Bethak Moulana he had expressed his wishes that the number of Muminen owned industries should double. Here is a Tip to help in following his "Vasiyaat"

START SMALL..... *Live tactically on rabbits, while planning strategically to hunt elephants. Small sales build a company. Tiny offices, obsolete equipment, used furniture, temporary employees, small production spaces, etc. put dollars towards more important things like R&D that help you grow. Those small sales of one fiber optic lighting system have grown into lighting whole galleries and floors. The tiny single ad is now a modest ad campaign. We continue to work on small scale, prove it, keep the process efficient and then grow according to the plan into bigger things*

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Spotlight – *Shk Shabbir Bhai Maimoon*

In a span of just 9 years, Shk Shabbir Maimoon has achieved more in business than most people do in a lifetime, sometimes over several generations.

His simplicity, down to earth nature, and his complete faith in Aqa Moola's guidance have been the key elements in his success.

The seeds of business were sown in 1958 when Syedna Taher Saifuddin RA instructed Shk. Taher Maimoon, father of Shk Shabbir Maimoon, to do business in PVC footwear. And that started the journey that has led him to present day with investments in diverse markets.

Shk Taher came to Dubai 25 years ago and started with a readymade garments' business (most people in Dubai associate Shk Taher with 'Children's Paradise' a children's garments' shop). After a few years Shk Shabbir

came to Dubai and joined his father in his ventures. Following Aqa Moola's guidance, he formed partnerships, provided the capital and then gave his partners full freedom built upon trust to run the business – sharing the profits in a fair and just manner.

He finds honesty the most important trait in choosing his business partner. He also ventured into other areas – safety products, electronics and watches, picture framing, eyewear and household products – and all of these were started within a span of just one year!

Shk Shabbir's continuing success over the years is a testament to his sincerity in the business relations that he has established.

For people thinking about starting a new business Shk Shabbir advises them to develop a proper business plan, as success does not come as

easily today as it did in earlier days and therefore hard work & a will to succeed are also very important. Sufficient capital is very essential; to confident start a business since returns may not come for 2 to 4 years, so it is vital that enough resources exist to sustain yourself.

Nabil Al Shaikh carries a vast range of safety products that vary from personal safety to road safety. For him, concentrating on safety products was a natural step to progress as the hardware line is too vast. It pays to specialize because people come to you not just for products but also solutions due to your acquired expertise.

Fortune favors the brave – and certainly his ability to undertake new ventures and continually expand into new areas with faith and sincerity can be an inspiration to us all!

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