

# DOING BUSINESS IN THE MIDDLE EAST



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in settlement negotiations, alternative dispute resolution, arbitration, or litigation. She has represented client interests before legislative committees and regulatory agencies. She has addressed matters such as private placements, teaming agreements, equity joint venture agreements, power-off take agreements, fuel supply and procurement, transmission agreements and other joint venture vehicles, complex financial/equity investments, public finance and corporate structure(s) in connection with all aspects of commercial transactions. Ms. Dajani has represented clients not only in the United States but in Europe, Russia, Mexico, Israel, Kuwait, Qatar, Bahrain, United Arab Emirates, Saudi Arabia and Egypt.

Islam permeates most aspects of life in the Middle East. Friday is the Islamic Sabbath. Offices and many shops are closed for the day and the community gathers for prayers at noon. The holy festival of Ramadan occupies the ninth month of the Islamic calendar and the dates vary each year. During this month Muslims observe a period of abstention (fasting during daylight hours), reflection, and purification. Ramadan and its ending, or breaking of the fast (Id al-Fitr, a three-day holiday) impact strongly on business activities. So if you are visiting during Ramadan, be aware that there may be limited time for business meetings. So at the very least, you need to study and observe the Islamic calendar in planning business visits. But there is much more that you need to know about the mores of the Middle East to make your business visits productive. While this article is not intended to be an in-depth examination of Arab culture, it will introduce you to some of the important cultural highlights that can have a direct effect on the success of your business contacts with this increasingly important part of the global economy.

## 1. ARAB CUSTOMS

Customs that are common throughout the Islamic world are well known. Some of these are not unique to the Arab environment, but are standard behaviors in a range of international situations:

- A number of expressions punctuate conversation in the Middle East and the most common is the term “Insh’allah” (if God wills), which underlines a

strong belief that the course of events cannot be controlled by the individual;

- The term “Bukra Insh’allah” (tomorrow, God willing) conveys the sense that “We will do things as soon as possible but God will determine when that may be”;
- Use your right hand, particularly for eating. If unsure, put your left hand in your pocket or behind your back. Never point;
- Avoid postures where you may show the soles of your feet and generally avoid crossing your legs;
- Avoid any display of anger or impatience;
- Maintain eye contact with your host. Rapid shifts in eye contact may be construed as a lack of trust;
- Handshakes may often be a clasp. Do not offer to shake hands with an Arab woman, unless she offers her hand to you. Even then, only a gentle touch is appropriate;
- When offered tea, coffee, or snacks, always accept, even if you do not consume it all;
- The offer of strong black coffee is a feature of Arab meetings and a mark of hospitality and should not be refused. The cups are small and when you have enough, a polite wiggle of your cup signifies to the server that you have had sufficient;
- Learn the art of polite small talk, which will open most meetings, particularly introductory sessions;

- Learn to relax and not exhibit signs of tension, which may transmit uncertainty;
- Assume a calm demeanor, avoid brash conversation and maintain a body posture that is non-aggressive.

## 2. THE ARAB BUSINESS MEETING: WHAT TO EXPECT

Arab meeting settings in the Middle East vary but it is best to be prepared. In many instances, you may be meeting with an expatriate executive and the meeting will follow standard international practice. Some of the characteristics of Arab business meetings in the Middle East are as follows:

- Your host may interrupt the meeting at any time to answer any one of a number of phones, fixed and mobile, or respond to an assistant seeking a signature or advice;
- Other people may enter the meeting—often quite unrelated to your business. This is part of the accessible nature of Arab society. Adopt a passive role, unless you are invited into the conversation;
- Remain unaffected by what you perceive to be interruptions—be patient and await an appropriate opportunity to resume your presentation;
- Arabs place a great deal of emphasis on words—sometimes as a substitute for action. Be prepared for expansive conversations;
- Other interruptions may occur—a call to prayer or a side conversation with another visitor;
- Avoid comments on politics;
- Make sure you keep your three “must win” points in play during the meeting. Do not get distracted from your objectives by what, in the Arab world, are standard meeting dynamics;
- Develop a negotiating style that is calm but firm;
- Sincerity and trust are the primary factors your host will be looking for when assessing your company as a business partner.

## 3. ARRANGING MEETINGS

For the first visit, arranging quality meetings is crucial:

- It is common for meetings to be rescheduled or delayed, so ensure you have other contacts in your visit plan to fill any gaps;
- While your host may delay the meeting, this does not suggest that the visitor can do the same. Always be punctual—it is expected of you;
- The sense of flexibility is due to a variety of factors ranging from a call from a “higher authority,” family business, or prayer times;
- If your host is unavailable, try to reschedule the meeting with a personal assistant. It can be useful to leave behind a brief (pre-prepared) note on company letterhead, regretting that you were disappointed to miss your contact. Outline your willingness to meet at an alternative time, along with your hotel and telephone details. This generally works;
- As visits may involve rescheduled meetings, it is important to operate flexibly. It is unrealistic to plan a two-day visit with five calls per day and presume your itinerary will run to time. Always allow an extra day.

## 4. BUSINESS COMMUNICATIONS

The Arab business environment may feel very different for the newcomer. Experience and sensitivity to local customs will soon build confidence in the operating environment:

- Similarly to Asia, personal relationships with Arabs are paramount. Trust must be established and proven. Any indication of a lack of trust will be apparent and can frustrate business relationships;
- Like Asia, “yes” can mean “perhaps.” Avoid a series of closed questions that force your host into a yes/no response. Suggest alternatives if your initial proposition does not resonate, such as prefacing your proposal with “How would you feel if...” or “Can you outline your three major needs so we can tailor a proposal to suit...”;
- Learn to become an active listener and when you speak, do so with brevity, confidence, and empathy, maintaining concentration on your paramount objectives;
- A friendly and open approach to business will always be appreciated;

- Arabs favor direct discussion and do not place the same emphasis on written communications as in the U.S. A phone call will have more impact than a series of emails.

### **5. DEALING WITH ARAB FAMILY COMPANIES**

In the Middle East, most major family companies rely on financial “gatekeepers” to advise them on investment strategy and to screen business proposals and propositions. A typical gatekeeper will have an investment banking background, sound global credentials and connections.

### **CONCLUSION**

A little bit of time take to become acquainted with the social and business customs of the Arab world can be enormously helpful to you in your business contacts in the Middle East. Conversely, overlooking what might seem to be a small or insignificant detail from a Western perspective can make further progress impossible. So do yourself a favor and step outside the deal long enough to focus on the customs and culture. You’ll be happy that you did. 🍀

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