



## Is it Worth Making the Move from Britain to Dubai?

With ongoing gloom on the nature of the current British economy, the prospect of relocating to Dubai – with no income tax and year long sunshine - may seem increasingly attractive. But is it worth making the move?

### Economy

Although Dubai's economy was originally built on the oil industry, this industry now contributes only 6% of its \$37 billion GDP. Trade, financial services, real estate and tourism are the new major contributors. Industry specific 'free zones' (zones where companies are taxed lightly if not at all) has encouraged the growth of IT industries and finance, and major companies such as Microsoft and IBM have set up their regional headquarters there. The shift from trade to tourism has seen a rapid growth in building and real estate and, until recently, a marked appreciation of property. However, Dubai's housing market has been falling in recent months in line with global trends. Consequently, construction – and economic expansion as a whole – is also now slowing.

### Living in Dubai

In many ways living in Dubai is wonderful with or without family. Apart from the extremely hot summers the climate for the rest of the year is reliably warm and sunny. Crime is low, schools are of the highest standards and there is no tax on personal income and no corporation tax for companies!

However Dubai is an expensive city. Even with recent falls, a new two bedroom flat in a fashionable area costs from £2k a month upwards to rent, not including furniture or services. A three to four bed villa can cost at least £30k to £40k a year and more. Rent is often required to be paid up to a year in advance, although terms are becoming more flexible in the softening market. Short term lets are available but inevitably the monthly cost is even higher. If you are considering moving to Dubai make sure that accommodation is included in your company's package.

Education is also of a high standard but is privately financed and expensive, so should be part of a package from your employer too. There is some low-cost

health provision for residents, but the best care is again private and can prove costly if not paid for by your employer.

### Getting Around Dubai

Congestion is one of the least pleasant aspects of living in Dubai. The city has grown too fast for its traffic infrastructure and jams are a part of daily life. The government is investing in projects to ease congestion such as a new metro system, but there is no short-term solution. Driving is also hazardous. Dubai has one of the highest motor accident rates in the world per head of population.

However, motor cars are inexpensive to buy and petrol is very cheap (petrol is about a fifth of the cost of the UK). A toll system on one of the main highways has been recently introduced, but the overall cost of car ownership remains much cheaper than the UK.

### Culture & Entertainment

Social life is diverse with bars, restaurants and clubs to suit many tastes. Drinking and eating out are a similar cost to that in Central London. There are clubs and social groups covering many interests and sports, often focusing around beach and sea sports. Membership to clubs can be quite expensive - annual membership costs on average £4,000 for a family.

Cultural life, though, is neither wide nor diverse. Having such a recent history and transitory population (approximately 85% of the Dubai population are immigrants who tend to stay for a few years and then move on), Dubai does not have the wealth of art, literature, architecture, history, theatre or music that are standard in European countries. Freedom of expression is more limited and Dubai society generally more conservative than the UK, although there is a free press, ample access to literature and media (with some censorship) and residents are generally left to run their day-to-day life unhindered.

### Why would one remain in Britain?

Apart from the richness of its history and culture, Britain remains a relatively safe country with the rights of the worker protected by the state. Education and health care is free and to a reasonably high standard. Crime is still relatively low. Despite its economic problems London remains a key city for the IT industry and opportunities will continue to rise once the economy picks up.

Dubai's economy has grown rapidly but is definitely now suffering from the global downturn. Local stock markets have plunged since 3Q 2008 and property prices have also fallen significantly since then as purchasers find it increasingly hard to obtain finance. Salaries in the IT industry are at best comparable and often lower in Dubai than the UK, although the tax free element as well as the recent strengthening of the dirham against the pound compensates, if you are paid in the local currency.

## Summary

For a single person without commitments Dubai presents excellent opportunities and an exciting life for a short period of time, particularly if accommodation and health care can be provided in any package. Family life can also be excellent if there is enough money to cover rent, school fees and health, with sunny weather and lots of sea sports thrown into the bargain. However if it is culture or a philosophic life you seek, or somewhere to settle long term, perhaps Britain is the place to stay!

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