

WORK HARD, WORK SMART!

WHAT DOES THE NEW WORKING WEEK MEANS FOR THE UAE?



Yann Mrazek,
Managing Partner
M/HQ

The UAE is celebrating its Fiftieth Jubilee with a series of reforms aimed at enhancing the country's economic environment and improving its global competitiveness.

Amendments were made to more than 40 laws. The most recent announcement is the transition to a four and a half- day working week.

Starting January 1, 2022, all Federal Government entities, and both public and private schools and universities will enjoy an extended weekend - Friday afternoon, Saturday and Sunday. The private sector is likely to follow suite in some form or another.

The new working week is a compromise. It aligns the Gulf's commercial hub with its international peers while staying true to its values: Friday is a day of worship in the Muslim world.

This is not the first change of its kind in the country's history. In 2006, the weekend was shifted from Thursday afternoon/Friday to Friday/Saturday - an important step towards establishing the UAE as a relevant supra-regional commercial hub.

The Gulf state has long functioned as a magnet for successful people. It is the second safest country in the world and regularly ranks on top of the 'best to live in' and amongst the most popular for the relocation of individuals - a status cemented by the government's exemplary handling of the Coronavirus pandemic.





WORK HARD, WORK SMART!

WHAT DOES THE NEW WORKING WEEK MEANS FOR THE UAE?

Substantial effort is made by the country's leadership into continuing to attract and retain value-creating family businesses and entrepreneurs. Boosting work - life balance and enhancing social wellbeing - two of the major drivers behind the reform - of long-standing residents across all sectors, contributes to that effort.

But at heart, the move is about economic competitiveness. In the battle for global supremacy, every edge counts, and the misalignment with major world economies became too big to ignore.

The UAE government's statement is in clear on this front:

"From an economic perspective, the new working week will better align the UAE with global markets, reflecting the country's strategic status on the global economic map. It will ensure smooth financial, trade and economic transactions with countries that follow a Saturday/Sunday weekend, facilitating stronger international business links and opportunities for thousands of UAE-based and multinational companies."

The UAE is one of the world's top 10 most competitive economies, and ranks 16th and 17th respectively in 'Ease of doing business' and 'Setting up a business'

What appears as a bold move on the surface is clearly analytically driven.

Multiple studies have demonstrated the benefits of shortened weeks on employees' productivity and performance. The UAE is the perfect place to test a private sector strategy nation-wide.

The UAE workforce is working hard. Very hard. According to data recently released by UBS, residents of Dubai work among the longest hours in the world - sixth place globally and first amongst tier 1 financial centres - with an average of 2,323 hours worked per year and up to 30.9 more days [!] a year than their European counterparts.

While operating from the Gulf, key portions of the UAE's economy - financial institutions, asset managers, commodity traders, logistic providers - already follow a mainstream week to closely align with global real-time trading and communications-based transactions such as those driving global stock- and commodities- markets.

People should not worry about less counter-time at government offices: the move is likely to fast track the already rapid rate of digital transformation and government service automation, in which the UAE is a regional leader. The Dubai Government recently fully completed its transition to paperless, a strategy launched 3 years ago.

In 2007, a year after adjusting its weekend to align closer with leading economies, the UAE ranked 77th and 155th [!] worldwide in 'Ease of doing business' and 'Starting a business', - the growing pain of an on-the-rise yet still frontier economy.

Fast forward to 2020 and the country ranks 16th and 17th in the same metrics, and has established itself as one of the world's most competitive economies [9th worldwide for the second consecutive year].

As it has countless times in the past, the UAE is thinking big. Will its latest move enable it to rise to new heights?

ABOUT M/HQ

We are a multi-services platform catering to a broad spectrum of clients - from individual entrepreneurs and local SMEs to wealthy international families, to established blue-chip companies and multinationals. Our one-stop-shop offering is unique in the Middle East: a holistic and cross-disciplinary combination of a market-leading corporate services firm, a law firm's specialist expertise and a regulatory & compliance services practice, all through one single platform.

We have broad experience in facilitating entry-to-market for businesses across all major fields of activities. We have a one-of-a-kind practical expertise understanding and handling complex corporate structures.

Headquartered in the UAE, we are an entrepreneurial firm for entrepreneurial clients.