



## Expats leaving Dubai in their thousands

An estimated 3,000 cars have been dumped at Dubai and Abu Dhabi airports by expat workers leaving the country after losing their jobs. Many still have keys in the ignition. It is a sign of the times in credit crunch Dubai.

For the past five years, foreign workers from across the world have flocked to the Emirates with its fabled economic horizons, so wide and blue. Around 99% of the work force in Dubai is made up of expatriates, with 3.62mn expats living there.

But the dream turned sour when the credit crunch struck. Jobs are being slashed across the board and stories of workers turning up for work only to find themselves terminated without notice abound. Now expats are heading home in droves: UBS estimates the population of Dubai will fall by 8% this year, and the government is cancelling around 1,500 visas a day.

“At the beginning of November there were thousands of vacancies in the market and everyone was busy hiring,” comments a source at Dubai-based Recruitment Consultancy Align, who asked for her name to be withheld. “But then at the start of December, Nakheel and Ammar released dozens of employees and other companies quickly followed suit, first government companies and then private ones.”

Align used to receive 20 job requirements a week before the economic crisis. On average now they handle two.

“We have people who were getting AED20,000 a month before the crunch who are prepared to go back to work for AED10,000 because they have families or a loan or both, and they simply have no other option,” says the Align spokeswoman. “Every sector of the economy has been affected. Only oil and gas is still hiring because they run projects that cannot be

stopped, but the number of new positions there is also down.”

“Companies are making huge lay-offs in an effort to cut costs. People are so desperate they are just going door-to-door as walk-ins, presenting themselves as candidates and handing over their CVs. This has never happened here before.”

Even senior staff and Emiratees have not been spared. The local media, which has sought to play the crisis down, does not usually publish news of locals being fired and UAE companies receive substantial financial incentives to keep them.

“When a local loses his job then it is a different situation to a foreigner because Emiratees are protected in many different ways,” comments Align. “They receive government support for their loans and other benefits and of course they do not have to leave the country. All companies must hire a certain quota of local workers and a grading system is implemented to reduce company costs accordingly.”

With Dubai’s property market in freefall, many major projects are also being halted or scaled back. The Dubai Waterfront project is one of the highest profile casualties. Originally planned to house one and a half million people, or roughly Dubai’s entire current population, the project is an ambitious land reclamation scheme on the border with Abu Dhabi that is billed as being twice as big as Hong Kong. Now all the staff have been made redundant and three expat members of the senior management team are under arrest on corruption charges.

“Five hundred people were released who had been hired specifically for the Waterfront project,” comments the Align spokeswoman. “They got three months salary as pay-off and no notice period.”

Losing your job is a demoralising experience in any circumstances, but for migrant workers in Dubai it often spells a host of personal problems.

“Being an unemployed job hunter is illegal in the Emirates so when expat workers lose their job they typically have one month to find a new position” comments Diana Al Shafie, PR and market research executive at the Al Fahim Group based in Abu Dhabi. “Some people just take their pay-off and go home. Others try and hunt for a new job, but there are very few openings in the market.”

Many expats also have large debts on credit cards and car loans run up at a time when credit was cheap.

“When you lose your job here, you often also lose the means to pay back your debts, but if you leave the country without settling you are not allowed back in,” explains Al-Shafie. Sometimes thoughtful employers will issue a termination letter to present at the bank to waive all personal debts, but not always.

Many people laid off in Dubai head down the road to adjacent Emirate Abu Dhabi, which with 90% of the UAE’s crude oil has not been as badly hit by the economic crisis. The Abu Dhabi government has been propping up Dubai with unknown sums of money.

You can spot all the new arrivals by their registration plates: the number of Dubai plates in Abu Dhabi has more than doubled since the economic crisis began. You see them everywhere – even in the airport, gathering dust.

“People just travelled,” comments Al-Shafie. “They would have sold them if they could but no one is buying anything. Everyone is too busy just trying to hang on to their money.”