

Developing strategies, and preparing for the future

How Law firm can help businesses in
Abu Dhabi

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Legal

Dubai- Abu Dhabi

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Plan

- Strategic Importance of Abu Dhabi for the shipping industry
- Key developments in Abu Dhabi
- Actions to be taken by Companies to adapt to the current situation

Strategic importance of Abu Dhabi for the shipping industry

- Place of business for the oil & gas industry and all related industries gravitating around this specific business, such as construction, offshore exploration, dredging, supply of products, etc
- Place of a big fleet serving Oil industry – more or less 2,000 units
- Abu Dhabi government is growing its port capability
- Very rich banks with capabilities to finance shipping
- Abu Dhabi is hosting an amount of medium to small size companies with very diversified line of business
- Abu Dhabi is also spending a lot of money on high quality infrastructure works such as airports, ports, roads and others
- Abu Dhabi is also a workshop for new and modern legislations
- The Bankruptcy law is one of the last piece of legislation that has been long waited and that provide certain comfort for all person involved in the market

Key developments in Abu Dhabi

- Reduction in the oil price leading to reduction in the number of new projects especially the non-essential projects and consequently a reduction in the business opportunities
- Private companies facing liquidity problems due to reduction of project and mainly lower profit margin: Less cash
- Big companies need to restructure to be able to tackle the new period
- Tough competition and reduction of profit margins
- Urgent need of companies to refinance their investment and to restructure their debt structure

Actions to be taken by Companies to adapt to the current situation of the market

- Undergo an internal restructuring
 - Establishing modern governance
 - Diversifying the business
 - Reducing overheads by closing down departments and reducing the head counts
 - Selling/liquidating subsidiaries with high overheads and little return
- Acquire businesses and entities- big appetite for acquisitions of smaller competitors
- Merging companies in order to consolidate the business and reduce overheads
- Refinancing their investments
- Restructuring the debts allowing the companies some relaxation on their cash flow and benefit from the cash to invest in new ventures.
- Expanding to new markets and use the resources in the new venture whether within the GCC or abroad