

A Guide on the Mining Industry in UAE

2018-2019

STA



A GUIDE ON THE MINING INDUSTRY IN UAE

The mining industry has for centuries been the driving force behind economies. Whether it is the mining of *minerals* or *metals* or *precious stones*, each mining industry plays a crucial role in the economic activities of many states globally. This principle is no different from the United Arab Emirates, and although the region's economic uprising was mostly dependent on the finding of oil, the mining industry in the region is fast growing and becoming a highly profitable contributor to the country's GDP. In the United Arab Emirates, the list of minerals mined in the area is lengthy and ranges from copper and gypsum mines to the extraction of metals and precious stones. With the boom in the technological advancements in the UAE, the establishment took place, of the fact that the country applies the most advanced technologies and the best scientific methods in the mining industry. These methods have ultimately confirmed the variety and abundance of minerals available in many of the different Emirates. The industry in the country is attracting many international companies who are successfully investing in this economic sector. This industry not only includes the process of mining the minerals but as it states that in the UAE the exports of products of mining as both raw materials and as finished goods is steadily increasing. The infrastructure within the UAE is a haven for the mining industry with port facilities and land transport facilities functioning optimally. For this Article and under the UAE legislation, the utilization of the acts of quarrying and mining will be interchangeable.

Mining/Quarrying Law

There are limited laws specific to any of the Emirates regulating mining in the United Arab Emirates; the Federal Laws governing all mining and quarrying activities in the region as a whole. These regulations include:



- I. Federal Environment Law;
- II. Federal Cabinet Resolution Number 20 of 2008 (**Quarries and Crushers Regulations**);
- III. Federal Ministerial Resolution Number 492 of 2008 (**Quarries and Crushers Environmental Guidelines**);
- IV. Federal Ministerial Resolution Number 110 of 2010 (**Quarries and Crushers Regulations**).

When an entity within the UAE wishes to carry out mining activities within the region, such an object must obtain an environmental license from the relevant local authority. Concerning this license, there are specific guidelines to which these entities must comply. In addition to the instructions, the regulation also provides for the application of penalties in the event of any breach. The obligations provided for by the guidelines and the determination by specific circumstances and facts of each case, but some of these include:

V. Article 15 of Federal Cabinet Resolution Number 20 of 2008, this piece of legislation states that any person or entity, by act or omission, causes damage to the environment; as a result of violating the provisions of this resolution shall have the responsibility to pay all necessary costs for the repairing or eliminating the damages and any consequential indemnities.



Mining opens treasures of minerals...

VI. Article 16 of Federal Cabinet Resolution Number 20 of 2008, this piece of legislation further clarifies the indemnification of the environmental damage as per Article 15 to include, injuries that affect the environment itself and prevent or reduce the lawful use thereof, temporarily or permanently, or impair its economic or aesthetic value;

VII. Federal Ministerial Resolution Number 110 of 2010, this piece of legislation provides for the quarry rehabilitation or restoration process. **Article 13** of this Law provides that quarry operators must perform progressive improvement as they extract their sites. This provision entails that reconstruction shall be done sequentially within a reasonable time after extraction of quarry resources is complete. As the removal of one area of the pit or quarry, completion of rehabilitation must be in the areas where the quarry reserves have been stopped or exhausted. It further provides how such reconstruction is beneficial:

- i.* It reduces the open spaces within a pit/quarry;
- ii.* It reduces potential soil erosion; and
- iii.* It reduces double-handling or soil/waste materials.

Ministerial Order 110 of 2010

In **Article 3** of the Ministerial Order 110 of 2010 provides the guidelines for quarrying, this provision offers guidelines for drilling, quarry blasting, material handling, and hauling in site. **Article 5** of the Order provides the general requirements. This provision states that all mining/quarry operators must submit the production and operations data to the competent local authority and the technical division of the ministry of environment and water. In addition to the abovementioned, the operators must submit detailed maps and drawings of the quarry and crusher areas showing:

I. The locations of the existing or abandoned quarry areas;

II. The position of crushing plants;

III. 3D contour maps;

IV. Place for ancillary or additional developments.¹

V. Material storage yards;

VI. In site roads and dwellings; and

VII. The residential areas.

Environmental Control and Monitoring

Article 6 of the Order provides that all mines/quarries will install at least one stationary air quality monitor for PM10 and TSP measurements. The data is to be presented to the competent local authority and the technical division of the ministry of environment and water every three months. The authorities will also inspect the monitoring equipment from time to time. This Article goes further to provide that the competent authorities from the relevant ministries have the power to visit the sites to assess and monitor the emissions on a regular basis. The provision goes further to state that all sites will plant sufficient trees in the area to improve the landscape and ecology. In addition to the planting of trees, the operators must provide for the construction of a noise barrier (minimum of 15 feet high) along residential regions falling less than 2km from the site.

All mine/quarry operators should obtain an environmental compliance certification (**ECC**) from the technical division of the ministry of environment and water. This certification will be mandatory for renewal of all permits and licenses issued by the local and federal competent authorities. The relevant authorities will carry out site inspections before releasing the ECC, and renovation of such certification must be annual.

Waste Management

Article 7 of the order states that proper care should be taken to dispose of all waste products from mining operations. The utilization of natural waste products for mine restoration can be work at a later stage, and

Mining is search and destroy mission

- Stewart Udall

authorized waste disposal contractors may do disposition of all additional waste. In addition to this, there must be the maintenance of details waste management record.

Health, safety, and environmental management system **Article 9** of the Order states that every site must have well-planned health, safety, and environmental management system, this is a valuable tool for managerial and supervisory staff in mines to meet current and future environmental requirements and challenges. In Article 14 the order goes further to state the following guidelines for safety:

- i.* All mines should follow the safety standards set by the ministry of interior and local authorities;
- ii.* A water tanker with a high-pressure pump should always be made available at the site to combat any fire hazards due to accidents;
- iii.* All staff at mine/quarry should be trained to follow safety standards.

United Arab Emirates Labor Law

The abovementioned is just a brief procedure in the mining and quarrying industry protecting health, safety, and the environment. However, as with all sectors in which there is a utilization of a workforce, the mining industry abides by **Chapter V** of the Labor Law – workers' safety, protection, health and social care.

In terms of this Law, **Article 91** provides that an employer needs to provide the necessary safety measures to protect workers from the occupational hazards that come with their employment, this Article goes further to state that that employers must also protect employees against fire and other risks associated with the use of machinery and other work tools. This provision is relevant to the mining industry as there is a significant amount of dangerous machinery and used by employees in the fulfillment of their employment responsibilities.

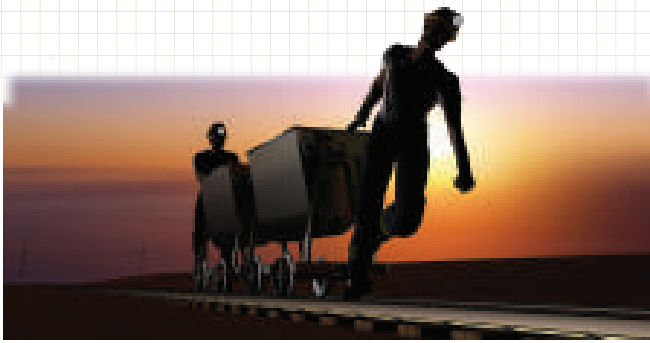


The Article goes to further to ensure that the employer adopts all safety measures as prescribed as per the Ministry of Social Affairs and Labor every once in a while. The provision not only provides an obligation on the employer to provide such necessary safety measures, but it also provides a burden on the employees of such employer to utilize all safety gear supplied by the employer. As well as to comply with all safety instructions given by the employer in the fulfillment of their duties, in addition to this, the Law provides an obligation on the employer to not act in a way conflicting to the security arrangements.

Article 92 of Chapter V places a responsibility on the employer to physically display within the office detailed instructions to the employees of the processes and procedures to be taken to prevent and mitigate fires, and general instructions on how to protect themselves and other workers against hazards to which they might present in the execution of their obligations.

Article 95 of the Law provides that an employer must arrange for a medical practitioner to provide general medical examinations to the employees at the mine at regular intervals of not more than six months, the test records of these findings must be in the employers' records as well as the workers' files. The medical practitioner is under a responsibility to immediately inform the employer as well as the labor department if there are any cases of occupational injury or disease in the workforce. In the event of a death, there must be a compilation, and a submission of a report to the labor department. The employer is also under an obligation to provide medical care facilities to his/her employees that are up to standards laid down by the Minister of Labor and Social Affairs in conjunction with the Minister of Health.

Article 100 of this Chapter provides a duty of the employees in the sector to comply with the orders and



*With mining comes
many procedures and permits to follow...*

instructions provided for by the employer, and concerning industrial security and safety precautions, the employee must use the appropriate protective devices and treat any such devices in his possession with due care.

Ministerial Resolution Number 20 of 2008

This Resolution provides for most of the same general requirements for mining and quarrying as the Federal Ministerial Resolution Number 110 of 2010, however, it does provide for further regulation in many aspects of the mining/quarrying industry.

Environmental Control Methods

In **Article 4.3** of the Resolution it provides the environmental control methods to be applied by any entities within the industry. Here the Resolution recommends that all bodies should hire an Environmental Impact Assessment consultant to ensure that proper environmental control and monitoring systems are put in place to meet

the required standards.

Licensing and Permits

In **Article 4.5** of the Resolution, it provides the procedures to obtain a no objection certificate for existing quarries and mines from the Federal Environmental Agency. The processes are that all mines and quarries must submit in detail the site map showing the current operations, planning for future operations, current production data, environmental control and monitoring equipment and methods applied or proposed for implementation within 12 months from the date of issue of these guidelines.

Recommended environment control standards

The resolution provides in appendix A, recommendations for the environmental control standards. These recommendations are broken up into three categories, namely, ambient air quality, permissible noise levels and ground vibration. In what follows will be the recommendations broken into categories:

Ambient Air Quality –

Pollutant	Average period	Standards	
		Microgram per cubic meter	Parts per million
Sulfur Dioxide	1 Hour	350	157
	24 Hours	150	33
	Yearly	60	23
Carbon Monoxide	1 Hour	30,000	25,000
	8 Hours	10,000	87,000
Nitrogen Dioxide	1 Hour	400	220
	24 Hours	150	83
Ozone	1 Hour	200	102
	8 Hours	120	60
Total Suspended Particles	24 Hours	230	-
	Yearly	90	-
Respirable Dust	24 Hours	150	-
Lead	Yearly	1.0	-

Mining is a great source of revenue...



Permissible noise levels –

Exposure per hour	Noise level in decibels dB
8 Hours	90
4 Hours	95
1 Hour	105
30 Minutes	115

Permissible noise levels –

These recommendations are for regular blasting operations concerning the sensitivity of the area:

Zone sensitivity	Example	Peak Particle Velocity in mm/second Regular Blasting Operations (<25Hz)	Air Over Pressure decibels
High sensitivity	Hospitals, educational institutions, historical buildings, laboratories, electronic industries, etc.	3	115
Medium sensitivity	Houses, residential and office buildings, old industrial areas	5	120
Low sensitivity	The Industrial regions with strong structures, agricultural lands, pipelines, etc.	10	130

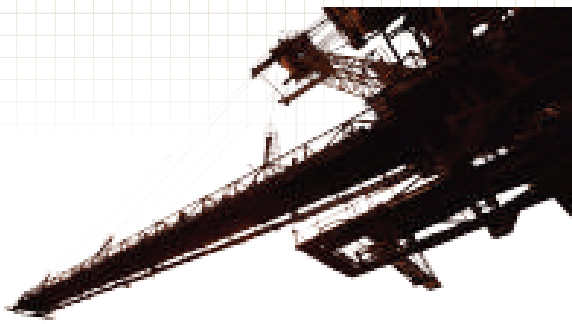
The Ministry of Environment and Water in 2015 suspended the works of several mine and quarry operators whose operations violated the relevant regulations. This suspension relies on Cabinet Resolution Number 20 of 2008; this resolution provides that any mines in violation with the Resolution will cease operations from one to three months and such mines will be unable to resume work at the expiration of the three months unless they meet the necessary standards. Not only was the decision made to bring into compliance quarries and mines in the country, but it was also in line with the vision of the United Arab Emirate concerning the Vision 2021 and the directives for creating a sustainable environment for future generations.

Non-compliance mainly prompted the suspension with Ministerial Resolution Number 567 of 2014, and this resolution regulates the industrial facilities at these sites to ensure that their management and activities follow an environmentally-responsible standard,

that mitigates the negative impact on the environment. Among the reasons for such suspension were that maintenance of equipment and dust collectors were not up to standard and also the record of dispersal of industrial waste, dust, and fumes which were extraordinarily high and threatened to damage the environment and put the health of nearby residents at risk.

What authority regulates the import and export of mining in the GCC region and tariffs applied?

Export Control Executive Office (ECEO) regulates and governs the import and export of mined products in the GGC countries. Any import or export of mining activities such as steel, diamond, gold, chromite, etc. requires customs clearance from the customs office which is designated by the Minister at each seaport, land port and airport or wherever there is a branch office of administration authorized to complete all or some of the customs procedures. The GCC Common Customs Law,



The mining sector in UAE has turned out to be a standout amongst the most promising production sectors such as oil fields...

2002 regulates custom procedures, and tariff and Article 9 of the Common Customs Tariff governs tax applied on import and export of goods in GCC countries. The shipping and import of products in the UAE are regulated by the Federal Customs Authority (FCA) which was further amended by the Council of Ministers and Federal Supreme Council. On 8 January 2003 the revised Federal Decree Law Number 1 of 2003 was issued by H.H. Sheikh Zayed bin Sultan, then the president of UAE in the establishment of Federal Customs Authority (FCA). The amendment of FCA complies with GCC Common Customs Law.

In February 2009, UAE imposed a 5 percent tariff on steel and cement to aim at inflation in the construction industry. Dubai has imposed 5% import duty on gold and diamond jewelry as of January 2017. This 5% tariff on import and export will create an issue for Indians to export gold and diamond to UAE especially during the critical time of demonetization. Most of the Indians use to go to Dubai to buy gold and diamond jewelry with the perception that it is cheap, but now after new tax levy, there is not much difference in prices of precious stones. In fact, it would be more convenient and better to buy gold and diamond from India. This 5% duty tax will only be imposed jewelry imported for sale within the country and will not be levied on silver to be re-exported since Dubai is a hub for the re-export of jewelry.

Recently, according to one of the expert, US President Donald Trump has imposed 25% duty on the imported material to the UAE, but UAE's aluminum producers are ready to pay the tariff. Soon after President Trump announced that he would apply 10% duty on aluminum imports to protect US producers, still it did not affect the UAE Aluminum's market. Emirates Global Aluminum (EGA) one of the largest producers of the metal stated in one the prominent newspaper that they are well prepared for any outcome about export-import tariffs imposed by the US President Donald Trump.

All countries have taken significant steps towards encouraging legal trade of artisanal gold from Mali and Burkina with the export duty of 3%. UAE majorly imports

its gold from Mali which is in West Africa. As per the reports, since 2013 UAE has been excessively importing Mali's entire gold production. For instance, Mali declared 40 tons of gold produced in 2013 while UAE demanded 49.6 tons of gold imported. In 2014, the figure ascended with Mali proclaiming creation at 45.8 and UAE requesting 59.9 in Malian gold imports.

Import and Export of Mining Goods in the Mainland and Free Zones

The difference between business set-up in mainland and free zone is that in mainland foreign entity can uninhibitedly work together in the neighborhood showcase, any open area or outside UAE. It applies to all business and export licenses. Whereas to do commercial transactions in a free zone the foreign entity is restricted to do business in the local market of the UAE. The benefit of setting up a corporation in the open region is to attain 100% foreign ownership whereas before setting up a corporation in mainland was 49% foreign ownership but since 24 May 2018 as per new UAE law 100% foreign ownership is granted to an international entity in the region. Another main difference between mainland and free zone is that to set up business in the continent; external entity would require a local partner or an agent to set up business whereas to set up the corporation in the free zone foreign entity can set up directly.

Advantages of setting up business in the free zone are that no requirement for external approval for the import-export and re-export of goods until and unless there are special activities carried out. Whereas to set up a business in mainland approval from a lot of external authorities is required such as Development of Economic Department (DED), Ministry of Labor, Dubai Municipality, and Dubai Health Authority. Additionally, external approval is needed for import-export and re-exports of the goods by the foreign organization. Aluminum blending is increasing in the UAE with the most critical aluminum ore in Abu Dhabi and Dubai. Emirate Global Aluminum is the vital producers of the aluminum in the UAE. Therefore, the primary export of aluminum is carried out in the UAE where it applies 5% tariff on it.

In 2009 and 2010, exports mainly consisted of fuel and mining products, accounting for 30% and 31%, respectively, of the country's total exports...

Major exports from UAE are crude oil, natural gas and re-exports of the goods since it is an international port. UAE is a twenty-fifth largest export economy in the world. In 2016, UAE exported \$401B and imported \$572B. The prominent exports of the United Arab Emirates are crude petroleum (\$36.8B), gold (\$27.5B), refined petroleum (\$18.1B), diamonds(\$12.3B) and Jewelry (\$11.8B). UAE's most popular imports are gold (\$37B), broadcasting equipment (\$15.3 B), jewelry (\$14.9B), cars (\$13.2 B) and diamonds (\$13B). The main export partners of UAE are Iran by 14.5%, Japan by 9.8%, India by 9.2%, China by 4.7% and Oman by 4.3% as per data analysis carried out in 2015.

Manufacturing of Steel in the UAE

Emirate steel is the largest producer of the integrated steel in the whole of UAE. It conserves energy by selecting the low impurities raw materials and Ferroalloys in the manufacturing process of steel. The company is committed to procuring iron ore pellets with high iron and low impurities content. This . This initiative by the Emirate steel covers the steel production process by charging hot Direct Reduced Iron (*DRI*) at 600 degrees Celsius to the Electric Arc Furnace which conserves energy consumption by at least 20 percent. The manufacturing of steel by Emirates Steel reduced carbon emissions through the promotion of energy efficiency practices and recovery of waste heat measures whenever possible.

Emirates Steel promotes sustainable development plants for the manufacturing of the steel and iron by infusing fume treatment plants that remove all the dust and particles from emissions to encourage a clean, healthy and safe working environment. The company examines its air emissions and wastewater generated from the plants and evaluates the noise levels to comply with the federal environmental law and international standards. It is assessing its options for utilizing the CO₂ gas generated as a byproduct during the iron reduction process. One option under consideration is to provide the CO₂ to oil delivering organizations for infusing it into the oil fields to upgrade oil recuperation.



Emirates Steel has entered into a long-term contract with certified service organizations with which the waste administration exercises its inside and outside of the organization. Waste management mainly includes collection, transport, segregation, processing or disposal, managing and monitoring of waste and by-product materials. Emirates Steel is working pro-actively with potential suppliers for 100% utilization and re-use of steel manufacturing by-products.

Another by-product generated after production of steel and iron is slag which is a sturdy material that outcomes from the communication of transition and polluting influences extricated in the purifying and refining of metals. Residue generated from Emirates steel is an environmentally safe and valuable by-product since the company aims at sustainable development. Emirates Steel processes its waste into different sizes after segregating the metallic pieces for recharging them back into the Electric Arc Furnace. The utilization of processed slag is for landfilling, road construction, water recycling, and railway ballast. Emirates Steel is expected to increase UAE's non-oil GDP with an increase in the steel industry in Abu Dhabi by 2030.

Federal Environmental Agency (FEA)

The United Arab Emirates (*UAE*) was ranked number one as a regional industrial center and global trade and financial hub in 2013. The UAE was ranked fifth for primary producer of aluminum and significant regional producer of industrial mineral and metals including cement, iron, steel, nitrogen fertilizers and sulfur. The mining laws in the UAE are still in the planning phase till then the business of mining is regulated by the Federal Environment Agency (*FEA*). FEA is responsible for considering the concept of sustainable development while structuring the urban development policies. In this article, the comparative study of the incorporation of a mining industry in Fujairah, Ras Al Khaimah, Sharjah, Abu Dhabi, and Dubai is carried out. The Arabian Gulf ecosystem is diminishing since 67% of the world's oil reserve is in the gulf, and it affects the environment of that region.



**Mining sector has become
one of the most promising production areas...**

Oil-related activities have adverse effects that cause significant damage to the ecosystem. Therefore, to protect the environment and for sustainable development, two governmental entities are set up to regulate such environments related activities such as the Federal Environmental Agency and the UAE Ministry of Environment and Water. The quarrying and mining activities are governing by following federal laws in the UAE:

- I. Federal Environment Law.
- II. Federal Cabinet Resolution Number 20 of 2008.
- III. Federal Ministerial Resolution Number 492 of 2008.
- IV. Federal Ministerial Resolution Number 110 of 2010

To carry out mining activities in the UAE, one requires an environmental license from the relevant local authority. **Article 5** of the Federal Law number 13 of 2011 regulates the conduct of mining activities carried out by the companies where the issuance of a license is by the Development of Economics Department (*DED*). The validity of a business license is one year which is renewable, but at the request of the business entity, the extension of the business license may be for more than one year up to four years. A business entity must renew the permit within last month before its expiry.

Mining in Fujairah

The business of mining in Fujairah is managed by the Fujairah National Corporation Resources (*FNRC*) which is a government body that grants permission to establish mining business. The objective of creating a field of mining in the Emirate is to implement all local and federal laws and conditions for issuance of a license for environmental, security and safety. Furthermore, FNRC manages all activities related to mining, quarries, and crushers, including grants, rights, leasing, agreements, and concessions to set up procedures of the project by the investors. The mining activity in Fujairah starts from at the mountains and rocks of Fujairah. The division of rocks in Fujairah is into two units:

I. Autochthonous Unit (in-situ deposits), Permo-Triassic to Cretaceous age, together is called Hajar Group which consist of Musandum, Elphinstone, and it includes main

rocks such as Limestone, Dolomite, Shale, Siltstone, Sandstone, and Chert.

II. Allochthonous Unit, upper Cretaceous to pre Permian age composes of small Ophiolites and Hawasina series. The consideration of Ophiolites as one of the best exposed to Ophiolites sequences in Oman and the United Arab Emirates.

The division of rocks and minerals of commercial importance are into two groups:

I. Base metals- copper and chromite.

II. Industrial Minerals- Gabbro which contains a valuable amount of chromium, copper, gold, nickel, silver, and platinum. It is utilized purely as a marine defensive layer and measurement of stones. The utilization of limestone is for various purposes such as bond, development, building, paint, paper, plastic, elastic, cement, sealants, farming, ceramic, food and pharmaceutical products. Furthermore, another industrial mineral such as Shale can be utilized as a feedstock for concrete assembling and earthenware production. Dolerite is a mafic which is comparable to volcanic basalt where its use can be as a feedstock for the make of shake fleece. Wollastonite is a calcium inosilicate mineral which is used as thermally transformed debased limestone and is utilized as a part of numerous businesses generally by tile industry for assembling of clay. Furthermore, it is utilized as a part of the elastic and plastic industry. Additionally, the use of magnesite ($MgCO_3$) is in support of ultramafic rocks, serpentine and other magnesium-rich rock types. Expansive amounts of magnesite are signed to make magnesium oxide a vital refractory material utilized as a coating in impact heaters, ovens and so forth. The utilization of Magnesite can be as a cover in flooring material. Furthermore, Dunite is a volcanic, plutonic rock with ultramafic composition with more than 90% olivine.

"One Window" paperwork handling, the excellent foundation, world-class system of high ways, its unusual geological area, Fujairah is set apart by its simple access to essential transportation ports everywhere throughout the world, which has made the Emirate an alluring port for financial specialists and business visionaries over the whole world.

minerals of the UAE have sufficient potential to attract potential investors from around the world...

With the approaching Etihad Rail network in 2017 that will associate Fujairah new and mining zones with every one of the ports and real urban areas inside the UAE and with the GCC nations at a later stage will make transportation of products and rock material more advantageous.

Mining in Ras Al Khaimah

Ras Al Khaimah (**RAK**) is the fourth largest emirate in the United Arab Emirates. RAK is the trade route between Asia, Africa, and Europe. RAK has one of the most extensive rock quarries in the gulf and has bountiful high quality carboniferous and dolomitic limestone, gabbro, silica rock and clay deposits. Ras Al Khaimah mining is located mainly in Karst springs which are named Khatt and Me Breda. Karst area of spring composed of Jurassic and Cretaceous dolomite limestone and limestone. The primary target for mining is in the North Eastern part of Ras Al Khaimah which is close to the border of Oman and on the slopes of Mount Al Jeer which forms a small canal. Through this canal due to inwards and outwards of water, it has developed a thin layer of alternating limestone layers of dolomite. North East from Ras Al Khaimah a large number of small cavities and that characterize the slopes at the mouth of WadiHaqil where a quick look at the hill resembles a block of limestone which is characterized by sponge work porosity. Hence, there are two types of rocks are found in RAK in mouth of WadiHaqil where a quick look at the hill resembles a block of limestone which is characterized by sponge work porosity. Hence, there are two types of rocks are found in RAK in northern of the mountain is limestone and southern of it is igneous rocks. The type of limestone found in RAK contains a high percentage of calcium oxide and a low percentage of silica. This type of stones is suitable to be utilized in the steel industry. Therefore, importation of 20% of the limestone consumption is from RAK. The igneous rock is a high-quality abrasive rock use for road construction. Qatar, Kuwait, and Bahrain heavily rely on material from Ras Al Khaimah for their construction requirements.

Federal Ministry of Environment and Water (**MOEW**) regulate mining industry in RAK. RAK has invested a lot to maintain sustainable waste management in the industrial



sector. RAK Investment Authority (**RAKIA**) is one of the booming business and trade destinations as it comprises of two industrial parks with a combined area of 30 million square meters and provides hassle-free business set-up with an economical solution that helps a client to compete regionally and globally. RAKIA delivers land for long-term and on renewable lease for industrial ventures in two industrial parks in Al Hamra and Al Ghail in RAK. To incorporate mining company in the non-free zone in RAK then the ownership is limited to 49% foreign ownership.

There is a slightly different procedure to incorporate mining industry in the free zone and non-free zone, but for both, the company requires registration with the Government of Ras Al Khaimah. For incorporation of the mining company, the first and the foremost thing needed by the RAKIA or any company formation agent is a business plan, space required and if the investor is foreign principal then for how many people visa issuance is needed. Once the submission of documents by the investor, then the fee is charged as per the business plan and land required.

Mining in Abu Dhabi

Abu Dhabi consists of the new type of soil which is rich in anhydrite which is a kind of mineral known for its value for construction purposes. This specific type of metal contains high salinity, and high temperatures preserve in it, and this prevents its conversion to gypsum which is a white or colorless mineral consisting of hydrated calcium sulfate utilized in cement, plaster, and fertilizers. These substantial, salt-lined mud cracks formation is because of evaporation of groundwater in the uncovered space between drying mud surfaces. As the water vanishes in the deserts, it develops a mass of hastened salt. Groundwater is exceptionally close to the surface around there, which is the thing that makes the territory so level. Due to the vicinity to the sea, and the high vanishing rates of the area, the groundwater is exceptionally saline. As the mud dries, it frames a "top" on the underground, however as it dries it likewise contracts.

***UAE is attracting investors globally
with their growing mining industry ...***

As the mud contracts, splits shape. These mud cracks permit a portion of the dampness underneath to escape and to encourage the development of salt. The most significant mud territories in this picture are above one meter deep. Such substantial mud cracks are exceptionally novel, and numerous global geologists have come to the UAE to inspect and ponder them.

The industrial zone for Abu Dhabi is the Khalifa Industrial Zone Abu Dhabi (**KIZAD**). The purpose of availing the industrial area for the expatriates is to create a sustainable knowledge economy while reducing reliance on unskilled labor. With KIZAD, it will set new standards for industrial zone infrastructure and sustainable development which will global competitive advantage for Abu Dhabi. The most beneficial part of incorporating mining company in KIZAD is that it is very cost effective since there is an option of leasing out land based on a size of the project or medium to small-scale industries.

For incorporation of a mining industry in KIZAD, specific forms are required to be filled out such as:

- I. Industrial Project Application (**IPA**) form.
- II. Logistics Project Application (**LPA**) form.
- III. Technical Project Details (**IP**) form.
- IV. Pre-built Warehousing Application (**WLA**) form.

The primary step to set-up mining industry in KIZAD is approval from environment consultants in Abu Dhabi. Without the support from the environmental consultant, it becomes difficult to set-up business as no agency will start the procedure for incorporation of the mining industry. Additionally, registration of the mining industry with a various government entity is necessary. The license is required from the Department of Economics Department (**DED**) in Abu Dhabi to industrial set-up business in Abu Dhabi.

Mining in Dubai

UAE's aluminum generation essentially happens in the Dubai and Emal smelters, with Dubai representing more than 1 million Mt in 2010 contrasted with 955,000 tons in 2009, and Emal representing 400,000 t. A joint wander of



Adbic and Midal Cables of Bahrain is dealing with a \$ 100 Zone (**KPIZ**) with activities set to start in late 2012. The generation limit of this plant would be around 150,000 t/yr. Dubai Diamond Exchange (**DDE**), an auxiliary of Dubai Multi Commodities Center (**DMCC**), is a main precious stone exchange focus on the planet. In 2010, DDE exchanged both harsh and cleaned precious stones adding up to about \$35.1 billion, which was more than \$1.79 billion of 2009. The jewel exchange volume bounced to 268.7 million carats from 178.1 million carats in 2009. About 73.6 million carats of pure precious stone esteemed at \$14.6 billion was sent out, and 90 million carats of polished jewel estimation of \$13.3 billion was foreign made in 2010.

These salt or halite precious stones framed in a little lake close Jebel Ali. The flood water is from the sea. Vanishing expanded the salt substance. Each time water is added to the lake, trailed by vanishing, it made the convergence of salt increment. The dry atmosphere enables absolute gems to shape that would somehow or another breakdown, and will, with the following precipitation. Plant tissues can end up soaked by the saline water, and as the water dissipates from the plant tissue, it hastens the salt which covers the plant in a layer of salt.

Conclusion

Mining activities in the UAE are regulated and governed by Federal Environmental Agency (**FEA**) since the mining laws in the UAE are still under process even though it is the mining hub. UAE is well known for its natural resources such as crude oil, gas, petroleum and mining activities. UAE being an international port significant import and export of mining goods are carried out with 5% tariff duty on it. The Federal Customs Authority (**FCA**) regulates the import and export of mining products in the UAE. Furthermore, Ministry of Environment and Water (**MEOW**) controls the mining activity for sustainable development to protect the environment. Additionally, to avoid labor exploitation the Ministry of Social Affairs and Labors protects the laborer by providing safety provisions.

STA Law Firm's offices across GCC

Abu Dhabi Office

Advocates and Legal Consultants
23 A, Level 23 Tamouh Towers
Marina Square, Reem Island
Abu Dhabi, United Arab Emirates
Tel: +971 2 644 4330
Fax +971 2 644 4919

ADGM Office

3517, Al Maqam Tower
Abu Dhabi Global Markets Square
Abu Dhabi
United Arab Emirates
Tel: +971 2 644 4330
Fax +971 2 644 4919

Dubai Office

Advocates and Legal Consultants
Office 1904, Level 19, Boulevard Plaza,
Opposite Burj Khalifa
Dubai, United Arab Emirates
Tel: +971 4 368 9727
Fax +971 4 368 5194

Sharjah Office

48-1F, Next to Abu Dhabi Islamic Bank
Near Hamriyah Free Zone Headquarters,
Hamriyah
Sharjah, United Arab Emirates
Tel: +971 6 513 4270
Fax: +971 6 526 4027

Bahrain

Advocates and Legal Consultants
Level 22, West Tower
Bahrain Financial Harbour
King Faisal Highway
Manama
Kingdom of Bahrain
Tel: +973 1750 3045

Qatar

Level 22, Tornado Tower
West Bay, Doha
Qatar
PO Box – 27774
Tel: +974 44294827

RAK Office

Office 501-A, Level 5, Building 4
Ras Al Khaimah Free Trade Zone
Ras Al Khaimah,
United Arab Emirates
Tel: +971 7 204 2180
Fax: +971 7 204 2181

Fujairah Office

Creative Tower
Creative City - Media free zone
Fujairah,
United Arab Emirates
Tel: +971 7 204 2180
Fax: +971 7 204 2181

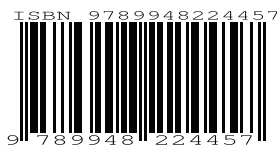
For a free subscription request, you can e-mail us at:

corporate@stalawfirm.com

with your name and address.

www.stalawfirm.com

ISBN 978 - 9948 - 22 - 445 - 7



STA

Office 1904, Level 19,
Boulevard Plaza, Tower 1,
Opp. Burj Khalifa, Dubai
United Arab Emirates
Tel: +971 4 368 9727
corporate@stalawfirm.com
www.stalawfirm.com

Disclaimer:

STA (the Firm) represents a group of internationally qualified counsels. STA Law Firm Limited is a company incorporated pursuant to Abu Dhabi Global Market Companies Regulations. STA Legal Consultants FZC is incorporated pursuant to applicable federal and local laws of Ras Al Khaimah.

