

September 2006

## Company formation in Dubai becoming more expensive

Escalating costs are hitting Dubai's growth, with recent media reports suggesting that companies looking to set up in Dubai may be put off by high government charges and soaring rentals.

Office space in Dubai is now said to be more expensive than New York, and came in nine costs-wise in a survey by commercial real estate company CB Richard Ellis.

Aidan Healy, managing director of Healy Consultants, believes the high set up costs is affecting demand for company formation in Dubai.

'Dubai has up to now been able to sustain its high set up costs because demand has been outstripping supply for services such as good quality office space.

'The authorities have been cashing in on this demand too, with government business registration fees much higher than rival jurisdictions such as Singapore and Hong Kong,' he added.

One recent report said some companies may be tempted to look at lower cost alternatives elsewhere in the United Arab Emirates (UAE) or even the wider Gulf. Start up costs in Dubai's near neighbour Sharjah are said to be a quarter of those in Dubai.

But Healy believes that the Dubai brand remains a highly attractive option for many clients.

'Dubai is still the oasis of opportunity in the Gulf, it is growing into a leading international financial centre and no other city in the region has the breadth of support services or the communications infrastructure. Investors can't afford to ignore the benefits of company formation in Dubai,' he said.

Healy Consultants provides international tax planning, asset protection, company formation and corporate and private bank accounts, as well as migration into Asia. With a headquarters in Singapore, the Group also has offices in Dubai, Hong Kong and Perth, Western Australia.

For more information on company formation in Dubai, kindly follow [this link](#).