

**ORIGINAL**  
**Research article**

## **Colombia and the United Arab Emirates. A vision from economic integration and international business\***

### **Colombia y Emiratos Árabes Unidos. Una visión desde la integración económica y los negocios internacionales**

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#### **Abstract**

The purpose of the research is to generate international business alternatives that promote commercial integration strategies between Colombia and the United Arab Emirates. The study has two phases. The first, the review of data sources related to bilateral trade between the years 2009-2021. In addition, information collected in the Oportunidad de Colombia pavilion during the Expo Dubai 2020, through the meeting of businessmen from all sectors interested in the Arab market. The second phase of the research corresponds to a qualitative approach study, under a field research design, and descriptive type, in which the representatives of the consular section of the Colombian Embassy are the key informants. For the analysis of the information in this phase, the qualitative analysis software Atlas Ti is used. Trade integration and international business are assumed as categories. The main findings show that the United Arab Emirates is a new market for Colombian multinationals. The Emirate is an excellent territory to project Colombia as a country brand because it is a market with high purchasing power and low aversion towards the consumption of products from different and innovative cultures. In addition, it is a strength for Colombia to establish sustainable relationships with a state with limited climatic and geographical conditions to produce goods and services, because the Emirate must import 80.00% of the products that are consumed.

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**Keywords:** International Business, Economic Integration, Trade Balance, New Markets, Imports, Exports, Foreign Investment

### **Resumen**

El objetivo de esta investigación es proponer alternativas que, desde la teoría de negocios internacionales, propicien el establecimiento de estrategias de integración comercial entre Colombia y Emiratos Árabes Unidos. La investigación comprende dos fases. La primera la revisión de fuentes de datos relacionados con el comercio bilateral entre los años 2009-2021 además de la información recopilada en el pabellón Oportunidad de Colombia durante el desarrollo de la Expo Dubái 2020, con la presencia de empresarios de todos los sectores interesados en el mercado árabe. La segunda fase de la investigación se corresponde con un estudio de naturaleza cualitativa, de diseño de campo y tipo descriptivo, en el cual se cuenta con representantes de la sección consular de la Embajada de Colombia como informantes claves. Para el análisis de la información recopilada durante esta fase se utiliza el software de análisis cualitativo Atlas Ti en el cual se valoran las categorías de integración comercial y negocios internacionales. Del análisis de información se tiene como hallazgos principales que los Emiratos Árabes Unidos es un nuevo mercado para Colombia y sus multilatinas. El Emirato es un excelente territorio para proyectar a Colombia como marca país al ser un mercado con un alto poder adquisitivo y baja aversión al consumo de productos innovadores para su cultura. Además, es una fortaleza para Colombia establecer relaciones sostenibles con un estado con limitadas condiciones climáticas y geográficas para la producción de bienes y servicios razón por la cual importa el 80,00% de lo que se consume.

**Palabras Clave:** Negocios Internacionales, Integración Económica, Balanza Comercial, Nuevos Mercados, Importación, Exportación, Inversión Extranjera

### **SUMARIO**

INTRODUCTION. - RESOLUTION SCHEME. - I. Research Problem. - II. Methodology. -III. Writing plan. - 1. Economic integration. - 2. International business. - IV. Research results. - 1. United Arab Emirates and international trade. - 2. Results of the interview.- CONCLUSIONS. - REFERENCES.

### **Introduction**

Since 2009, the Colombian government has sought a commercial rapprochement with the United Arab Emirates justified by advances related to engineering projects, architecture, eccentricities, and luxuries. Additionally, the interest turns around the UAE population consumption habits in a country that concentrates wealth in a relatively small population of about two million; it's considered attractive to Colombian producers. To contextualize the bilateral trade relations between Colombia and the Emirate, Table 1 describes the goods and services subject to exchange and the proportions of volumes corresponding to 2020.

Table 1 shows that, despite the impact of COVID on trade and consumer markets, Colombia-UAE relations were satisfactory by presenting a positive trade balance of 120.7 million dollars, with a total trade of 258.4 million dollars. Among the products and services with the highest export volume are: pearls, precious stones, and gold 86.31%, beef 4.49% and coffee 1.81%. Regarding the imports, about 68.8 million dollars correspond to petroleum derivatives at 29.00%, vehicles, and parts at 14.29%, and plastics and derivative products at 14.10%.

**Table 1. Bilateral trade between Colombia and the United Arab Emirates in 2020**

COLOMBIA IMPORTS FROM THE UNITED ARAB EMIRATES			COLOMBIA IMPORTS FROM THE UNITED ARAB EMIRATES			BALANCE OF TRADE
Product description	Value 2020, in thousands of US\$		Product description	Value 2020, in thousands of US\$		Value 2020 in thousands of US\$
All the products	68,858.00	%	All the products	189,584.00	%	120,726.00
Mineral fuels, mineral oils and products of their distillation; bituminous materials.	22,010.00	29.57	Fine (natural) or cultured pearls, precious or semi-precious stones, precious metals.	166,320.00	86.31	
Motor vehicles, tractors, cycles, and other land vehicles, their parts and accessories.	10,674.00	14.29	Meats and edible offal	8,849.00	4.59	
Plastics and its manufactures.	10,493.00	14.10	Coffee, tea, yerba mate, spices.	3,497.00	1.81	
Miscellaneous articles of base metal	6,978.00	9.38	Edible fruits and nuts; citrus rinds, melons, or watermelons	2,090.00	1.08	
Cast iron, iron, and steel	4,017.00	5.40	Live plants and floricultural products	2,021.00	1.05	
Ships and other floating artifacts.	3,294.00	4.43	Machines, devices and mechanical devices, nuclear reactors, boilers; parts of these machines.	1,318.00	0.68	
Aluminum and its articles	2,539.00	3.41	Sugars and confectionery.	972.00	0.50	
Machines, devices and mechanical devices, nuclear reactors, boilers; parts of these machines.	1,770.00	2.38	Machines, devices, electrical material, their parts, recording or reproduction devices.	883.00	0.43	
Iron and steel castings	1,556.00	2.09	Pharmaceutical products	554.00	0.29	
<b>Other products</b>	<b>5,570.00</b>	<b>7.00</b>	<b>Other products</b>	<b>3,117.00</b>	<b>2.00</b>	

Source: Casanova (2021). [www.trademap.org](http://www.trademap.org)

The interest of the Colombian government in consolidating commercial relations with the UAE is focusing on the political, economic, and geographical characteristics of strategic interest. Being a young country with barely 50 years of independence from the Commonwealth, a non-democratic monarchical government structure, with economic resources above the regional and global average, it represents a significant attraction to concentrate the exchange in areas of high interest such as the oil exploitation and the boom in architecture as well as research and development of futuristic projects related to astronomy and aerospace technology, since UEA is developing studies on the planet Mars in addition to having the fastest internet network in the world.

Highlight in 2016, the establishment of a diplomatic headquarter in Bogota, followed in 2019 with the agreement to abolish tourist visas for citizens of both countries, signed to impulse the economic development and integration based on the tourism industry. For 2020 and 2021, governments have been working in the phase of commercial diplomacy, defined by Naray (2008) as an activity conducted by state representatives with diplomatic status, which seeks to promote business between a foreign and a host country, to promote business development through a series of activities, promotion and business facilitation.

Regarding this stage, the author said that diplomatic relationships help to achieve specific commercial benefits. Among these benefits are the promotion of exports, the attraction of local and foreign investment to create public-private alliances, and within the framework of reciprocity, promote investment opportunities abroad to promote the transfer of technology and

knowledge. Naray (2008) also argues that the mechanisms to stimulate commercial diplomacy are classified into five categories: a. intelligence activities; b. communication; c. remission; d. jurisprudence, and e. coordination, and logistics. These activities are covered by functional areas such as trade (including tourism), foreign direct investment, protection of intellectual property, country brand promotion, the image of national companies, and cooperation in science and technology.

Regarding the events between the Colombian and the UAE governments, on October 2021, Colombian corporations participated in the World Expo 2020 in Dubai. Colombia had a 2,400-square-meter pavilion with permanent exhibitions of strategic sectors such as crafts, flowers, gastronomy, and tourism. A highlight, on November 5, the Colombian president, Dr. Iván Duque, had a meeting with the Crown Prince of Abu Dhabi, His Highness Mohamed bin Zayed. This meeting allowed the signing of an understanding agreement to locate a UAE HUB in Colombia, the first bilateral initiative to make it one of its main commercial partners in America. This Hub will help Colombia promote investment in environmental sustainability projects and innovation, technology, and tourism exchanges.

As a result of this meeting, ProColombia and the Colombian Arab Chamber have begun the development of working groups with the participation of private companies and the public sector. As a representative of the construction sector, Forsa presents an innovative proposal for using environmentally friendly materials to develop projects in the most booming sectors in the Emirate.

In the same address, the UAE government created the Jabel Free Zone in the Emirate of Dubai through the Sharhaj Chamber of Commerce; the latter offers commercial incentives to companies that establish themselves within the Emirate. In November 2021, the mining-energy sector participated in a business conference to launch the Ruta de Oro projected for 2022 to the exploitation of metals as a part of strategic areas under the following premises:

- The implementation of the Blockchain as a new standard of transparency and traceability.
- The Token is a pool of capital to attract new investors.
- Smart contracts to provide security and transparency.

The same month, President Duque met with the Abrahamic Business Circle to promote foreign direct investment and economic diplomacy in Colombia. Additionally, the macro business conference at Expo Dubai 2020 highlighted coffee in all its varieties and fruits among the most desired products. This meeting allowed Colombia to establish, together with the Emirate, the Vision 2030 plan to exchange 130 million dollars as a goal. Finally, the tourism sector was considered the axis of the agreements. Strengthening the airport infrastructure was proposed to increase connectivity between Colombia and the Emirate as a connection to the Middle East. This agreement aims to build a direct flight between Bogotá and Dubai through Emirates Airlines, which would significantly benefit Colombian companies' tourism sector and export capacity.

## **Resolution Scheme**

### **1. Research Problem**

How does the economic integration between Colombia and the United Arab Emirates promote the international business of companies??

### **2. Methodology**

This research is under the qualitative paradigm. According to Hernández-Sampieri, Fernández-Collado, & Baptista-Lucio (2014), the qualitative paradigm consists of those studies whose purpose is to describe, understand, and interpret phenomena through perceptions and meanings produced by the experiences of key informants or privileged witnesses as participants. This paradigm allows the members of the diplomatic corps to investigate their perception of the economic integration of Colombia and the UAE, taking as a reference the opportunities of companies from both countries in international business.

Regarding the research design, it is considered a field. According to Hernández-Sampieri *et al.* (2014), the collection of information in natural environments that are part of the daily life of key informants as units of analysis. The type of study is descriptive since it seeks to specify essential properties and characteristics of the phenomena, identifying a trend or pattern of behavior. The field study allows members of the diplomatic representation to go, in situ, to collect information of interest for the investigation, and its purpose is to describe how the economic integration processes generate opportunities for Colombian companies in their introduction to international business.

The gathering process is carried out under a formal interview, defined by Palella & Martins (2012) as a process based on a survey with open questions to allow a quick application to gather information under a valid and viable method. In addition, the research was based on an interview with experts regarding issues related to their area of expertise. The questions in the script are based on the categories of economic integration and international business, emphasizing the cooperation agreement signed by both leaders in November 2021.

As the population under study, Palella & Martins (2012) defined it as a set of units with essential information. The research assumes members of the diplomatic corps as key informants and a defined non-probabilistic and intentional sample. The software used to analyze the information collected is Atlas Ti, which uses interrelation networks for analysis based on economic integration and international business as categories.

### **3. Writing plan**

#### **3.1 Economic integration**

Historically, economic integration is related to international trade by Balassa (1962) through the emergence of mercantilism and the theory of surplus from the 16th to the 18th centuries. This approach proposes that commercial exchange generates substantial benefits for any country in the trade balance by stimulating an increase in exports and diversifying strategic imports according to the scarcity of local resources justifies why exchange empowers the pros of strength to compensate for the cons of weaknesses, improving internal issues through external opportunities.

For this purpose, governments must intervene in trade policies through protectionist measures such as tariff barriers to promote local development, increase the gross domestic product (GDP), and stimulate exports. In the emergence of these international trade strategies, inequity, and commercial inequality appear to constrain access to opportunities for one of the parties. In contrast to Mercantilism, the Classic School of Economic Thought arose at the end of the 18th century and the beginning of the 19th century, in which free trade emerged as a benchmark of benefit in the exchange between countries. The most important international trade theory publications in this address are Adam Smith's *Wealth of Nations* (1776) and David Ricardo's *Principles of Political Economy and Taxation* (1817).

For Smith, the advantage of nations is focusing on the capacity to transform raw materials through highly efficient production processes that determine the country's strengths, leveraging the exchange needs over those in which less efficiency is evident. Ricardo's approach bases the comparative advantages as determinants to establish mutual interests between two nations and stimulates exchange as part of the complementarity of the levels of specialization in the production and export of goods due to the levels of efficiency that imply lower costs.

Based on the Ricardos perspective, John Stuart Mill published the *Principles of Political Economy* (1848) based on the premise of the Law of Reciprocal Demand; this approach affirms that the price of international exchange regulates the agreement such as reference of what is offered by one country and what is demanded by another, focusing on the national relative price and putting on beside the adjust to the needs and expectations between the parties.

After Mills' approach, new currents associated with the Neoclassical School of Economic Thought arose; the Theory of Value proposes the utility of goods and the general economic equilibrium model. Additionally, at the beginning of the 20th century, the Heckscher -Ohlin Model established the conditions of commercial exchange based on the comparative advantages of nations; it's considering resource-abundant countries engage in the intensive productive transformation to export, exchanging scarce goods.

Under the World Trade Organization (2007) perspective, the period between wars brought chaos to international trade because of the lack of logistics necessary to support the exchange of goods, such as energy and metals, lagging behind others like food and derivatives, highlighting the interest in the non-arms industry. Additionally, international trade policies in this period negatively affect the labor hand because of the strategic alliances in defense and cooperation in the war periods boosting the participation of the young population in worldwide military missions. This strategy resulted in the loss of labor hands and shortages, creating a snowball effect increasing the waves because of the scarcity of workers, the rise in population density in industrialized centers, and the abandonment of the farms in the countryside.

For Palacio (2008), the post-war created an understanding of the role of international economic cooperation as a process to warranty the integration of countries around sustainable peace through collaborative work. In this address, the relationship between countries begins in the framework of peace as a first approach to a commercial exchange towards nations' economic and social progress, providing political stability and security around the trade.

For Viner (1950), economic integration begins with customs unions reaching a partial or total release of tariffs to benefit member countries and to the detriment of non-members. From this perspective, Balassa (1961) established a standpoint of static and dynamic effects to take advantage supported by economies of scale. This perspective is part of proposing economic integration theory by incorporating the stages of the free trade areas, common markets, economic unions, and complete regional integration.

This new perspective of Balassa (1961) defines integration as a gradual process structured by stages to facilitate the evolution of relations for the mutual benefit between both countries and blocks to overcome the reductionist vision of economic agents of exchange. Balassa's contribution (1961) allows countries to abolish discrimination through standard policies in relations as supranational states. Table 2 shows the stages of integration proposed by Balassa (1961).

**Table 2. Stages of integration according to Balasa (1961)**

DEPTH	NO TARIFFS OR BARRIERS TO FREE TRADE	COMMON EXTERNAL TARIFF	FREE CIRCULATION OF PRODUCTIVE FACTORS	HARMONIZATION OF ECONOMIC POLICIES. SINGLE CURRENCY	COMMON INSTITUTIONS AND POLICY UNIFICATION
free trade area	X				
Customs union	X	X			
Common Market	X	X	X		
Economic union	X	X	X	X	
Full economic integration	X	X	X	X	X

**Source:** Balasa in Nye (1968: 860).

Regarding Latin America as a region, Briceño (2013) identified a fragmentation of economic integration through free trade agreements or open integration, the revisionist approach of Mercosur, and the emerging anti-systemic approach of the Bolivarian Alliance for the Americas. From this perspective, the author makes the analogy to Weber's postulates about strategic, productive, and social regionalism as stages that allow the countries, as a region, to complement development programs and focus on cooperation as a mechanism for the progress of the nations.

Within the proposal's framework towards integration, Palacio (2006) said that creating a conceptual model of international trade allows the countries to assess the benefits of bilateral integration through trade flow. It implies the study of trade conditions as an approach, the valuation of deviation of commerce (pros of the agreement used for third countries), the expansion to increase the trade balance, and the indicator of gross trade creation as part of the trade flow of members.

For this author, commercial relations combine economic, political, and cultural factors, common and uncommon, between countries or groups. Regarding this and as mentioned before, the signing of the agreement between the Colombian government and the Emirate includes three areas, promoting the complementarity between the competitive advantages of each nation through the transfer of technology and knowledge oriented to environmental and tourism projects. Palacio (2006) proposed the assumption of long-term price equilibrium in world prices as a warrantor of economic integration. The author considers if the prices are in balance, the factors that can affect the trade flow depend on the supply and demand curves under the following three categories to give a quantitative explanation of the size of the trade flow:

- The factors that affect the total potential supply of exports from the exporting country.
- The factors that affect the potential global demand for imports of the importing country.
- The factors that represent the resistance to trade flow between the two countries.

Hence, the potential supply and/or demand of each country in the world market is directly related to the size of the country in terms of resources and population. In the case of the Colombian-Emirati integration, the natural obstacles, such as distance, transportation costs, and



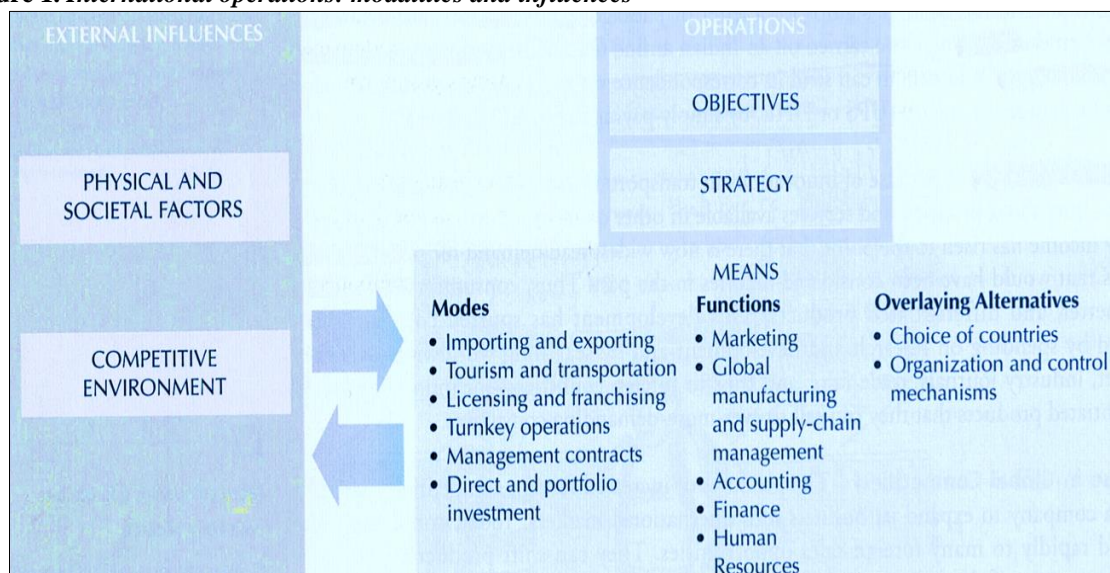
the accidental topography of Colombia, stand out, besides the artificial impediments mentioned by Palacio. Other external factors are cultural aspects such as language, religion, idiosyncrasy, gender perspective, and bureaucracy. To mitigate these limitations, both governments created the Colombia-EAU Business Council with the participation of public and private actors in a multi-diverse integration of disciplines that allows the recognition of the potentialities of the counterpart. The areas of cooperation highlighted in the memorandum of understanding include some fields like politics, economy, science, technology, innovation, culture, and education, among others.

As a first approach to commercial integration, it is necessary to recognize the theoretical aspects of international business, like modalities, types of companies, external influences, and strategic evolution. Studying these topics for both parties allows the novice investor to recognize the processes, stages, and terms necessary to start in commercial integration, making it possible to close the gap between good intentions and business reality.

### 3.2 International business

Daniels, Radebaugh & Daniel (2019) define international business as any commercial transaction (private or public) between two or more countries to increase economic sustainability and minimize risk through sales, investments, and transportation abroad. The authors argue that managers, as decision-makers, must understand that the rise in internationalization allows companies to increase competitive advantages, enhance their strengths to take advantage of opportunities in the foreign market and minimize the power of negotiation by competitors in the local market. As a point to begin, it is necessary to understand how physical, social, and competitive factors influence the performance of organizations and affect their functional areas and modalities (figure 1).

**Figure 1. International operations: modalities and influences**



**Source:** Daniels, Radebaugh & Sullivan (2019: 83).

Concerning physical and social factors, companies that assume internationalization as a strategy must consider the foreign country's public policies, legal aspects, cultural factors, economic forces, and geographic and environmental influences that impact business

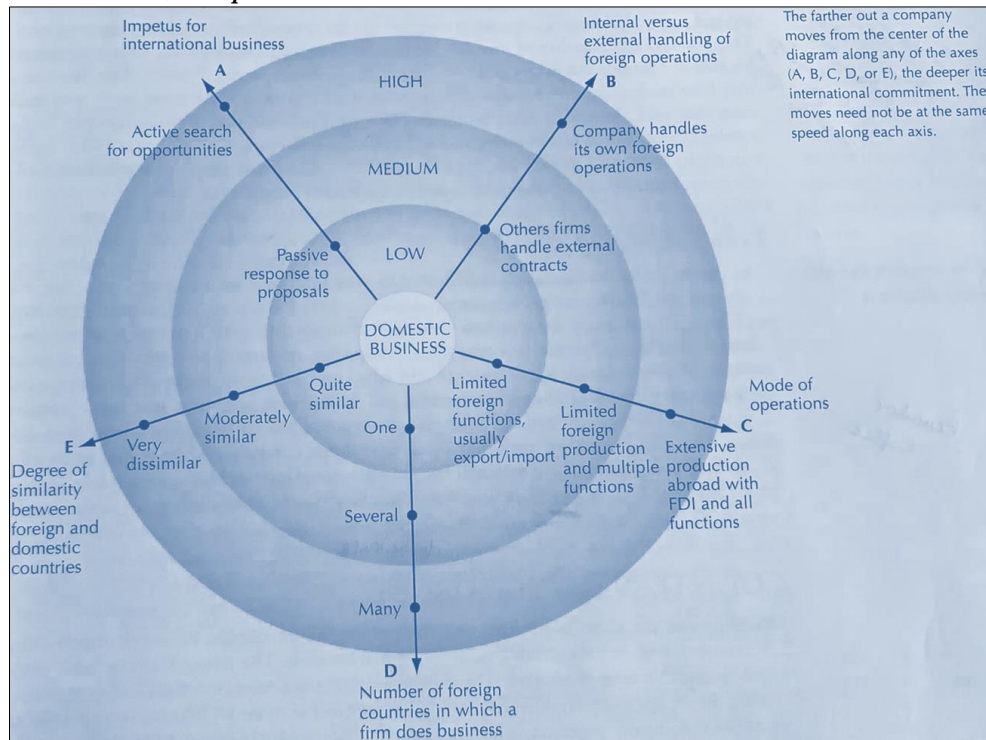


development. Regarding competitiveness factors, managers must know that the most significant advantages achieved in this process are cost minimization, transferring costs to prices, and innovation in marketing and other functions like accounting, finance, and human resources. To consolidate these advantages, assessing the influence of factors such as control and organization mechanisms is necessary.

The opening towards international business as an expansion strategy responds to the opportunities represented by the advancement of telecommunications and transportation. These allow the entrepreneur to mitigate risk aversion through increasingly efficient operations and logistics processes in response to the complexity of emerging needs in global consumer markets. Among the modalities shown in Figure 1, the following stand out: export and import, tourism and transportation, franchises and licenses, turnkey operations, business management contracts, and foreign direct investment.

But internationalization is not a decision that becomes a reality in the immediate term; contrary, it requires a process of maturity. Figure 2 shows the decision-making patterns followed by companies in the entry processes to international business characterized by a strategic evolution: passive-active impulse, operations management, operation modalities, geographic diversification, and degree of similarity.

**Figure 2. Internationalization patterns**



**Source:** Daniels, Radebaugh & Sullivan (2019: 88)

The evolutionary process of organizations in international business begins in the center of the figure, moving independently through each of the five axes (A, B, C, D, and E) from states ranging from low ( low ) to high level ( high ). The passive-active impulse implies ( Impetus ) the evolution in the establishment of a business that initially seeks to satisfy the needs of the domestic markets until identifying the opportunities of the foreign markets. Most of the time, the employer's passive positions are due to a negative perception of the low purchasing power of the market or the possible non-compliance with the expected commercialization levels.

The management of operations is related to the business's autonomy level. It begins in the primary states of international trade, with intermediation by third parties as a strategy to minimize risk. Companies usually commit few resources through export, partially transferring the know-how to intermediaries. When the business begins to grow successfully, the company assumes its operations after understanding abroad market dynamics and the associated risks. To increase its knowledge, the company has started to adopt internal and external processes in foreign countries, expanding its capabilities by recruiting and training its personnel.

The authors define an initial modality of operations, such as the exports and imports, through strategic alliance for logistics and distribution in the foreign market. After consolidating the abroad market, the company moves forward to establish modes of international business as franchises, licenses, or direct foreign investment, as a green field investment, or through the acquisition of a based local company, involving capital investment and the transfer of knowledge and technology.

As a first approach, geographic diversification measures the internationalization from the number of countries in which the business is present. The most basic level of international business establishes the presence in a country or groups of nations with cultural affinity and similar consumption habits. A company assumes the challenge of internationalizing when establishing a business in many countries due to identifying business opportunities and behavior patterns in the political, economic, and social order.

Finally, the degree of similarity implies the difference between local and foreign products. A company has a greater tendency to international business to the extent that its products and services must differ significantly from the local competitors. This distinctive feature implies the recognition of business opportunities by creating new products or diversifying consumption patterns in the foreign market. Meanwhile, the business modalities imply a gradual process through the pattern of internationalization; the types of companies allow to visualize growth strategies once established at a global level, as shown below:

- Multinational Companies (Multinational Enterprise MNE).
- Multinational Corporations (Multinational Corporations MNC).
- Transnational Companies (Transnational TNC Companies).
- Global Companies (Global Companies).
- Multidomestic Companies (Multidomestic Companies).

Multinational companies have a global business approach through participation in markets with the development of activities related to producing goods and services with facilities anywhere in the world. Multinational corporations are characterized by decision-making from headquarters in a country that is the main center of coordinating global operations. Transnational companies are defined from two aspects; the first is as organizations owned and managed by global entrepreneurs with local partners in different countries. The second definition is organizations with capacities and operations that may differ in each country to integrate and develop processes worldwide. Transnationals usually tend to be confused with MNEs, but they differ in where they make decisions in each location or from the headquarters.

The authors characterize global or globally integrated companies as those that carry out their operations as the added value of a product or service that is later assembled by a third party, being an essential part of the value chain, usually in the concept of economies of scale. Finally, multi-domestic companies adapt their operations to produce goods and services to satisfy particular needs in the local market, usually as multinationals supplier.

## 4. Research results

### 4.1 United Arab Emirates and international trade

The UAE is a constitutional federation of seven Emirates (States), all autonomous with independent local laws. It shares military forces under a non-democratic monarchical government established on December 2, 1971. These Emirates are Abu Dhabi (the country's capital), Dubai (the second largest city), Sharjah, Ajman, Fujairah, Ras Al Khaimah, and Umm al Qwain. Geographically, the UAE has an area of 83,600 km<sup>2</sup>. It is located in the Middle East, bounded to the North by the Persian Gulf, with access to the Strait of Hormuz and the enclave of Oman, to the South by Saudi Arabia, East by Oman, and West by Saudi Arabia.

Each Emirate has a local ruler called Sheikh, who bases his power on his dynastic position. The seven sheiks form the Supreme Federal Council, the highest constitutional authority; they meet every five years and elect the President and Vice President of the Emirate. Country, currently and since the constitution of the country, the presidency has been held by the Emirate of Abu Dhabi, where most of the energy sources and wealth of the country are concentrated. Currently, the President is His Royal Highness Khalifa Bin Zayed Al Nahyan; the Vice President and Supreme Commander of the Military Forces is the Sheikh of Dubai, His Royal Highness Mohammed Bin Rashid Al Maktoum.

Political parties are prohibited. Since 2006, the indirect election of the National Federal Council members, the legislative branch's main body, has been introduced. However, in a limited way, the system is a hybrid between Civil and Islamic Law, named SHARIA (CIA, 2006), with an electoral college where only 12.00% of Emirati citizens can vote. Each Emirate maintains a high degree of autonomy, especially regarding its natural resources and fiscal policy. Therefore, the economic system, designed according to its natural resources, generates benefits for each Emirate to strengthen in different ways. Abu Dhabi is the Emirate with the largest oil and gas reserves; Dubai focuses on tourism, financial and commercial services, telecommunications, and architecture; Dubai is considered one of the ten main paradises for its tax incentives; Sharjah is recognized because of the light manufacturing; Northern Emirates: have an essential agriculture source and cement production ( Isthmus Partners, 2010).

Regarding diplomatic relations and foreign policy, the United Arab Emirates bases its foreign policy on the principle of non-interference in the internal affairs of other States. Therefore, it seeks a peaceful solution to disputes with the support of international institutions such as the United Nations (UAE Interact, 2016 ). The strategic location in the Persian Gulf, a region where around a quarter of the world's oil is produced and shipped, gives the UN, NATO, the United States, and the European Union easy access to ports and airspace in the Middle East (Embassy of the United Arab Emirates in Mexico, 2016).

Regarding the socio-economic, in 2021, the population in UEA is 9,991,089; 80.00% represented by immigrants, mainly from South Asia. The official language is Arabic, although English is spoken due to the number of immigrants from all sides. The official currency is the Dirhams (AED), linked to the US dollar since 1997; the currency rate is 1 USD/3.6725 (IMF 2016). The Gross Domestic Product (GDP) Per Capita in 2020 was 38,661 USD, and the GDP for 2020 was 314.191 billion USD. The UAE is ranked 16th in doing business. As a particular characteristic of this country, UAE has neither external nor internal debt; its reserves are in gold.

The importance of the UAE in international trade is due to its capacity to invest; for example, in 2019, it was USD 15.9 billion worldwide. The UAE investment in Colombia turned around

USD 103 million, focusing on four projects. These investments created 256 direct and indirect jobs, and by 2021, UAE was developing two projects for more than USD 65 million. The importance of Colombia for the UAE is its geographical location, access to more than 60 countries through the Free Trade Agreements, and the wide range of responsible quality products.

#### **4.2 Interview results**

According to the samplers'-key informants' opinion, to achieve a successful economic integration, both countries:

- Requires the support of free trade agreements between the UAE and Colombia because of enhancing opportunities to create common markets with countries in the Middle East in the medium term.
- It is necessary to stimulate investment through public-private alliances (PPAs) that promote technology and knowledge transfer based on the strengths of the countries and the private sector in strategic areas such as tourism, precious stones, and oil.
- Promote educational integration by exchanging teachers and students that allow experiential learning. This approach enables the teachers to develop cognitive and cultural skills, favoring the growth of knowledge from doing.
- From the consular sections, promote learning Arabic and Spanish as a second language at all educational levels to consolidate academic and human relations and recognize how to stimulate active learning to enrich cultural diversity.
- The modalities to launch an international business are the export and import of products as a primary stage through strategic alliances with local companies.
- Once the business is established and developed, the business need to migrate towards models such as franchises and licenses.
- In the maturity stage, foreign direct investment (FDI) is recommended, either in the field (from English green fields investment ) or through the acquisition of established businesses. This last stage allows the transfer of knowledge and technology in situ.
- Support the growth and development of local SMEs to launch their products and services to the international market.
- Create the economic-financial conditions to promote the migration of large companies as the multinationals, based on the typology of multinational corporations, multi-domestic or global companies. This approach allows growth at the local level, the optimization of production processes, and competitiveness.

#### **Conclusions**

The bibliographical review allowed the researchers to characterize the stages of economic integration within the following stages: the free trade areas, customs unions, common markets, economic unions, and total economic integration as unions of countries. About international business, the authors identify the modalities, functions, and internationalization patterns. This theoretical approach provided the necessary information to establish a dialogue with key informants and recognize the strategic routes to consolidate trade between the UAE and Colombia.

The author identifies as priority products of international business minery-jewelry and petroleum-oil derivatives. To develop minery and energy as strategic sectors, the commercial intelligence proposes to increase the specialization to activate the Colombo-Emirati businesses in the short term. In addition, it highlights the importance of creating the HUB as a strategy for coordinating operations and logistics necessary to consolidate commercial and cultural exchange.

According to the key informants and official sources, the functional areas that support the bilateral treaties between Colombia and the UAE must focus on training human resources, social media support for marketing strategies, technological transfer, and improving knowledge in operations and logistics. Also, the trade between Colombia and UAE needs to strengthen foreign and local investment incentives. The functional areas pros focus on topics such as intellectual property and innovation patents, the promotion of the country brand for both states, the encouragement of SMEs, and cooperation in science and technology.

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