

GLMM Policy Brief



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Migratory Flows of Russian-speaking Populations to the UAE: A Permanent or a Temporary Trend?

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Executive Summary

The increase in the Russian-speaking population flows to the UAE in recent years has been facilitated by the changes in visa regulations. The geopolitical strain between the West and Russia caused by the invasion of Ukraine prompted further migrations of Russian speakers abroad. In light of the UAE's neutrality, such an influx creates opportunities for trade, entrepreneurship, and innovation, while signifying a time of political realignments with an increase of independence in the policymaking of the Gulf States. Consequently, exposed to the favorable business and living conditions in the UAE, the new arrivals from Russian speaking countries may become incentivized to settle in the UAE for longer.

Context and importance of the issue

The United Arab Emirates (UAE) boasts a central geographic location creating a convenient bridge between Asia, Africa, and Europe. In recent years, the UAE immigration policies were relaxed extending the list of countries whose citizens can obtain visit visas on arrival as well as offering convenient options for securing long-term residency (MOFAIC, April 19, 2022) such as golden and green visas (10 and 5 years respectively for self and family). Among the self-sponsored visa options, highly skilled individuals, property owners, entrepreneurs, freelance employees, etc., can obtain visas and a residency of various lengths, which makes them independent from employer sponsorship unlike in the past, and provides the necessary stability for many foreigners to call the UAE their home (MOFAIC, April 19, 2022). These new policies are aimed at boosting tourist arrivals and economic growth, as well as innovation. Greater flexibility also allows those foreign nationals entering the country on a visit visa to explore options for employment and switch to a work visa and residence once they receive an offer (Gulf News, January 4, 2016). With regards to Russianspeaking nationals or nationals of countries where the Russian language has a considerable presence, the length of valid stays varies. Kazakhs can obtain a 30-day visa on arrival, while 90-day visas are available to Belarusians, Ukrainians, Russians, and nationals of the three Baltic Republics.

Based on the above overview, migratory flows to the UAE are in flux, and tracing exact data presents challenges. Nonetheless, the official tourism statistics (Dubai Tourism, 2023) indicate that nationals of the Commonwealth of Independent States (CIS) and Eastern European countries made up 11% of the 14.32 million tourist arrivals to Dubai in 2022. That means that close to 1.6 million Russian-speaking visitors may have entered the UAE last year, with Russians making up the most important segment (758,000) and Kazakhs coming second with 234,000 tourists. Both nationalities experienced a significant increase in their visitor numbers to the UAE, 70% and 42 % year on year respectively. The arrivals to Abu Dhabi from Russia are reported to be 73,000 in 2022 (Tourism Analytics, 2023). International sanctions imposed on Russia (also rolled out against Belarus) are one of the factors behind this growth. Nonetheless, both Russia and Kazakhstan have large populations to begin with, hence their share in the total arrivals.

The exact number of Russian-speaking residents is more difficult to trace given the UAE's non-disclosure policy of specific nationality breakdowns (since 2005), and embassies of particular countries not keeping exact records of their citizens residing in the country. The latter is based on voluntary self-inscription into the embassy databases. Based on the estimates, the Russian-speaking resident population has experienced steady growth. In 2018, the available reports estimated the number of Russian nationals to be 25,000 and 15,000 Russian speakers from other countries (Gulf News, January 12, 2018). Until the end of 2021, the estimates were 69,000 Russians and 147,000 Russian speakers overall. Informal sources linked to embassies indicated that the total number of Russian speakers doubled as of 2023 or even exceeded this threshold. All in all, added to the tourist arrivals, it is plausible to assert based on the available estimates that there may be at least half a million Russian speakers on average at any given time in the UAE. The newer arrivals to the country enter what is an already well-established Russian-speaking community and network. Such a large presence provides opportunities but also requires careful consideration for the future.

The UAE's advanced infrastructure and high level of development offer favorable conditions for trade and long-term stays. The influx of Russian-speaking nationals is considered one of the factors behind the growth of the property sector in the UAE (Zawya, 2023), which offers a whole range of options from the highest levels of luxury to more down-to-earth residential and commercial real estate. Secondly, the UAE ranks highly in terms of ease of doing business- 16th globally (KMCS, 2023) to be exact. Legal residency in the UAE gives way to establishing a tax residency as well, which benefits the resident in terms of being waived of paying taxes in his/her home country, in exchange for living and earning in the UAE which does not impose an income tax on residents. Establishing a business in the UAE provides a basis for residence, hence it could be assumed that there would be an increase in numbers of companies operating in the UAE. While data on company ownership by nationality are not shared with the public, there are estimated to be more than 4,000 Russian-owned and operated companies in the UAE (Middle East Briefing, February 20, 2023). Given the language barriers, businesses that facilitate and support business operations in the Russian language, such as consultants helping with the paperwork for establishing companies, proliferated as well as services by Russian-speaking lawyers. Business operations were also facilitated by banks linking the home country with the UAE and until recently, Russian Sberbank and MTS Bank were the primary Russian banks in operation with branches in Abu Dhabi. However, both financial institutions were forced to close after they were subjected to Western-imposed sanctions that added them to the list of entities blocked out of the SWIFT system. Conversely, Abu Dhabi-based Al Hilal Bank (ADCB Group), collaborated with Kazakh counterparts to open a branch in Kazakhstan. Furthermore, thanks to its location and yearly trade

Total numbers of arrivals and total tourist arrivals to the UAE are not available at the time of writing, however, the Emirate of Dubai shared data on all arrivals as 23.7 million in 2022 (The National, April 6, 2023).

exhibitions, the UAE is a center of exchange of goods from all over the world. Among the most important of these that draw in attendees from Russia and Russian-speaking countries and elsewhere, the defense exhibition IDEX, established in 1993, attracted 130,000 visitors in 2023. Tech exhibition, GITEX, ran its 42nd edition in 2022 hosting 170,000 visitors. In the area of food and beverage, Gulfood, established in 1987, attracted over 50,000 visitors in 2023. Given the UAE's strict neutrality with regard to the war in Ukraine, such trade exhibitions may be a rare example of events where exhibitors from Russia, Belarus, Ukraine, and western countries meet in one place.

All in all, among the CIS countries, Russia has positioned itself as one of the most important trade partners of the UAE. Between 2020 and 2021, the volume of trade between the two countries increased by 119%, reaching USD 1.1 billion², while in 2022 it further rose by 68% to USD 9 billion (TASS, 2023). In comparison, the volume of trade between the UAE and the USA stood at USD 23.03 billion in 2021 (UAE Embassy, n.d.). The volume of trade with Kazakhstan also experienced growth. In 2021, it increased by 66% compared to 2020 and amounted to USD 709 million (Kazinform, 2023). It was estimated that this number would be exceeded in 2022. In addition, in 2023 the UAE opened trade talks with Ukraine aimed at signing a comprehensive economic partnership agreement. The trade volume with the latter was severely affected by the war in 2022 as it decreased five-fold from USD 1.14 billion in 2021 (Cabinet of Ministers of Ukraine, 2023).

The links between the UAE and countries with a Russian language presence are strengthened by an efficient flight network. Emirati airlines connect the Dubai International Airport with 9 cities in Russia, 3 airports in Kazakhstan, 3 airports in Uzbekistan, 2 cities in Kyrgyzstan, as well as the capitals of Turkmenistan, Tajikistan, Azerbaijan, Belarus, and Armenia. Those are complemented by flights operated by national airlines of particular countries. Given the Western sanctions in place, the UAE and Turkey are the most convenient stopovers connecting Russia and Belarus with the Western world.

Ultimately, the presence of a large Russian-speaking community supports the development of educational and cultural activities. A Russian language school (KG, primary and secondary) has already existed in Dubai since 1996. The second school opened its doors for the 2022-2023 academic year in Abu Dhabi. Informal sources confirmed that all its seats were filled. On the tertiary education level, Synergy University (Dubai branch) is one of the largest Russian private university and the only Russian university operating a branch in the UAE. Established in 2013, it offers degrees taught in English languages, in a variety of majors. The Russian language is also visible in the press. Three Russian language journals are in print with a focus on the Russian community, namely, Russian Emirates magazine (devoted to lifestyle and fashion), Business Emirates magazine, and East Springs UAE Travel Guidebook. One radio station currently broadcasts in Russian and there are plans to launch a Russian-language TV station in the future as well. In addition, an online Russian language newspaper, Arabian Journal, established originally in Azerbaijan, covers the news from the UAE and other GCC countries. Finally, in light of the large Russian and Russian-speaking community, cultural performances and shows featuring artists from CIS countries have become a part of the artistic landscape in the UAE. Artists from Uzbekistan, Kazakhstan, Armenia, and Russia have been welcomed to the Dubai Opera. The Russian Music Festival and Russian Film Festival are held in Abu Dhabi and Dubai. Given an increase in the Russian-speaking population, standup comedy shows in Russian

² Other sources state USD 4 billion (Financial Times, December 5, 2022).

have become more common, as well as solo concerts by Russian artists. In March 2023, Russian musician Zemfira (declared a "foreign agent" by the Russian government due to her criticism of the war in Ukraine) performed live at the Coca-Cola Arena in Dubai.

A sign of global-regional realignments: impact on long-term Russian speakers' settlement

A year after the Russian invasion of Ukraine, the UAE has continued to uphold a neutral stance on the conflict despite increased pressures from its Western partners (Financial Times, March 2, 2023). Consequently, the UAE has welcomed arrivals from CIS countries, among them Russia and Belarus, and facilitated mutual trade. The non-alignment highlighted through the vote abstention in the United Nations resolution condemning Russia informs a pragmatic approach focused on benefits stemming from business, as well as a growth of independent policymaking in the GCC. The recent Iran-Saudi Arabia rapprochement brokered by China is another example of this trend. The Gulf States have become an arena of increased competition for trade and influence between China and the West. Indeed, China is the UAE's most important trading partner with a volume of exchange worth USD 46.03 billion in the first eight months of 2022 (WAM, 2022), while India - another country that remains neutral with regard to Russia's war in Ukraine - comes second. Within this context, the UAE is diversifying its international partners so as not to be dependent on one in particular, which would give the country increased leverage in decision-making. This shift was highlighted in the pausing of talks related to an F-35 aircraft order from the US and the agreement to purchase L-15 fighter jets from China in 2023 instead (Asia Times, February 25, 2022). Given this climate of partnership realignments, it is a complex task for the Western countries to find convincing arguments to reach compliance in their efforts against Russia with the GCC countries and to enforce the breadth of sanctions they imposed on Russia and Belarus. Informal discussions focused on mutual benefits would need to be the basis of such an approach. And while the UAE faces more focused scrutiny remaining for the second year on the "grey list" of the Financial Action Task Force, a Paris-based global watchdog, it has pledged to make continued progress in regulations to work towards delisting (Arabian Gulf Business Insight, April 7, 2023).

From the UAE's point of view, the arrival of the often skilled and entrepreneurial nationals from CIS countries offers advantages, especially in light of the current push for innovation, digital economy (Arabian Business, April 2, 2023), and creating a startup culture in the UAE. The UAE announced plans to invest in Russian high-tech companies (EuroWeekly News, October 10, 2022) and the exodus of Russian tech workers abroad (RBC, December 20, 2022) may help expand the digital sector in the UAE. Among the most well-known, the founder of Telegram, Pavel Durov³, has been named the youngest billionaire resident in the UAE (Khaleej Times, April 5, 2023). Furthermore, foundations such as Skolkovo Foundation have been active in the UAE to support local startups.

While some of the newer arrivals from CIS countries may have chosen to reside in the UAE temporarily in a bid to avoid drafting into the military or to be able to run their businesses smoothly and plan to go back whenever possible, the exposure to the UAE's favorable business environment may have a lasting effect in the future for all. The country offers stability in times of turmoil, and no doubt this will be the basis of continued relations, especially for those who made investments or relocated their businesses and families

It was reported that he also obtained the citizenship of the UAE, which may be offered by official nomination (CNBC, February 1, 2021).

to the UAE. With the war in Ukraine entering its second year and with no quick end in sight, many Russian speakers may start to rethink their options and focus on settling in the UAE for longer than they may have originally planned. In the current climate, the UAE offers a viable alternative for all with skills and/or funds without differentiating the nationality. The emergence of a large local Russian- speaking community is an added benefit that will facilitate the anchoring of new residents in the UAE for longer.

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