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RAS AL KHAIMAH
2018

the business | year



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تأمين سيادي

الأقل
في الانبعاثات
الكربونية في
مشاريع المياه

الشركة الوحيدة
في المنطقة نسبة
التسريب في شبكة
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الأرخص في
رسوم تمديد خط في
الإمارات العربية
المتحدة

الشركة الوحيدة
في العالم التي توفر
برنامج موازنة
لمشاريع المياه

التعرفة
الأقل في
المنطقة، للمزارعين

الشركة الوحيدة في
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محطة التحلية

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في الفوز بجائزة العام
لشركات التحلية

الشركة الوحيدة على
مستوى العالم لخدمات المياه في
الحصول على استثمارات
سيادية على مستوى العالم

Utico

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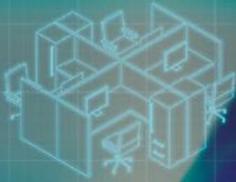
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In association with:



6 Sheikh Saud bin Saqr Al Qasimi, Supreme Council Member and Ruler of Ras Al Khaimah • Foreword

10 Year in review • Ras Al Khaimah

12 DIPLOMACY

12 Reaching out • Review

15 Engaging with the World • Focus: Trade and FDI

16 Narendra Modi, Prime Minister of the Republic of India • Guest speaker

17 Juan Carlos Varela, President of the Republic of Panama • Guest speaker



6



23

19 ECONOMY & FINANCE

19 Appealing scenery • Review

21 Abdulrahman Al Shayeb Al Naqbi, Director General of the Ras Al Khaimah Department of Economic Development (RAK DED) • Interview

22 Mohamed Ali Musabbah Al Nuaimi, Chairman of RAK Chamber • Interview

23 Sheikh Ahmed bin Saqr Al Qasimi, Chairman of the Ras Al Khaimah Economic Zone (RAKEZ) • Interview

24 Ramy Jallad, Group CEO of the Ras Al Khaimah Economic Zone (RAKEZ) • Interview

25 Peter England, CEO of RAKBANK • Interview

26 Manu Mehra, CFO of the RAK Investment & Development Office (RAK IDO) • Interview

27 Stable Outlook • Focus: Sovereign rating and the ease of doing business

28 Government • Forum

29 Yousef Esmaeel, Chairman of the Supreme Committee of Saud Bin Saqr Establishment for Youth Enterprises Development (RAK SME) • Interview

30 Khaled Abdulla Yousef, Chairman of KAY Invest • Interview

31 GREEN ECONOMY

31 Green beginnings • Review

32 Ahmed Al Hammadi Director General, Public Services Department • Column

33 Andrea Di Gregorio, Director of Energy Efficiency and Renewables of the RAK Municipality Department • Interview

34 Going green • Focus: Energy efficiency & renewable energy strategy

34 Mousa Mohsen, Director, RAK Research & Innovation Center (RAKRIC), American University of Ras Al Khaimah (AURAK) • Column



12



21



22

35 ENERGY

- 35** Light it up • Review
- 37** Richard Menezes, Vice Chairman & Managing Director of Utico • Interview
- 38** Nishant Dighe, CEO of RAK Gas • Interview
- 39** New opportunities • Focus: Gas developments



37

40 INDUSTRY

- 40** Make a way • Review
- 42** Abdallah Massaad, Group CEO of RAK Ceramics • Interview
- 43** A new industrial landscape • Focus: RAKEZ
- 44** Industry • Forum
- 46** Indian investment • B2B
- 48** Glass • B2B
- 49** Armored cars • B2B



42



47



50

51 TRANSPORT

- 51** Many mediums • Review
- 53** Sheikh Salem bin Sultan Al Qasimi, Chairman, RAK Department of Civil Aviation & RAK International Airport • Column
- 54** Anacin Kum, General Manager of Hutchison Ports RAK • Interview
- 55** Berths & Bulk • Focus: Saqr port
- 55** Patrick McKinney, Area Director for the Middle East & Gulf States, BAM International • Column
- 56** Capt. Cliff Brand, Group General Manager of RAK Ports • Interview

57 REAL ESTATE & CONSTRUCTION

- 57** New sources for growth • Review
- 58** Rashed Al Nuaimi, CEO, Al Nuaimi Group • Column
- 59** Abdulrahman Jasem Alabdouli, Managing Director, Al Khaleej Investment • Column
- 60** Benoy Kurien, General Manager of Al Hamra • Interview
- 61** Abdullah Al Abdooli, Managing Director of Al Marjan Island • Interview
- 62** Rising star • Focus: Mixed-use developments
- 64** Retail space • B2B
- 65** Construction materials • B2B



59

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66 EDUCATION & HEALTH

66 Learning experiences • Review: Education

68 Ross Hall, Executive Principal of RAK Academy • Interview

69 Hassan Hamdan Al Alkim, President of the American University of Ras Al Khaimah (AURAK) • Interview

70 S. Gurumadhva Rao, Vice Chancellor of the RAK Medical & Health Sciences University (RAKMHSU) • Interview



71 Continuing the vision • Focus: Sheikh Zayed's legacy

72 Taner Topcu, Director of Ras Al Khaimah Economic Zone's (RAKEZ) Academic Zone • Interview

73 Academic zone universities • Forum

74 Access all areas • Review: Health

75 Hospitals • B2B

76 Gulf generics • Focus: Generic pharmaceuticals

76 Jerome Carle, General Manager, Julphar • Column

77 TOURISM

77 New attractions • Review

78 Catherine Ayres, Director of Museums, Department of Antiquities and Museums, National Museum of Ras Al Khaimah • Column

80 Haitham Mattar, CEO of the Ras Al Khaimah Tourism Development Authority (RAKTDA) • Interview

82 Hike to the top • Focus: Adventure tourism

84 Hotels • B2B

86 Golf clubs • B2B

87 EXECUTIVE GUIDE

87 Work it out • Review

87 Ahmad Mohammad Al Khatri, Chairman, Courts Department • Column



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FOREWORD



TRIUMPH IN THE face of adversity

Sheikh Saud bin Saqr Al Qasimi, Supreme Council Member and Ruler of Ras Al Khaimah, on the Emirate’s foresight to diversify its economy and key initiatives that will drive development for the next decade.

One of my fondest memories as a boy was when my grandfather and father would take us camping deep into the desert. We would set up camp, light a fire, and, as night fell, the storytelling would begin. In times gone by this was the only method of recounting famous battles won or lost, heroes of their time or history generally, and I was pleased that this art form was alive and well as I was growing up. My grandfather, Sheikh Mohammed, and father, Sheikh Saqr, were both skilled in engaging their audiences with tales of adventure and bravery from the rich history of our Al Qawasim tribe, and many a long evening was spent when I was young by firelight, listening intently to their stories. These nights instilled in me a pride in where I come from and a sense of duty that I must do my utmost to help improve the lives of our people, who had known nothing but poverty until that time.

As a child, I recall my father taking me along the dirt tracks we used for roads in his Land Rover as he inspected various projects under way. In those days, Sheikh Saqr was laying the foundations for the ongoing development of Ras Al Khaimah, building infrastructure and exploring avenues to generate revenue after it became clear that oil was not going to be a substantial source of income.

Long before other Emirates and countries in the region saw the need to diversify their economies, Ras Al Khaimah was doing just that. We found our natural wealth from another source—the rocks of the Al Hajar Mountains.

RAK Rock, a quarrying company, was found

2017 SUCCESSES

Set up one-stop shop Service Centre in Al Hamra to boost customer experience

RAK Recycles campaign launched, with aim to cut waste by 75% by 2021

64 schools signed up for RAK Green Schools recycling initiative in 3 months

RAK Ceramics reported net profit of AED315.5 million, with 11.1% margins and all-time high 11.4% return on equity

FOREWORD

ed in 1971, and, sensing a gap in the market, my father set up Julphar Pharmaceuticals, which produces generic medicines, in 1980. Building on the relative success of RAK Rock, we opted to set up a company that could really add value to our quarrying work and, in 1988, Sheikh Saqr gave me the go-ahead to establish RAK Ceramics, now one of the largest ceramics manufacturers in the world with annual turnovers in the region of USD1 billion. Months after I became Crown Prince, I set up the RAK Investment and Development Office in January 2004, as a driver for further progress.

Only Dubai, with its expansion over the past 20 years, is on a par with Ras Al Khaimah in terms of diversity of economy in the region. At present, manufacturing contributes 30% to GDP in Ras Al Khaimah, trade accounts for 15%, real estate and business services 9%, and a variety of other sectors hover around the 5-10% mark, showing a real strength in diversity. One of those smaller sectors, tourism, currently contributes about 5% to our GDP, though we forecast major growth in that area. Our target is to increase tourism's GDP contribution to 10% by 2025. Already, the sector has been growing at a rate of about 19% YoY, with more than 975,000 visitors in 2017 and a target of 3 million visitors per year by 2025. That target is achievable when we consider the transformation under way in the Emirate right now, from new attractions such as the world's longest zipline to events like our world record-breaking fireworks display on New Year's Eve 2017, both of which gained worldwide media coverage.

Our economy remains small, for now, though it is extremely stable, with overall growth of 5-7% each year, and we have a consistently high credit rating of A/A-1 with S&P. Net debt is just 9% of GDP, as of the end of 2016. In the past year, Ras Al Khaimah Economic Zone (RAKEZ) was formed from the consolidation of two leading investment hubs in the Emirate, further smoothing the ease of doing business. And we are currently working on a strategic plan that will shape Ras Al Khaimah's development for the next decade.

The quality of life in the Emirate also ranks highly, with a score of 72 on a scale of 100 in a recent survey, which is higher than some Western countries. This contentment stems from a number of factors, including relatively reasonable housing costs, improving educational institutions, extremely low crime rates,

"At present, manufacturing contributes 30% to GDP in Ras Al Khaimah, trade accounts for 15%, real estate and business services 9%, and a variety of other sectors hover around the 5-10% mark, showing a real strength in diversity. One of those smaller sectors, tourism, currently contributes about 5% to our GDP, though we forecast major growth in that area. Our target is to increase tourism's GDP contribution to 10% by 2025."

and access to some of the most beautiful outdoor spaces in the region. We take great pride in our law enforcement record and that is reflected in the fact that 91% of people believe Ras Al Khaimah is either safe or extremely safe. We also have an independent judiciary and have pioneered legal innovations, such as the one-day court, which deals with petty cases in as little as 30 minutes.

However, we shall not rest on our laurels when there is still work to be done. During the Year of Zayed, which marks a century since the birth of the UAE's Founding Father, we are looking to further embrace the late Abu Dhabi ruler's emphasis on the environment through the expansion of our hugely successful RAK Recycles campaign and regular beach cleanups and public awareness workshops. With new and enhanced facilities and services, RAKEZ seeks to attract more FDI and start-ups from all over the globe this year, and our Tourism Development Authority has set another target to bring in a record number of tourists. These, and many other goals, are all part of our strategic plan for the future that will set the benchmark for RAK government entities and ensure that their aims are well mapped out and achievable.

Although the art of desert storytelling is not as prevalent as it once was, the story of Ras Al Khaimah's progress and growing prosperity continues. It is a tale of triumph in the face of adversity and one that will continue to enchant all who come to our shores to experience it for themselves. ✖

2018 GOALS

RAK Tourism Development Authority targets 1 million tourists in 2018

RAKEZ plans new office in Mumbai to attract new Indian investors

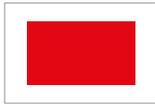
RAK Recycles to set up drop-off centers and composting hubs by summer 2018

RAK Ceramics will develop products, upgrade its UAE production facilities, and identify acquisition targets

The falcon is a national symbol in the UAE, with falconry on the Arabian Peninsula going back more than 2,000 years.



Image: The Ritz-Carlton Ras Al Khaimah, Al Wadi Desert



Ras Al Khaimah’s welcoming investment environment has enabled a diversified economy in the absence of hydrocarbons. For an Emirate as rich in culture as it is commerce, there is much to shout about in this corner of the wider UAE.

Year in Review

Among what makes Ras Al Khaimah, affectionately known as RAK, an attractive proposition for investors are its bustling international airport, four seaports, maritime free zone, and efficient highway network. Relatively cheap utilities and human resources also curb operational costs, making Ras Al Khaimah a viable alternative to some of its fellow Emirates. In Ras Al Khaimah, manufacturing, including that taking place in free trade zones, accounts for 36% of the Emirate’s GDP, ahead of wholesale and retail trade (8%) and the quarrying industry (9%).

While on the subject of manufacturing, anything less than a passing reference to the Ras Al Khaimah Economic Zone (RAKEZ) would be foolhardy. Established in 2017 to oversee, regulate, and consolidate the Ras Al Khaimah Free Trade Zone (RAK FTZ) and the Ras Al Khaimah Investment Authority (RAKIA), RAKEZ is one of the largest economic zones in the region, with over 13,000 companies—not far off from Dubai’s 14,000-company-strong DMCC. RAKEZ consists of five economic zones, half of which are industrial zones that cater to manufacturing, industrial projects, trading, assembly, and logistics.

Ras Al Khaimah’s primary manufacturing involves non-metal minerals, chiefly cement, ceramics, glass, and construction materials. It is fortunate to have rich reserves of limestone, essential to the cement and building materials industry.

Yet the dramatic mountains and valleys that have become iconic symbols of Ras Al Khaimah are worth more than the rocks and minerals they are composed of; they now form a key part of the Emirate’s tourism potential. Historically, Ras Al Khaimah’s most well-known attraction has been Jebel Jais, a mountain that is the tallest point in the UAE. A popular site for outdoor tourism, Jebel Jais has become a regional draw for adventure and sports-related activities, recently setting the Guinness World Record for longest zipline when its 2.83km line opened in February 2018. And in 2017, the Ras Al Khaimah Tourism Development Authority (RAKTDA) opened new solar-powered viewing platforms and plans to open hiking trails on the mountain to better facilitate hiking and biking. A mixed-use luxury mountain resort is also in the works.

But the Emirate’s tourism ambitions are not tied to its hinterlands; the coast has been a hotbed of activity. The Mina Al Arab coastal wetlands have significant ecotourism potential, and developments currently underway are seeking to provide a resort atmosphere while preserving the natural beauty of the region. Ras Al Khaimah is also home to a pair of man-made island developments that are expected to become the centerpiece of its leisure offerings. Al Marjan Island, a 2.7-million-sqm island complex, features resorts, leisure, and retail opportunities on each of its four islands. Dredging has also occurred at Ras Al Khaimah Port in order to accommodate cruise ships up to 214m in length.

Taking a further look at ports, Ras Al Khaimah’s Saqr Port is the largest bulk handling port in the Middle East, and late 2017 saw the beginning of an expansion project to increase cargo capacity at Ras Al Khaimah Port. The Emirate’s airport, Ras Al Khaimah International, has also grown busier in recent years, registering a 52% rise in passenger traffic, with just over 470,000 people passing through. In the same year cargo almost doubled, to 3,700 tons moved over the year. These gains came largely thanks to key regional airlines Air India Express and Air Arabia establishing routes directly to Ras Al Khaimah, allowing for increased passenger volumes. 2017 saw continued growth, with the airport opening its first direct lines to Europe via SmartWings, Enter Air, Travel Service, Ural Airlines, and Red Wings. As a result, volume continued to rise; passenger numbers were up 6% through the first quarter of 2017 and cargo routes up 30%.

This year, the already buoyant mood in the Emirate has been further intensified as the wider UAE celebrates the “Year of Zayed,” a series of commemorations to mark the 100th anniversary of the birth of Sheikh Zayed Al Nahyan, who played a critical role in the foundation of the UAE. In Ras Al Khaimah, the Year of Zayed has been marked by a wave of charity and service drives that have brought private industry and public institutions together to benefit the community. One such drive, overseen by the Ras Al Khaimah branch of the philanthropic Dar Al Ber society, collected medicine from pharmaceutical companies to cover the medical needs of 100 families. ✖

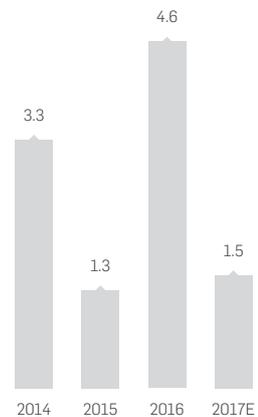
GDP PER CAPITA (2017)
USD27,910

INFLATION (1Q2018)
5.4% YOY

TRADE BALANCE (IN AED BN)



GDP GROWTH (%)



SOURCE: INVESTMENT & DEVELOPMENT OFFICE

THE BUSINESS YEAR IN RAS AL KHAIMAH

Ras Al Khaimah is firing on all cylinders, making strides in many areas, from key developments in industry and free zones to culture and tourism.

APRIL 2017

The Ras Al Khaimah Economic Zone (RAKEZ) is established as the merger of the Ras Al Khaimah Free Trade Zone (RAK FTZ) and the Ras Al Khaimah Investment Authority (RAKIA).



JANUARY 2018

Ras Al Khaimah sets the Guinness World Record for "largest aerial firework shell" as part of a fireworks display for its New Year celebrations.



FEBRUARY 2018

Ras Al Khaimah sets a mark for adventure tourism as it obtains Guinness World Record for "longest zipline," measuring 2.8km and reaching speeds of 150km/h.

JANUARY 2018

S&P Global Ratings affirms the A/A-1 rating for Ras Al Khaimah's economy, adding that the Emirate's outlook remains stable.

FEBRUARY 2018

Ras Al Khaimah's 6th Fine Arts Festival takes place, which gathers local and international artists in an interdisciplinary celebration of all things cultural in the Emirate.



APRIL 2018

Ras Al Khaimah establishes the Petroleum Authority and launches the petroleum licensing round for seven contract areas for international companies to build their portfolios in the UAE.

APRIL 2018

Ras Al Khaimah hosts the Arabian Hotel Investment Conference for the first time, with a record number of registered delegates and Sheikh Saud bin Saqr Al Qasimi as the opening keynote speaker.

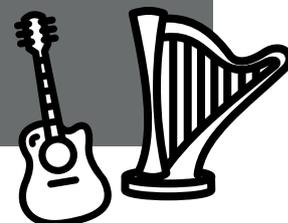
NOVEMBER 2018

Ras Al Khaimah hosts the final of The European Challenge Tour golf championship for the first time, branding it "Road to Ras Al Khaimah."



MAY 2018

Ras Al Khaimah hosts "Rock vs Classic," the highest concert in the UAE on the top of Jebel Jais mountain, blending classical symphony with rock music.





15

Ras Al Khaimah is leaving no stone unturned in its aim to better connect with all corners of the world.

16

Narendra Modi, Prime Minister of the Republic of India

17

TBY talks to Juan Carlos Varela, President of the Republic of Panama.

Diplomacy

REVIEW

Though regional tensions have created instability, Ras Al Khaimah has continued to forge new global relationships to bring investment to the Emirate.

REACHING OUT

The UAE's diplomatic relationships can be divided into regional and global relationships. Within the GCC and the wider MENA region, the Emirates navigate a complex mix of interests. 2017 brought a spat between the UAE and neighbor Qatar that led to the two countries severing diplomatic relationships and the imposition of sanctions. Elsewhere in the region, the UAE has worked with its allies to resist the spread of Iranian influence, combat terrorism, and build a more diversified regional economy. In the wider world, the focus has been on forming new connections. For Ras Al Khaimah, that has meant working to bring new foreign investment to the Emirate in order to boost its tourism and industrial sectors. Moving forward, the UAE's focus is on strengthening its networks within the region in order to secure its economic future. Heavily dependent on the interconnected global economy for growth and success, the UAE knows



Image: John Kruger

Beyond the MENA region, the UAE's foreign relations have focused on building new economic partnerships and bringing investment into the Emirates.

that careful diplomatic work will be essential to avoiding needless conflicts and building a better future.

Long a complicated group of allies and competing interests, the Middle East brought no shortage of tensions that threatened Ras Al Khaimah's interests in 2017. The most high-profile diplomatic dust-up occurred in June 2017, when the UAE joined with Saudi Arabia, Bahrain, and Egypt to cut diplomatic ties and establish a naval and airspace blockade with Qatar, citing its support for terrorism and ongoing relationship with Iran in violation of GCC policy. The announcement led to curtailed financial and economic relations between the UAE and Qatar and the exit of Qatari diplomats and citizens from the country. For Ras Al Khaimah and the rest of the UAE, the economic effect of the dispute has been less than anticipated. The single largest source of visitors for the Ras Al Khaimah tourism industry is the UAE itself, and the loss of Qatari visitors has been offset by

new growth from the internal and European markets. Likewise, the loss of Qatari investors has had a minimal effect on the housing and industrial sectors.

Elsewhere in the region, the UAE's actions have been characterized by an emphasis on GCC unity, economic cooperation, and diplomatic solutions to security issues. A founding member of the GCC, the UAE has, at times, pushed for the organization to take a larger role in ensuring regional security. It has worked closely with Saudi Arabia to try to manage the ongoing conflict in Yemen and build regional coalitions resistant to Iranian influence. The UAE is also a member of the Arab League, an organization of 22 Arab states in the MENA region with the stated goal of encouraging shared interests and preserving individual sovereignty.

2018 has also brought a new wave of intra-UAE unity thanks to the Emirates' Year of Zayed celebrations in honor of the 100th anniversary of the birth of Sheikh Zayed Al Nahyan, who played a critical role in the foundation of the UAE. The Emirates are taking advantage of the occasion to reinforce the ties between individual Emirates and recognize their shared legacy. One of the initiatives launched by the UAE to commemorate Sheikh Zayed's birth is an educational awareness program that will use the four core principles of wisdom, respect, sustainability, and human development to highlight Sheikh Zayed's importance in the region and start new discussions on how he can serve as an example for the modern Arab

world. In Ras Al Khaimah, the Year of Zayed has been marked by a wave of charity and service drives that have brought private industry and public institutions together to benefit the community. One such drive, overseen by the Ras Al Khaimah branch of the philanthropic Dar Al Ber society, collected medicine from pharmaceutical companies to cover the medical needs of 100 families.

Beyond the MENA region the UAE's foreign relations have focused on building new economic partnerships and bringing investment into the Emirates. For Ras Al Khaimah, this has meant expanding its tourism markets to raise awareness of its offerings and attract tourists looking for luxury and adventure options at a better value than Dubai or Abu Dhabi. Eastern Europe has been an area of particular importance; in 2017, the Ras Al Khaimah tourism market saw the number of visitors from Russia, Poland, and the Czech Republic increase by 79%, 160%, and 51%, respectively. This came about thanks to the Ras Al Khaimah Tourism Development Authority (RAKTDA) working closely with partners in these countries to offer new travel packages, open up new direct flights, and make consumers aware of the Emirate's offerings. Moving forward, Ras Al Khaimah's focus will continue to be on using its reputation for stability and affordability to make inroads in emerging markets.

On the industrial side, the UAE is displaying what it has to offer to countries and firms looking for a foothold in the region. Its network of free trade zones and robust logistics

2018 has also brought a new wave of intra-UAE unity thanks to the Emirates' Year of Zayed celebrations in honor of the 100th anniversary of the birth of Sheikh Zayed Al Nahyan, who played a critical role in the foundation of the UAE.



Image: JohnKruger

infrastructure make it an attractive site for investment. Ras Al Khaimah, as one of the UAE's industrial centers, is particularly noteworthy in this regard. The Ras Al Khaimah Economic Zone (RAKEZ) is at the center of these efforts; already home to firms from more than 100 countries, Ras Al Khaimah officials are in the process of forming new partnerships with foreign firms. RAKEZ has offices in Turkey, Germany, and India. The India office represented an important step toward developing one of the world's largest and fastest-growing markets; approximately 20% of the foreign firms in RAKEZ are Indian, and opening an office in the market is expected to dramatically reduce the time needed for registration in the economic zone.

For the medium term, RAKEZ officials have expressed their hopes of increasing bilateral trade between India and the UAE from the USD59 billion recorded in 2016 to USD100 bil-

lion by 2020. To this end, Indian Prime Minister Narendra Modi visited the UAE in February 2018 and signed five MoUs for joint economic initiatives in the energy, transport, and financial services sectors.

Similar efforts are underway to strengthen trade with China as well. In late 2017, China signed an agreement to strengthen ties with the UAE. Already the Emirates' second-largest trading partner, the agreements call for new investment in SMEs and research as well as a range of joint efforts across sectors ranging from healthcare to aviation. The UAE envisions itself as a key Chinese partner in the region, able to fulfill important parts of the Chinese One Belt, One Road Initiative. With more than USD900 billion expected to be invested by China as part of its infrastructure plans across Asia and beyond, increased diplomatic partnerships between the two countries could reap benefits for the UAE's economic future. ✖

Ras Al Khaimah is leaving no stone unturned in its aim to better connect with all corners of the world through trade and investment.

ENGAGING WITH THE WORLD

THE UAE has recorded consecutive trade surpluses for well over a decade. These surpluses have been supported by strong relations with its key trading partners India, South Korea, Japan, China, and the US. Moreover, as the region's highest beneficiary of FDI, the UAE received 16.9% of FDI to Middle East nations and 50.2% of FDI to GCC states in 2016. At its peak in 2015, Ras al Khaimah's economy grew by 5.2% helped by USD1.05 billion in FDI in-flows.

As its leading trade partner, India accounts for 17% of imports to the UAE and receives 14% of UAE exports. Increasingly robust bilateral relations between the two countries have seen the governments of the UAE and India undertake four official state visits in the last three years.

Indian investment in Ras Al Khaimah is significant with almost 3,000 Indian firms operating in the Ras Al Khaimah Economic Zone (RAKEZ), making up around 20% of all firms in the free zone. In March 2018, RAKEZ expanded its offices in Mumbai to strengthen ties with clients and attract further investment from Indian businesses seeking cost-effective, tax-free zones in the Middle East with global connectivity. The largest portion of FDI inflows are to free zones within the UAE. As a result, RAKEZ plays a key role in engaging with companies in Europe and the US to attract them to its free zones, which already count a large number of Indian, Japanese, and Chinese companies.

Aside from India, Ras Al Khaimah is positioning itself to attract further investment from Europe, the US, Japan, China, and South Korea. Within the Emirate of Ras Al Khaimah, the most recent statistics published by RAK Chamber in 2016 record Japan, South Africa, China, and the US as the largest suppliers of non-GCC based imports to the Emirate.

In 2016, a UAE consulate was set up in Guangzhou, China, to strengthen and support relations between the two nations. The UAE has participated in a number of investment events in China and the Chinese con-

tribution to the region is expected to increase in the coming years, spurred on by the One Belt, One Road Initiative. Chinese company Hutchison Ports has since been awarded a 25-year concession to operate the Saqr Port container terminal in Ras Al Khaimah as well as the terminals in the neighboring Emirates of Umm al Quwain and Ajman.

UAE Minister of Economy, Sultan bin Saeed Al Mansouri, attended the UAE-Japan Strategic Business Forum in the early part of 2018. As the UAE's second-largest trading partner, recording non-oil trade of USD14.6 billion, Japan is an important partner for the UAE and is set to play a larger role in Ras Al Khaimah. Meeting with Japan's State Minister of Economy, MoUs were signed between the Japan External Trade Organization and the Ras Al Khaimah Department of Economic Development (RAK DED), the Department of Economic Development in Abu Dhabi, and the Department of Industry and Economy in Fujairah.

Looking west, in November 2017 delegations from Greece and the UAE met on the sidelines of the Euro-Arab summit with a view to further grow their AED2 billion in trade of the previous year. Discussions included expanding opportunities across a variety of sectors such as innovation, maritime transport, infrastructure, tourism, agriculture, and energy. Luxembourg and a high-level delegation from RAK Chamber also met to discuss the importance of developing mutually beneficial economic relations.

Similar bilateral engagements have taken place in Malaysia, with former Prime Minister Mohammad Najib Tun Haji Abdul Razak receiving a UAE delegation led by the Minister of Economy in February 2018. Cooperation discussions have focused on innovation and entrepreneurship, international standards for halal food, the Islamic economy, and promotion of tourism. Ras Al Khaimah is well positioned to benefit from the UAE's expanding breadth and depth of trade and investment relations. ✖



Narendra Modi, Prime Minister of the Republic of India, on the UAE's miraculous development, India's extensive relations with Gulf countries, and being partners in the developmental journey of the region.

PARTNERS *in development*

In the role of Prime Minister, I have traveled to the Gulf region several times before 2018. However, whenever I come here to the UAE, I feel a special attachment. Nearly 1.2 million non-resident Indians have found a home away from their homes in Dubai and across the UAE. For this, India is extremely grateful to the UAE and Dubai.

Dubai and the UAE are unmatched in its use of technology for development. Here the desert sands have been transformed into gold richness, a miracle that has come true. In today's Dubai, there is a vision behind the glory of the tall buildings reaching the sky and behind the imagination of the future. There is also resolution. Behind them are technology, innovation, and enterprise, which is visible in the Museum of Future. This is because the UAE has not only allowed successful experiments in technology to be confined to labs, but in everyday life: what I witnessed in Masdar is a win-win experience.

After several decades, India's relations with Gulf countries have become extremely deep, comprehensive, and vibrant. Today, our dynamics with the Gulf countries are not just confined to a buyer-seller relationship, but have become a true partnership. I was in Abu Dhabi and signed several agreements; one of them, the Lower Zakum Concession, is the first-ever investment

of an Indian company in the upstream sector in the Middle East. The brighter aspect of the partnership has begun.

The Indian community not only sowed the seeds of its dreams along with the dreams of local people, but also with the same commitment by considering this place as its own home. India takes pride in that more than 3 million Indians living in Gulf countries, as they have become partners in the developmental journey of this region.

In the UAE, people were surprised when His Highness Crown Prince took the initiative to construct a Hindu temple in Abu Dhabi when I came here last time. I would like to express my gratitude to His Highness Crown Prince on behalf of all the 1.25 billion Indians. The construction of a temple is significant also in the form of a bridge of goodwill. We have been raised in a tradition in which a temple and a holy place is an agent of humanity, where a holy place is an agent of harmony. I believe this temple will be unique in terms of architecture, technology, and the message it sends. It will also be an opportunity to make the global community experience the mantra that we have followed to live our lives: the whole world is one family. And because of this, it will also become a medium for acquiring a unique Indian identity. I would like to tell all those who are related to the

construction of the temple that the rulers of this place have shown a great deal of respect for India and have given so much respect to India's cultural traditions: it is now our responsibility not to leave any loose ends or commit any mistake.

In a way, a small India resides here. There is not even a single corner in this country where India is not represented. And that is why one can experience extremely well how rapidly India has been changing and the confidence with which 1.25 billion Indians have been moving ahead to realize their dreams. ✖

BIO

Narendra Modi grew up in Vadnagar, India. He entered politics as a youth and quickly rose through the ranks of Rashtriya Swayamsevak Sangh, a Hindu nationalist political party. He was the Chief Minister of Gujarat from 2001 to 2014, and is the Member of Parliament for Varanasi. He was elected the 14th prime minister of India in 2014.

speed-sailing THE HIGH SEAS



TBY talks to **Juan Carlos Varela**, President of the Republic of Panama, on expanding the country's diplomatic footprint, the importance of participating in Expo 2020, and both countries' respective leadership roles as regional entrepôts.

supporting tourism between our countries. Going forward, the main challenge we face is ensuring that we add value to all of the cargo that comes through the canal. This would not only ensure Panama's position as a shipping and logistics hub, but would also allow firms and countries to maximize their industrial and economic potential.

What are the strategic priorities and areas of cooperation between Panama and the UAE moving forward?

Trade is a vital component of relations between Panama and Dubai, and can be further leveraged to support both nations. If we are able to establish a direct flight, trade could expand a great deal. Panama and the UAE both represent international success stories: both are global hubs with air connectivity and financial centers that play an important role in the global economy. Each place is also a gateway to their respective regions: the UAE for the Middle East, India, and Africa, and Panama for Central and Latin America, with the canal the most modern and visible symbol of our ability to connect the world and bring people together. Moreover, our airport serves 15 million passengers and has 15,000 employees, which we seek to grow to 30-45,000 in the coming years. In terms of investment, we are trying to invite the UAE's investment fund to bring capital into Panama, invigorating sectors such

as energy, infrastructure, and real estate.

What are the biggest lessons Panama can learn from the UAE?

The UAE is a country that promotes peace, dialog, tolerance, and investment protection. As such, it has a great future ahead. A key area we can learn from is immigration. Changing regulations to drive immigration is vital, including visa requirements, so that we can support expanded tourism. The UAE is a country with a beautiful soul that makes a

great effort to ensure that the people who are building it are happy and supported. In Panama, we changed from restricted visas to stamp visas, and I hope that one day we can open the country entirely, doing away with visas. Of course, this takes time. From a business point of view, immigration reform would facilitate a smooth transition for international SMEs looking to enter the country with their expertise. By having nationals from more than 150 countries working together in the Emirates, it sends a very strong message to countries closing their borders and restricting access. You cannot define people by their country of origin, and the UAE is doing an excellent job illustrating this.

What would be your message for UAE investors interested in Panama?

Panama's FDI has grown by more than USD4.5 billion every year in recent years, coming from Asia, the US, Europe and the Middle East. Thanks to our robust regulatory system, investing in our country is very secure, profitable, and safe. In this sense, we have directed more than USD500 million in the fight against corruption. Panama's USD65-billion GDP has been growing steadily for the past 10 years, averaging 6-7% growth per year. Unemployment is less than 5% and inflation is less than 1%. As proof of our extremely business friendly environment, 150 international companies from every industry and service specialty have moved their headquarters to Panama. Work permits can be granted with nearly same-day service, and the government is constantly trying to introduce and implement the highest technological standards. ✖

Participation in
Expo 2020

UAE investors
to tap into
Panama's energy,
infrastructure,
and real estate
sectors

How have relations between the UAE and Panama evolved since you took office in 2014?

As soon as I won the election, I decided to establish an embassy here in order to expand our diplomatic footprint. Since then, we sent an ambassador and have exchanged a number of missions. The Dubai Chamber of Commerce came to Panama and wants to open an office there. Additionally, we plan on bringing a business delegation here and have confirmed that Panama will participate in Expo 2020. We are signing different agreements aimed at protecting investment and

BIO

Juan Carlos Varela graduated from Georgia Tech University with a degree in industrial engineering. He was elected Vice President of the Republic of Panama in July 2009. On March 17, 2013, Varela became the presidential candidate for the Panameñista Party, and on August 25 of the same year was proclaimed candidate for the Alliance of the People First (Alianza El Pueblo Primero), made up of the Panameñista and Popular Party, with the support of independent sectors of the country. On May 4, 2014, Varela was elected President of the Republic of Panama for the 2014-2019 constitutional period.



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22 —————
 TBY talks to Mohamed Ali Musabbeh Al Nuaimi, Chairman of RAK Chamber.

23 —————
 TBY talks to Sheikh Ahmed bin Saqr Al Qasimi, Chairman of the Ras Al Khaimah Economic Zone (RAKEZ).

30 —————
 TBY talks to Khaled Abdulla Yousef, Chairman of KAY Invest.

Economy & Finance

REVIEW

APPEALING SCENERY

Diversification is the name of the game in an Emirate as rich in culture as it is in commerce.

Ras Al Khaimah today is marshaling those factors that best extend its economic ascendancy. The Emirate's welcoming investment environment enables a diversified economy in the absence of hydrocarbons. Yet, while it holds just 0.6% of proven reserves, it is reportedly keen to increase capacity.

THE TOOLS FOR THE JOB

The Emirate enjoys a strategic location in the Arabian Gulf, opening up a rich commercial vista on the economies of the Middle East. The government has been notably proactive in laying the groundwork for both local and foreign investment by making sure that the requisite infrastructure and investment environment essential to business are in place. In addition to RAK International Airport, the Emirate has four seaports, a maritime free zone, and a clutch of marinas at its disposal, as well as an efficient highway network. Meanwhile, relatively cheap yet effective utilities and human resources curb operational costs.

AND THE DOMINO EFFECT

Ras Al Khaimah's growth is characterized by major infrastructural plans that serve several vital economic sectors. Thus, as construction flourishes, the infrastructure of a burgeoning tourism sector is being put in place. Simultaneously, encouraging macro prints have led to a thriving real estate sector. Ras Al Khaimah's primary manufacturing involves non-metal minerals, chiefly cement, ceramics, glass, and construction materials. It is fortunate to have rich reserves of limestone, essential to the cement and building materials industry. Additionally, the Emirate exploits iron, copper, and chromium deposits. Four Portland cement

companies operate in Ras Al Khaimah with a recent combined clinker capacity of 4.5mtpy, half of the UAE total, and a cement capacity of 6.0mtpy, which is just over 40% of the total.

CONDUCTIVE BUSINESS ENVIRONMENT

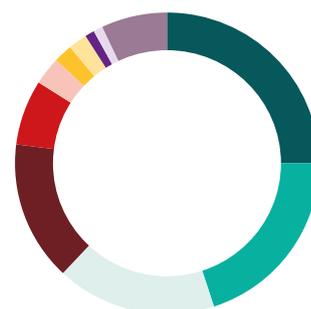
Dr. Abdulrahman Alshayeb Alnaqbi, the Director General of the Ras Al Khaimah Department of Economic Development (RAK DED), notes that in 2017, RAK ranked 45th in World Bank Doing Business report and 87th in the Starting a Business index. Added to expedited official procedures in setting up a business is the ready availability of land. And once established, in terms of commercial operations, apart from proximity to regional markets, RAK provides a 5% cap on customs duty for the bulk of imported goods used by resident businesses. RAK Chamber data reveals business license issuances are dominated by firms active in commerce, services, construction, and manufacturing. The vibrant climate of free enterprise is facilitated by a well lubricated financial services sector.

FINANCIAL SERVICES SECTOR

Ras Al Khaimah has a national bank, RAK-BANK, and all banks in the UAE are supervised by the Central Bank of the United Arab Emirates (CBUAE). Moody's foresees the Gulf Cooperation Council (GCC) overall experiencing stability in 2018, underpinned by welcome financial fundamentals. Robust capitalization will be facilitated by sufficient loan-loss reserves that yield a resilient loss-absorption capacity. Moody's expects non-oil economic growth to remain modest but recovering to 2.6% this year assuming that Brent oil prices stabilize at the upper end of Moody's USD40-

RAK'S TOP-10 EXPORT DESTINATIONS (2017)

SOURCE: RAK CUSTOMS DEPARTMENT



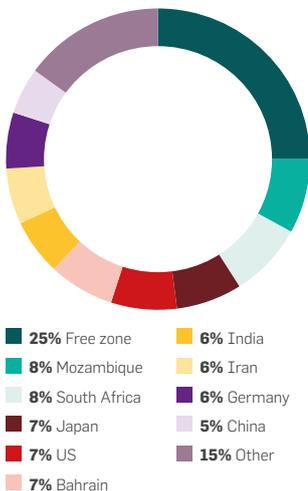
RAK'S TOP-10 RE-EXPORT DESTINATIONS (2017)

SOURCE: RAK CUSTOMS DEPARTMENT



RAK'S TOP-10 IMPORT SOURCES (2016)

SOURCE: RAK CUSTOMS DEPARTMENT



60 /bbl band. Readers will recall that as of January 1, 2018, VAT became a reality in the UAE which, along with OPEC production cuts throughout 2018, may dent non-oil growth according to the rating agency.

PROMISING SECTORS

In Ras Al Khaimah, manufacturing, including that taking place in free trade zones, accounts for 36% of the Emirate’s GDP, ahead of wholesale and retail trade (8%) and the quarrying industry (9%). Ras Al Khaimah’s primary manufacturing involves non-metal minerals, chiefly cement, ceramic, glass, and construction materials.

JUST CHECK THE SCENERY

Notwithstanding, it is tourism that holds an economic beacon for tomorrow. Boasting mountains, desert, and pristine beaches, tourists are discovering the charms of a thus far less-visited destination. Around two dozen new hotels are set to materialize shortly, and the industry is also open to foreign participation. In fact, growth in tourist arrivals to Ras Al Khaimah approached 11% in 2016 and 20% in 2017, in stark contrast to the global average of 3-4%. The Ras Al Khaimah Tourism Development Authority (RAKTDA), established in 2011 to champion the tourism sector, is working to a three-year strategy that envisages employing 15,000 people, and thus being a major catalyst of socio-economic advancement. It foresees

hosting 1 million visitors in 2018 and generating revenues of USD653.4 million.

THE OUTLOOK

It is telling that a recent poll shows that virtually 100% of residents and citizens consider life in Ras Al Khaimah both safe and sustainable. This is a view shared by international ratings agencies. Ras Al Khaimah enjoys a rating of ‘A’ from both S&P and Fitch. The former agency foresees the Emirate continuing to record fiscal surpluses and maintain a low manageable debt level. Its ‘A/A-1’ rating indicates that economic performance (GDP growth of 1.5% in 2017) is set for gradual improvement to 2021 with GDP growth averaging at 2.5% for the period. This will be fueled by a regional upswing in domestic demand and flush capital spending among other Emirates and by firmer oil prices. S&P projects an average fiscal surplus of 2% of GDP in the 2018-21 period with a state budget surplus of 1.5% of GDP in 2018, up from about 1% in 2017. Gross consolidated debt is forecast sliding to approximately 17% of GDP by 2021. Meanwhile, Moody’s has a stable outlook for Ras Al Khaimah’s economy to 2021, underpinned by a robust fiscal position and the dynamics of the broader nation.

In short then, the Emirate of Ras Al Khaimah is well placed to sustain a stable economic growth trajectory, while tapping into growth sectors proving highly successful elsewhere in the nation. ✖

TBY ANALYTICS RAS AL KHAIMAH 2018

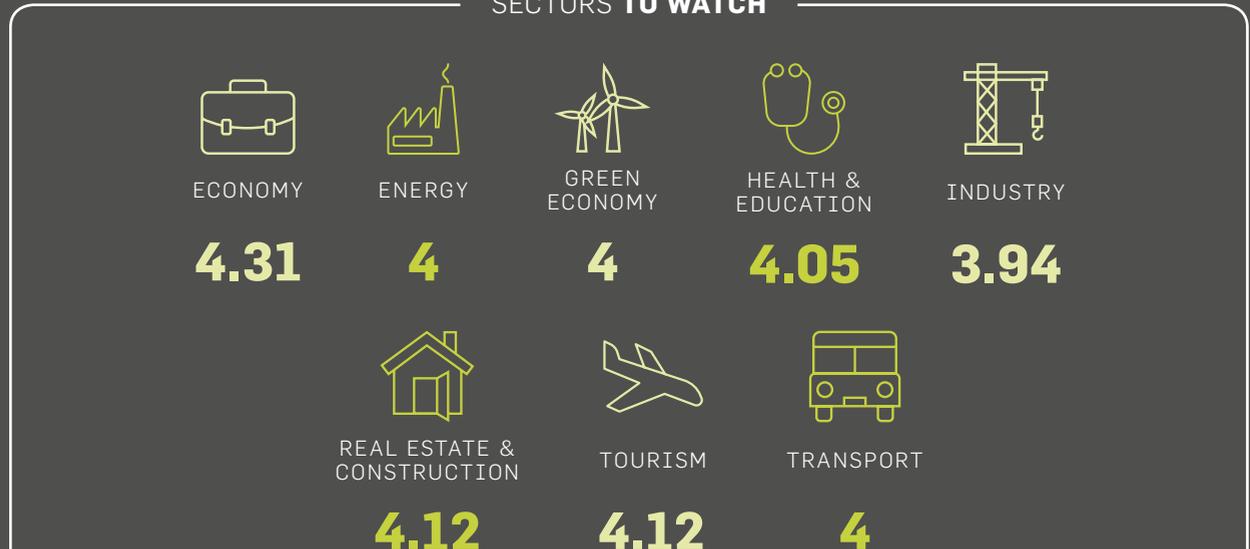
TBY Analytics for *The Business Year: Ras Al Khaimah 2018* shed light on several trends in the business community

BUSINESS CONFIDENCE INDEX

How confident are you about the outlook for business in Ras Al Khaimah this year (1-5)?

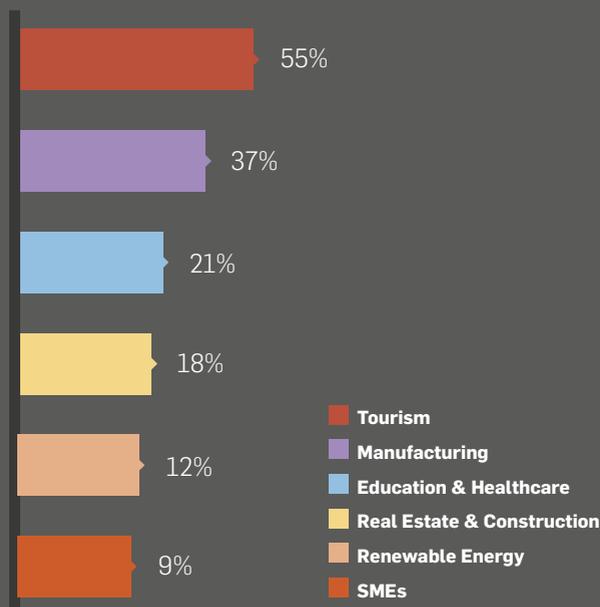
4.08
AVERAGE RATING

SECTORS TO WATCH



ECONOMIC DIVERSIFICATION

77% of interviewees highlighted sectors contributing to economic diversification in Ras Al Khaimah:



HAITHAM MATTAR
CEO, Ras Al Khaimah Tourism Development Authority (RAK TDA)

Ras Al Khaimah is a 95% leisure destination. However, part of our strategy is to grow the business sector through MICE. The Arabian Hotel Investment Conference (AHIC) is one big example of 2018. This is our appetite to demonstrate our ability to host small to mid-sized events in Ras Al Khaimah. Furthermore, 35% of Ras Al Khaimah's GDP comes from industries and we seek to work together with manufacturing companies on their products launches and conferences to be held in Ras Al Khaimah to support them and build the right infrastructure for such events.

did you know?

The expected value
of the **IoT solutions**
market in the GCC by
2025 is USD11 billion.

TBY | Intelligence



intelligence.thebusinessyear.com

TOURISM

Interviewees highlighted sub-sectors of priority:



EDUCATION

50% of interviewees are forging industry links. **37.5%** of interviewees highlighted programs on offer. Current programs and planned future programs include:



Artificial intelligence



Robotics



Computer programming



Engineering



Aviation



Tourism & hospitality

HEALTH

Our interviewees highlighted **prevention methods for non-communicable diseases**:

- Raising **awareness**
- **Improving** lifestyles
- Complication management
- Encouraging **regular patient check-ups**
- **Developing management plans** for sufferers
- **Promoting** the importance of **preventative healthcare** through a range of activities and campaigns

Our interviewees mentioned the **most prevalent diseases in Ras Al Khaimah**. In order of most commonly listed:

1. Diabetes
2. Cardiovascular diseases
3. Hypertension
4. Cancer
5. Communicable infectious diseases
6. Urological diseases
7. Oncological diseases
8. Obesity

CONSTRUCTION

75% of interviewees are exporting and/or planning to export building materials to overseas markets:



67% India



67% Yemen



67% Kuwait



67% Bahrain



33% Oman



33% Mauritius



33% Saudi Arabia



33% Egypt



33% Iraq

Ras Al Khaimah is an excellent manufacturing-based Emirate. In terms of cargo volume, the market generates about 250,000-300,000 TEUs. The potential in that regard is huge. In the past, everyone in this market shipped their cargo using Dubai's Jebel Ali Port as a gateway; however, we are now looking at bringing more of the cargo to Saqr Port. For this, we have to serve the local market better in terms of efficiency and cost benefits for the customer; this is what we are looking to take advantage of.

Anacin Kum
General Manager,
Hutchison Ports RAK

50% of interviewees told us that hospitality and residential segments show the most growth potential.

ATTRACTING FDI

44% of the interviewees (public and private sector) mentioned how they are protecting the investor and attracting FDI:

Digitalizing investment procedures across the board

Facilitating **VISA acquisition**

Liaising with various Chambers of Commerce to attract new businesses

Reducing number of days needed to establish a company from 12 days in 2013 to 8 days in 2016

Development of one-stop shops for public sector paperwork

Establishing free zones allowing companies to be 100% foreign owned

Benchmarking legislation alongside that of Dubai, Singapore, Hong Kong, and the UK

TBY talks to **Abdulrhman Al Shayeb Al Naqbi**, Director General of the Ras Al Khaimah Department of Economic Development (RAK DED), on improving the ease of doing business, key diversification pillars, and the impact of new VAT.



A STRATEGY *for all seasons*

How does Ras Al Khaimah differentiate itself from the other Emirates?

Ras Al Khaimah has a strong trading heritage and an extraordinary geographical location at the mouth of the Arabian Gulf. It has grown into an industrial and trading hub with strategic access to the UAE's major logistical centers and emerging world markets. Conducting business in the Emirate is extremely safe, secure, and stable. Ras Al Khaimah has earned 'A' ratings from both Fitch and S&P. The economic structure is highly diversified, dynamic, and strong, and Ras Al Khaimah is the most industrialized Emirate of the seven. Manufacturing here contributes more than 26% of the Emirate's industrial GDP. The major factors behind its high level of industrialization include the availability of natural resources, a strong blue and white-collar labor force, and the ease and low cost of doing business, especially when it comes to rent, cost of living, and relatively low wages and salaries. The large industrial base Ras Al Khaimah has managed to create has added significantly to its competitive capabilities, attracting

many industrial companies to the Emirate. Several de facto industrial clusters have also emerged here.

What are the major key pillars that stand out in Ras Al Khaimah's economic diversification plan?

While the manufacturing sector will still be a major source of economic development and diversification, Ras Al Khaimah's economic strategy is still to emphasize the importance of other sectors. For example, tourism is increasingly becoming more important and is expected to be a major source of growth in the medium term. The growth rate of tourists coming to Ras Al Khaimah in 2016 was almost 11%, compared to the global average of 3-4%. In 2015, the growth rate of gross capital formation in the sector was around 34%. The annual nominal growth rate of the sector's value added in the period of 2011-2015 was above 13%. Such positive developments in these sectors will maintain our momentum into the future. In addition to these, construction and real estate will play a larger role. For example, Emaar recently decided to invest extensively in Al Marjan Island. Our goal is to transform Ras Al Khaimah into a regional and international service hub.

How will the introduction of VAT affect commerce and investor sentiment?

As VAT is a form of consumer tax and not an accelerating tax, the end consumer will completely incur the costs. From a merely accounting perspective, it will not affect the cost and profit of businesses. However, from an economic perspective, the general prices index will increase by 5%, as indicated by IMF experts, and this may cause a temporary slowdown of sales in the short run. However, in the long term, consumers will adjust to the new prices and consumption will return to its previous levels. Registering business for VAT, administering, and accounting for it may lead companies to hire new staff to deal with it.

How are entrepreneurship and start-up mentalities being incentivized in the Emirate?

The RAK Incubator & Accelerator focuses on innovation and technology, with entrepreneurs welcome to register their entities with RAK DED, and establish local companies, or register with RAK Economic Zones (RAKEZ), and set up a free zone entity. This presents a great opportunity for aspiring entrepreneurs to tap into mentorship and funding to realize their dreams.

How do you plan to improve the ease of doing business in the coming year?

At RAK DED, we are relentlessly looking for innovative techniques to improve the ease of

conducting business. Perhaps the most prominent achievement in this area has been to reduce the number of days needed to establish a company from 12 in 2013 to eight in 2016. Currently, RAK DED seeks to exert greater effort and work in cooperation with all the related governmental bodies to adopt several initiatives to improve the process of issuing economic licenses in accordance with the World Bank's recommendations and other best practices from around the world. ✕

BIO

After receiving a master's from the University of Pittsburgh and a PhD from the University of Essex in finance, Abdulrhman Al Shayeb Al Naqbi served in more than 10 administrative and academic positions at UAE University as well as other government institutions. After serving as General Director of the RAK Chamber of Commerce and Industry, he is now Director General of RAK DED. He also chairs the economic committee of the RAK Executive Council and the board of directors for RAK Statistics and Studies Center. In addition to being a certified accountant, he is a former board member of the GCC CPA technical committee and served as a vice-chair of the Equivalency Committee at the Ministry of Higher Education.

INTERVIEW



TBY talks to *Mohamed Ali Musabbeh Al Nuaimi*, Chairman of RAK Chamber, on making qualitative leaps and bounds, the comparative advantages of RAK, and the natural benefits of a strong federation.

hopscotching HISTORY

In what way has Ras Al Khaimah facilitated its companies' growth into the global marketplace?

Ras Al Khaimah specializes in two sectors: industrial manufacturing and tourism. We have the mountains, desert, and sea, which are not there in the other Emirates. This combination makes it unique among the Emirates, a fact that is accentuated since they

are all nearby. In 20 minutes one can go from mountain to desert to sea. With all the facilities and support of the government and new facilities and products from the Chamber, we are attracting many new businesses, while many internationally recognized companies have started a base here. We have exceeded 49% growth in the number of companies registered with the chamber in the last seven years.

What is Ras Al Khaimah doing to enhance investor protection?

First, we are benchmarking our legislation with international practices in Dubai, Singapore, Hong Kong, and the UK. In parallel, we are doing the same with the free zones. We have combined them into one, RAKEZ, and are also enhancing our legislation. We have had several meetings regarding taxation implementation for VAT to understand how it will affect companies.

Is it difficult to attract FDI in comparison to Abu Dhabi and Dubai?

Abu Dhabi is the capital of the UAE and larger than Kuwait, Lebanon, and Bahrain combined. Dubai has a target and been working on itself since 1906, when it was the first

Emirate to drop the 10% tax paid to the government for all businesses and land in their creek. This was delivered over the years by the rulers that came to Dubai, as well as His Highness Sheikh Mohammed bin Rashid Al Maktoum, who had great vision to manage and position Dubai toward competing against other large and well-established cities in the world. Dubai also has different aspects to leverage, such as Emirates Airlines, and its airport was always a hub between the east and the west. However, it was not easy for Dubai to reach where it is today and this challenge is true for any other Emirate, city, or country, unless they focus on one thing and specialize in something. Ras Al Khaimah has stepped up its game since 2010, when His Highness Sheikh Saud bin Saqr Al Qasimi took over. This is visible everywhere, such as the developments in the construction of infrastructure and the number of companies that have come in. The challenges are still there and we have many steps to climb to reach where we want to be; however, the tools have become easier and wider for us. It took other cities or countries hundreds of years to reach where they are; however, I am con-

fidant it will take us 10 years with our determination, combined effort, and the blessing of the government.

What are the competitive advantages for growth in Ras Al Khaimah?

There are many geographic and natural elements here. We are the first stop when entering the Gulf for shipping lines. For them, going to any other Emirate takes more time and fuel, and they are more expensive than us. Number two, we have most of the elements of infrastructure, including ports and the airport. Finally, we have the natural elements of the mountain, desert, and sea. We are part of the UAE, which is a blessing for growth. If we were independent like Bahrain or Oman, then the challenges would be harder. Many people do not recognize that the Federation of the UAE and the seven Emirates is one of the strongest attractions for any international businessman to have flexibility in legislation. If something does not work in Dubai, one can go to Sharjah, Ras Al Khaimah, or another Emirate. The UAE has a flexible system; we have around 50 free zones, which provide a huge flexibility in terms of pricing, facilities, legislations, and logistics. ✖

BIO

Chairman of RAK Chamber, Mohamed Ali Musabbeh Al Nuaimi holds an MBA from the US and has over 25 years of experience in banking and finance. A committed Emirati, Al Nuaimi maintains his links to the community by serving as a board member on many scientific and social organizations, including the UAE Ministry of Health Fund and the Emirates Institute for Banking and Financial Studies. A former member of the UAE Anti-Money Laundering Committee and the UAE Nationalization Committee, he also served as a committee member of the Central Bank of the UAE.



an ocean FOR THE TAKING

TBY talks to **Sheikh Ahmed bin Saqr Al Qasimi**, Chairman of the Ras Al Khaimah Economic Zone (RAKEZ), on offering investors a global platform, creating a one-stop shop, and the strategic comparative advantages of access to the Indian Ocean.

What were the reasons for merging RAKIA and RAK FTZ?

The UAE is growing at an unprecedented rate. Investors are flocking to this side of the world to set up or expand their businesses and with this, the competition between investment hubs in the country is ever increasing. The reason behind the RAK Free Trade Zone (RAK FTZ) and the RAK Investment Authority's (RAKIA) merger was to revolutionize our investment landscape and support the Emirate's vision of attracting more investments. The move has brought a major impact and created a hub that offers a broader range of business solutions. RAKIA was successful in supporting industrial companies. On the other hand, RAK FTZ was strong in the SME segment. Hence, with the two under the umbrella of Ras Al Khaimah Economic Zone (RAKEZ), we now have a powerhouse economic zone able to cater to businesses of all sizes. We remain competitive in the market by offering global investors a platform where they can access wide-ranging premium facility options and first-class services that suit their needs. Right now, we are continuously working hard to provide our tenants

a more seamless, nurturing, and transparent ecosystem by offering enhanced levels of services. In line with this, we recently launched a new one-stop shop called RAKEZ Service Centre - Al Hamra, which houses our services from A to Z. Government entities are also on-board with us in the same location for easier processing of government-related requirements.

What were the challenges in joining forces into a one-stop shop?

It is more a question of new investments. As we build a new and more comprehensive one-stop shop, we began to understand that there are areas we can improve by adding new technology and manpower. Hence, we invested a great deal in IT solutions so that our customer service team is able to provide the best support to our clients. We have implemented SAP and salesforce, as well as CRM which helps us communicate better with our customers, enhances our team's productivity, and provides solid analytical data and reporting.

How will the Emirate further boost economic diversification?

For years, all of our efforts

have been toward further boosting the UAE's economic diversification. RAKEZ was established for this very purpose. With the best of the best of RAK FTZ and RAKIA merged into RAKEZ, Ras Al Khaimah's position as an ideal investment destination is even more solid. Right now, we currently have over 13,000 companies from over 100 countries operating in more than 50 sectors, and this number will double a few years down the road. More investors means more sectors will boom resulting to strong economic diversification. We cater to SMEs, entrepreneurs, and industrialists. Our efforts have brought in thousands of SMEs in the Emirate, the backbone of our economy. We nurture them by offering cost-effective facilities such as flexi facilities and offices, as well as easy payment plans to help setting up and running a business more manageable. So, we are aggressive in conducting roadshows in our core markets to approach large companies, and the number-one question of these companies is about the cost of living for their employees, which includes schooling, housing, transportation, and so on. We have proven to them that Ras Al Khaimah is cost effective.

How can industries be encouraged to set up in Ras Al Khaimah when the UAE market is not that large?

When we go on roadshows and meet with potential investors, we tell them not to do feasibility studies on Ras Al Khaimah or the UAE alone; they have to

think of Africa, India, Asia, and Europe as well. For example, Ashok Leyland produces 3,000 buses a year. This is not only for the UAE market; it also exports to the GCC. Another example is Italfood, which exports 90% of its cheese to the GCC. In addition, we have Dabur International, which is a large exporter. ✖

BIO

Sheikh Ahmed bin Saqr Al Qasimi is the Chairman of RAKEZ. He oversees the operations of the three entities and manages the development of their investment activities, ensuring that they have a positive impact on diversifying the Emirate's economy. Under his guidance, the free zones have embarked on a new success strategy. They have adopted a growth plan that focuses on further diversification of their products and services portfolio, ensuring that steady growth rates are maintained. He is also the Chairman of the Customs Department, the Saqr bin Mohammed Al Qasimi Foundation for Charity, and Falcon Technologies International (FTI). He holds a bachelor's in international public relations from Boston.

INTERVIEW



TBY talks to **Ramy Jallad**, Group CEO of the Ras Al Khaimah Economic Zone (RAKEZ), on the importance of eliminating red tape, offering investors the right package, and anticipating the right trends.

two steps AHEAD

What measures are being set up through RAKEZ to cut red tape for international investors?

We pride ourselves on customer focus and service, transparency, and the lack of red tape. Everything we do is customized for each customer. RAKEZ was established to be a regulator and improve the services of the previous entities we had, which were the RAK Free Trade Zone (RAK FTZ) and RAK Investment Authority (RAKIA). When we merged them under RAKEZ, one of our main objectives was to re-engineer all our processes to be customer-centric, remove bottlenecks and unnecessary transactional activities, and empower our frontline staff who deal with our clients so they can do away with red tape and make decisions on the spot. We also act as one team. It is not only RAKEZ that is eliminating red tape; the other government entities that are our stakeholders and partners follow the same philosophy.

How challenging is it to develop the Ras Al Khaimah brand in comparison to other Emirates?

Investing in a brand is a long-term strategy, and we have created a strong brand in a short period of time. Ras Al Khaimah has historically been a strong brand for industry and SMEs; however, now it is also known for its value proposition: customization and customer-centricity. At the end of the day, it is how we

deliver that brand. The Emirates all complement each other, and we are all focused on the type of industries we can attract, our enablers, and the services we can provide. Some choose to go to Abu Dhabi or Dubai for the amenities and livability of those Emirates. Others choose to go for heavy industry that requires more power demands, which are available in different areas. We know and attract investors and customers that fit within our capability and complement each other. It is not competition but offering the right package for the right investor. Today, investors look at the total package; they not only look at RAKEZ' fees, but also the standard of living.

What value proposition does RAKEZ offer?

We are moving toward clean energy and focus on industries that have a higher contribution in terms of manpower expenditure. The industry itself is shifting toward automation and robotics, and we offer a value proposition and services to these clusters. One of our main value propositions is the cost-effectiveness of running a business in Ras Al Khaimah, not to mention our high standard of living and seaports, airports, and highway network that are second to none.

How do you balance industrial development while increasing economic diversification?

Ras Al Khaimah has been

strong in the tourism industry and historically strong in logistics due to our ports. We are actually home to the largest bulk port in the Middle East. In addition, we have a great deal of industry that not many people know about. Many of the top manufacturers that supply construction materials are located here. We have over 600 manufacturers from small, medium, and large industries. As part of Vision 2030, we want to enhance the GDP contribution of manufacturing and other industrial sectors. It is our strength, and we should continue to have that strength because of the value proposition and services we give.

What role can Ras Al Khaimah play to move the GCC away from oil-based economies?

The great thing is that we were never truly reliant on the oil or carbon industry in the first place. We have always had to rely on being innovative and attracting a healthy balance between SMEs and industrialists. We are ready to adapt to the industry that we attract, as they are changing as well. We have to look at targeting different types of evolving industries. Everyone today is talking about Bitcoin and blockchain, for example; therefore, we have to understand the trends in the market and be ready for them two or three years in advance. ✖

BIO

As CEO of RAKEZ, Ramy Jallad's role is to develop and drive strategic growth to create a thriving commercial and industrial business hub that attracts and welcomes investors from all around the world. With over 25 years of professional experience, he has developed and led various commercial and industrial free zones, business parks, and mixed-use real estate developments. Previously, Jallad held various key leadership positions in both government and private enterprises, including: Vice President of Free Zone & Properties for the Abu Dhabi Airports Company, Executive Director of Business Development at TECOM, and General Manager of Caltex Oil Company. Fluent in English and Arabic, he holds a BS in mechanical engineering.



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