

RAKIA The boom continues

By: Claire Quinn

The United Arab Emirates (UAE) is a constitutional federation of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Qaiwain, Ras Al Khaimah and Fujairah, and was formally established in 1971. The Federation occupies an area of 83,600 sq km along the southeastern tip of the Arabian Peninsula. Qatar lies to the west, Saudi Arabia to the south and west, and Oman to the north and east. The capital, and largest city of the federation, Abu Dhabi, is located in the emirate of the same name.

Before 1971, the UAE was known as the Trucial States or Trucial Oman, in reference to a 19th century truce between the United Kingdom and several Arab Sheikhs. The more colourful 'Pirate Coast' was also used in reference to the area's emirates from the 18th to the early 20th century. Today the region's political system is based on the 1971 Constitution, composed of several intricately connected governing bodies. Islam is the official religion, and Arabic the official language.

Geographically, four-fifths of the UAE is desert, yet it is a country of contrasting landscapes, from awe-inspiring dunes to rich oases, precipitous rocky mountains to fertile plains. Because of this and its rich, exotic culture the area has become one of the world's fastest growing tourist destinations. Now popular with travellers from all corners of the globe, many of the Emirate states offer a heady mix of stunning beaches, world-class sports facilities and unbeatable shopping, with breathtakingly sumptuous hotels and restaurants.

The region is also known for its natural energy production. The UAE has the seventh largest proven oil reserves in the world, at 97.8 billion barrels as of January 2009, according to the Oil and Gas Journal. In addition, the area has the sixth largest natural gas reserves in the world at 214 trillion cubic feet. The emirate of Abu Dhabi is the focal point of the UAE's oil and gas

industry, followed by Dubai, Sharjah, and Ras Al Khaimah. While Abu Dhabi is the hydrocarbon and industrial centre of the UAE. Dubai has traditionally been the focal point for trading, finance, and tourism. As a result of a successful effort at economic diversification, the finance and service sectors in Dubai are making the city a favoured base for multinational corporations in the Gulf. However, within the UEA, one state is fast becoming a magnet for foreign investment, thanks to its simplified processes and the attractive conditions available to those looking inwards.

The emirate of Ras Al Khaimah (RAK) lies within the northernmost part of the UAE, nestled between the Hajar mountain range on the east and the Gulf on the west; its name in Arabic literally means "top of the tent". This lesser known emirate is endowed with a diverse landscape - miles of silver sand coastline in the west, the desert plains bound by the Hajar mountains in the east and a green belt in the south with flourishing date palms and vegetable gardens. Modern highways and strong transport links with the other emirates have fostered a renewed drive for development over the past few years and RAK is now setting its sights on becoming a premier investment destination, capitalising on its potential in the realms of real estate, industry and tourism.

This renewed drive to create business and increase the flow of trade echoes the areas rich history dating back to the Bronze Age. Due to its location, Ras Al Khaimah is one of the few places in the world continuously settled for over 7,000 years and its unique position also meant the area became a furtively trafficked maritime crossroads. Historical records lend weight to the region's trading lineage, showing traces of inhabitants from RAK as far afield as Bombay, China and Zanzibar as early as the 10th Century. RAK prospered for centuries as a crossroads of trade routes linking Europe with India and China.

Today, these traditions of cultural exchange, commerce and business are alive and well and can be felt in the warm hospitality shown to visitors. A 21st Century RAK offers innovative business reforms, promoting trade and investment opportunities, while tourists can expect to find captivating mountains, set side by side with luxurious resorts, unspoilt beaches and desert spas.

In 2003, HH Sheikh Saud assumed the title of Crown Prince and Deputy Ruler. Since that time, he has fostered a diversified, open economy with transparent and stable institutions. Despite lacking the oil that is in such abundance in some of its UAE neighbours, the economy of Ras Al Khaimah has grown 200%. In contrast to this growth, the cost of living and carrying out business in RAK is markedly lower than other emirates and far less than the traditional business centres of New York, London or Mumbai. Not only can investors keep their overheads low, authorities in the region have a forward-thinking approach, providing unique benefits to investors through the Ras Al Khaimah Investment Authority (RAKIA) and the RAK Free Trade Zone (FTZ). Foreign business enjoys a 100% income and corporate tax exemption, streamlined and expeditious registration procedures, total foreign ownership, 100% capital and profit repatriation, efficient services, transparent legal framework and a network of promotion centres across UAE, Europe, Asia and the United States.

The Ras Al Khaimah Investment Authority specialises in accommodating manufacturing companies, while its Free Trade Zone caters to service-based and trading industries. At present, the Ras Al Khaimah FTZ is one of the fastest growing free trade zones in the region, registering 5,476 companies by the end of 2008, while RAKIA now has more than 2,800 companies in its portfolio, with growth continuing at a pace of one new company each day. *NEE*