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RAS AL KHAIMAH

Economy set for
healthy growth

RAKEZ draws global
manufacturers

Digitalisation

How is technology
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Paints & Coatings

Technological advances propel
market to reach \$212bn

Ras Al Khaimah's economy set for healthy growth

The latest growth estimates corroborate the economic resilience cycle in the UAE emirate and drive optimistic forecasts toward the ongoing recovery from the impact of the Covid-19 pandemic nationwide



Ras Al Khaimah (RAK) can look forward to a surging economy post-pandemic, with growth expected to return to around 2.5 per cent between 2021 and 2024, according to the assessment of credit rating agency S&P Global in its latest rating report for the emirate released recently.

Awarding the UAE emirate a rating of A-/Stable/A-2, S&P Global said that its forecast is predicated on the expectation that RAK's government will continue to maintain its prudent fiscal stance over the next two years, with its optimistic growth assessment supported by the relatively high levels of wealth generated by Ras Al Khaimah's diversified economy.

S&P Global also points to the success of local and federal initiatives in combating the pandemic as a factor for a positive economic outlook, highlighting those new cases of Covid-19 and related deaths have been low in the UAE compared to the rest of the region and globally.

"This is extremely good news for Ras Al Khaimah, with S&P Global's latest credit rating report injecting new confidence into the economy. The positive outlook is a result of fiscal prudence and also of the progressive measures we have taken over the years to diversify our economy. It can

also be attributed to the strong local and national efforts to address Covid-19, with the UAE having fully vaccinated about 85 per cent of its population so far," commented an official spokesperson from the Government of Ras Al Khaimah.

S&P Global estimated RAK's economic growth at 3 per cent in 2021, with the first half of the year showing a strong rebound from 2020, buoyed by real estate transactions, mining volumes, cargo trade, and tourist arrivals.

In the near term, the agency expects a broad-based recovery in RAK, supported by increased demand for RAK's mining sector as global demand picks up. They highlighted increased demand from Stevin Rock, one of the largest quarrying companies in the world, which is supplying rock to build artificial islands for Abu Dhabi National Oil Company's Al Hail and Al Ghasha gas projects, which produce gas from the Al Hail and Al Ghasha offshore concessions, as well as the contract the company signed in April 2021 to supply material for the construction of Etihad Rail's, the developer of the UAE's National Rail Network, rail network from RAK to Abu Dhabi.

S&P Global also pointed to Ras Al Khaimah's position in the federation

as an inherent strength underpinning stability. The agency said that its rating assessment takes into account the government's low revenue base supported by UAE federal expenditure within the emirate, stating that the advantages of UAE membership include low external risks and the likelihood that the UAE would provide support to RAK if needed.

BUSINESS LICENSES UP 36PC

Meanwhile, continuing its growth streak, business licenses issued in the northern emirate of Ras Al Khaimah increased 36 per cent YoY to 1,749 in 2021, according to a report issued by the Department of Economic Development of Ras Al-Khaimah.

Commercial sector licenses increased by 921, accounting for 53 per cent of the total issued licenses, an annual growth of 30 per cent compared to 2020, followed by industrial and professional licenses at annual growth rates of about 47 per cent and 46 per cent, respectively, reported Wam.

The report corroborates the economic resilience cycle in the emirate and drives optimistic forecasts toward the ongoing recovery from the impact of the Covid-19 pandemic nationwide. ■



RAK Ports: a key driver in the economic growth of the emirate

Well positioned as breakbulk gateway

A new land reclamation area, currently under construction at RAK Ports, one of the world's largest and most efficient bulk ports, will create additional breakbulk and general cargo facilities

RAK Ports now handles over 75 million tonnes of cargo annually. An expansion in 2019 added two deep water Capesize berths at Saqr Port, increasing overall annual capacity to 95 million tonnes and placing it amongst the largest dry bulk ports in the world.

Located close to one of the world's most frequented shipping routes and with drafts alongside of up to 18 metres, Saqr Port/Freezone is no stranger to size when it comes to breakbulk. Recent load-out projects have demonstrated the phenomenal capacity and professional capabilities available at the Port.

For continued growth, a new land reclamation area is currently under construction to extend the current Freezone, and three million tonnes of recycled material from local quarries have already been used in the project. Phase one of the project will include a dedicated general cargo and breakbulk terminal, catering to the region's needs as the transition from oil and gas to more sustainable and diversified economies continues to gather speed.

With recent infrastructure investments totalling more than \$250 million, RAK Ports is a first-class business partner for local, regional, and international companies operating in the construction, manufacturing, and industrial sectors. The ports group provides essential services including cargo handling, free zone land lease, ship repair, warehousing, marine and anchorage, cruise tourism and industrial training. ■

RAK Ports is today one of the world's largest and most advanced bulk ports and can handle a phenomenal 11,000 tonnes of dry bulk an hour across deep-water berths capable of handling the world's largest vessels.

Recent infrastructure investments of \$250 million and the latest German heavy-lift technology, including 22 mobile harbour cranes each with a capacity of up to 200 tonnes, has created an optimal environment at Saqr Port/Freezone for the efficient handling of oversized, breakbulk and project cargoes. Add to this ample laydown space, a skilled workforce, and excellent landside connectivity with modern highways connecting Ras Al Khaimah with the rest of the Emirates, Saudi Arabia, and Oman, and it is no wonder that RAK Ports is being hailed as the new breakbulk gateway to the Gulf.

"At RAK Ports we continue to diversify our capabilities beyond our traditional role as the gateway source of much of the construction material fuelling the economic diversification of the Middle East. Our focus today at the exhibition on breakbulk, simply underscores the critical role that RAK Ports plays in the region's industrial supply chains and as a key driver in the economic growth of the emirate," Roger Clasquin, RAK Ports Chief Executive Officer, said at Breakbulk Middle East 2022, held last month.

RAK Ports operates at 4 hubs across Ras Al Khaimah, including Saqr Port, the biggest bulk handling port in the region, and RAK Maritime City, the only free zone in the region to have direct quayside access.

According to Breakbulk Middle East, imports and exports through Saqr Port have doubled in the past five years, and



RAKEZ draws global manufacturers

Amidst tough times and aggressive competition, Ras Al Khaimah Economic Zone (RAKEZ), one of the largest free zones in the emirates, has emerged as a big draw for global manufacturers, finds PUMMY KAUL

At a time when economic uncertainty persists across the world and as most free zones strive towards creating a favourable climate for new investors with attractive packages, Ras Al Khaimah Economic Zone (RAKEZ), one of the largest free zones in the emirates, has managed to emerge as a big draw for global investors.

The business and industrial hub in the northern emirate said it has reported an impressive increase in the number of new company registrations and business ex-

pansion amidst the pandemic.

RAKEZ has witnessed a 15.38 per cent increase in the number of active companies between 2017 and 2021, rising from 13,000 in 2017 to 15,000 in 2021. In 2020 alone, the zone attracted more than 3,500 new companies operating in various business segments, according to a top official at RAKEZ.

"We have been managing to outperform ourselves year after year, especially in the last three years, in terms of growth in leads, sales, client retention, service

delivery and many other areas," RAKEZ Group CEO Ramy Jallad told the *Gulf Industry* in an exclusive interview.

The industrial hub currently hosts 15,000 companies from more than 100 countries and operating in over 50 sectors. The authority's primary source markets for investments are: India, the UAE, the UK, Pakistan and France while the top five sectors which find the most takers are the commercial sector; followed by the services sector; general trading, the media; and the industrial sector.

"We are happy with the growth and progressions we have been seeing in our zone and we are excited for more opportunities ahead," Jallad added.

STRATEGIC LOCATION

What makes RAKEZ one of the most opted free zones for business setup, is perhaps its strategic location, particularly for manufacturing operations.

Its strategic location at the centre of fast-emerging markets and supported by major land, sea and air logistical hubs, ensures easy export and import activity for the companies associated with RAKEZ.

Situated at the crossroads of fast grow-

ing markets, RAKEZ is supported by five seaports including Ras Al Khaimah's Saqr Port, which is the largest bulk commodity port in the Middle East; international airports and multi-lane superhighways connecting to neighbouring emirates and countries.



Jallad: excited for more opportunities

The recent expansion of Saqr Port (free zone), has also benefitted the Ras Al Khaimah-based manufacturers and traders who are using the opportunity to strengthen their presence in the Middle East and North Africa (Mena) region.

However, most importantly, other than location, incentives and services, RAKEZ's USP is that it is very cost-effective, an industry analyst observed.

"When it comes to the key incentives of setting up business in RAK, no other economic zone in the region can match the cost-effectiveness that RAKEZ offers," he added.

MANUFACTURING BOOST

All though RAKEZ caters to almost all business types, it is believed to be the most ideal for businesses involved in manufacturing activities. This is because it is one of the few free zones in the UAE that offers customisable warehouses and plots of industrial lands for development.

In the year 2021, for instance, the zone has made major gains, particularly, in the manufacturing sector. The free zone has lured a large number of high profile manufacturing companies in the last 12 months, underscoring the Ras Al Khaimah Industrial strategy 2030 that aims to boost the manufacturing sector's contribution to its GDP by 2030.

Currently, manufacturing in Ras Al Khaimah contributes to 26 per cent of the UAE's GDP. In fact, manufacturing sector exports grew 58 per cent in 2019 with 137

countries importing products from Ras Al Khaimah, according to Jallad.

"Our industrial zones contributed 87.7 per cent of the total exports in the emirate in 2019. Industrial exports in Ras Al Khaimah have a great role in maintaining the economic stability," he added.

Some of the prominent manufacturing businesses that have joined RAKEZ in the last year are: Caresoft Global, a global company specialising in automotive benchmarking and engineering solutions; Polar Manufacturing, one of the leading advanced engineering and carbon fibre manufacturers; RAD International Road Construction, a prominent road construction player; Embosal Steel Mills, a conglomerate family business established in the 1980s in UAE; and Austrian SAN Group, the group has chosen RAKEZ as the platform for its green hydrogen and farming subsidiary SAN Enertech.

INVITING INCENTIVES

To attract the biggies, the authority has taken various initiatives to boost its manufacturing. "Our industrial zones underwent major improvements with construction of more warehouses and staff and labour accommodations," said Jallad.

RAKEZ has also launched 'Lease More, Pay Less' which is its latest offer on warehouses that lets investors enjoy lower rates, the more space they lease. These warehouses are ideal for storage, logistics, assembly, fabrication and light manufacturing, he added.

Going forward, RAKEZ is planning to develop and establish more facilities like

labour and staff accommodations as well as warehouses to meet the great demand of investors.

Additionally, RAKEZ also supports SME investors start their ventures in the UAE by offering comprehensive SME solutions at a cost effective rates.

"We recently relaunched the SME package which now comes with a free residence visa from only AED, 11,200, along with a range of exclusive benefits, a selection of workspaces and up to 40 per cent discount guaranteed for life," said Jallad.

It has also launched RAKEZ Compass Coworking Centre, a vibrant community hotspot in the emirate. The centre welcomes SMEs, entrepreneurs, start-ups, students and freelancers aiming to switch up the way they work.

Among several initiatives to support the business community, RAKEZ is planning to develop and establish more facilities like labour and staff accommodations as well as warehouses to meet the great demand of investors.

RAKEZ is also planning to launch customised packages for investors serving different sectors to cater to their unique needs and more partnerships with third-party entities to support clients with their businesses, and more participations in roadshows and exhibitions to attract new investors.

Some other remarkable initiatives launched by the zone in the past include the Dual license structure- which allows investors to operate in both free zone and mainland jurisdictions, without the need

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A warehouse alley at the freezone



A business centre in the hub

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to have an additional facility in the main-land.

The new structure has been launched by the economic zone in collaboration with Ras Al Khaimah Department of Economic Development (RAK DED).

In order to become more accessible to its clients than ever, RAKEZ launched RAKEZ Portal 360, where clients can

submit service requests and applications 24/7.

In fact, the business hub has gone full-on digital on its set-up processes, allowing investors to apply with no physical presence and original documents required. It has also launched RAKEZ Mobile App - packed with wide-ranging features that allow clients to submit and track renewal requests; top-up their e-wallet; browse

service catalogue; receive important updates; book an appointment with a RAKEZ representative and many more. It also provides instant online support to individuals who have RAKEZ-related queries and clarifications.

To strengthen entrepreneurship in times of uncertainty, RAKEZ continued pushing the sectors such as e-commerce which saw a boom in 2020. In 2021 too, it offered the packages launched in 2020 such as: MyBusiness Package, which comes with free UAE visa and licence for a low cost; e-commerce set-up package, for investors who wish to capitalise on the booming online selling industry; and virtual education licence, to empower education professionals who wish to train and tutor remotely;

"These enabled us to continuously see a boom in many of our sectors," said Jallad.

Additionally, it also launched a new business set-up package called E-gaming that starts from AED 7,725, which is considered very cost-effective. ■

Manufacturing majors in RAKEZ

- Caresoft Global, a global company specialising in automotive benchmarking and engineering solutions related to product development, cost optimisation, and manufacturing process engineering. The company occupies a 7,300 sq m facility in Al Hamra Industrial Zone and is set to create 100 engineering job opportunities in Ras Al Khaimah. Established in 2007 and currently headquartered near Detroit, USA, Caresoft has built a presence in over 15 locations across North America, Europe, China, India, and Southeast Asia. The newly launched facility in RAKEZ is an expansion move to effectively cater to the increasing demand for reverse engineering solutions in the Middle East and North Africa (Mena) markets.

- Polar Manufacturing, one of the leading advanced engineering and carbon fibre manufacturers. Its new facility in RAKEZ will cater to the growing demand for carbon fibre and composite products in the UAE and Mena.

Established in 2011 in Norfolk, UK, the company's Ras Al Khaimah base occupies a 3,600 sq m land with a built-up area of 1,364 sq m where it is set to

design and manufacture carbon fibre products for blue-chip brands in various fields, such as automotive, aerospace, sport and leisure, agriculture, defense, marine, medical, transport, also including high-end bespoke commissions.

- RAD International Road Construction, a prominent road construction player. The branch company was established in RAKEZ under the name of RAD Asphalt, with an approximate investment of AED 10 million.

With more than 18 years of experience in the UAE's road construction industry, RAD International Road Construction LLC has established a strong local presence by catering to various projects within the country.

RAD's new facility in RAKEZ spreads over 10,000 sq m of land, and hosts more than 200 workers. The facility will be RAD's production base for materials necessary for the implementation of road construction services.

- Embosal Steel Mills, a conglomerate family business established in the 1980s in UAE, specialising in manufacturing of structural steel pipes and tubes, wa-

ter transmission pipes and piling pipes. Embosal Steel Mills will soon be joined by three of its sister companies in its new 140,000 sq m land plot at RAKEZ. The project will have a total investment of AED 250 million, and a workforce of over 450 employees, with a combined annual capacity of 1.5 million metric tonnes of steel tubes and pipes.

All products will be distributed to local projects within UAE and overseas.

- Austrian SAN Group, the group has chosen RAKEZ as the platform for its green hydrogen and farming subsidiary SAN Enertech.

The company will construct a fully integrated sustainable hydrogen production unit, plant, and fish farming on a land plot of 8,470 sq m in RAKEZ Al Hamra Industrial Zone with an investment of AED 12 million.

This biotech facility will consist of a research centre, laboratory, desalination plant, green house as well as hydroponic and aquaponic indoor systems. It will generate energy through solar power systems that serves as the source of electricity for all the buildings in the premises. ■