

Ras Al Khaimah

The growth of an emirate

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The rise of Ras Al Khaimah

Located near the northernmost point of the United Arab Emirates and sharing an international border with the Sultanate of Oman, Ras Al Khaimah (RAK) is the fourth-largest emirate in the UAE. With a total population of approximately 400,000, RAK boasts a diverse economy in which no single sector contributes more than 30% to the overall GDP. Perhaps best known as a tourism hub, the emirate is home to spacious beaches, the Hajar Mountains, economic stability and a sustainable vision for the future. Over the last few years, RAK has inaugurated major developments, attracted fresh investment, fine-tuned its policies and procedures for the establishment of new businesses, and attracted growth across multiple sectors. The emirate has continued to stun the Gulf with a series of exciting project announcements, including the upcoming launch of Wynn Al Marjan Island development – the first-ever beachfront project in its global portfolio which will introduce gaming into the region. In Q2 2022, Abu Dhabi's largest developer, Aldar Properties, acquired a number of assets in RAK, expanding its investments outside of its home emirate significantly. These include Rixos Bab Al Bahr, DoubleTree by Hilton Resort & Spa Marjan Island, and the purchase of Al Hamra Mall as part of a \$116m deal. Aldar also acquired a beachfront plot on Al Marjan Island by Marjan to develop a residential community, which will be the first of its kind in the emirate. To facilitate further growth in its hospitality sector, RAK has joined forces with Turkey-headquartered Corendon Airlines to deliver seven direct weekly flights to RAK International Airport from multiple German cities. Supplemented by additional partnerships with IndiGo, Air Arabia and Gulf Air, this strategy is expected to increase international travel to the destination considerably. This report will delve deeper into the recent growth of RAK, showcasing key insights and future trends in the emirate, not only for those who enjoy staycations and outdoor offerings but also for business owners, investors, tourists and job seekers. We have spoken to six key local decision-makers to gauge their insights into how RAK's economy is likely to develop and grow during the coming years.

**"A collaborative
approach allows things
to happen quickly"**



Alison Grinnell
CEO RAK Hospitality

Hospitality Growth

With a host of archaeological sites, sand dunes, beaches, and the Hajar mountains, RAK is home to countless hiking trails, diverse wildlife and compelling views that ideally complement its hospitality sector. As was the case for most global destinations, Q1 2020 was a turbulent period for the emirate's hospitality market due to Covid-19. Fortunately, the UAE's response was world-class. RAK's leaders worked closely with public and private stakeholders to implement a successful strategy that catalysed the emirate's post-pandemic recovery, driving growth across multiple sectors. Despite comprehensive safety restrictions, businesses were able to continue operations with minimum disruption, resulting in an increase in domestic tourism from 39% in 2019 to 52% in 2020, according to the Ras Al Khaimah Tourism Development Authority (RAKTDA) official statistics. This approach facilitated the resumption of business within the hospitality sector following lockdown. Alison Grinnell, CEO of RAK Hospitality, observed that leaders in the emirate also used this period as an opportunity to focus on investments in hotels, real estate developments and aviation in a bid to improve their asset offerings. The concept of the 'staycation' became an important element of RAK's portfolio as hotels marketed short-stay getaways for people across the UAE who were unable to leave the country, allowing many residents and tourists to rediscover the destination. Abdulla Al Abdouli, CEO of Marjan, notes that this segment will remain a key focus for RAK during the coming years and by diversifying the product offerings there is an opportunity to broaden the horizon of the emirate's lifestyle hotel market and cater to the growing segment of value-conscious travelers. As one of the emirate's master-developers, Marjan wants to stay at the forefront of shaping this trend and will continue to bring robust hospitality concepts that will appeal to a diverse set of audiences without compromising on quality. In recent years, RAK has strengthened its reputation as a world-leading seaside destination, attracting both tourism and investment from the UK, Europe and Asia. This trend highlights an alignment among visitors, investors and leaders on what RAK has to offer. The emirate's approach is likely to drive even greater volumes of inbound tourism and investment in RAK from an ever-expanding pool of international markets over the longer term. Grinnell also highlights that the collaborative mindset adopted by RAK's leaders – who continue to spearhead strategies for the emirate and actively participate in key entity boards – is having a positive impact on decision-making, allowing the market to progress quickly and efficiently. Hospitality has thrived thanks to this approach, delivering its own unique value proposition. In turn, RAK's tourism and hospitality portfolio looks set to grow further during the coming years, attracting more visitors from both local and international markets.

Real Estate Growth

The development of RAK's infrastructure is continuing apace, facilitated by projects such as Mövenpick Resort Al Marjan Island and InterContinental Ras Al Khaimah Resort and Spa, both of which were launched last year. Coupled with a new Abu Dhabi National Hotels-backed luxury resort and Danah Bay beachfront community by Dubai Investments both slated for Al Marjan Island by Marjan, these will also contribute in accommodating the resultant influx of visitors and residents to the emirate. With this in mind, we asked Mohammed Al Tair, COO of RAK Properties, whether an investment in infrastructure is more heavily focused on residential or commercial assets. Al Tair says that when strengthening infrastructure, RAK must prioritise its market needs. Over the last four years, the focus has been on growing the tourism sector, which includes hotels, retail, and villas. Currently, there is a healthy mix of commercial and retail projects in RAK, with plans to expand beachfront retail in the coming years to cater to increased demand. Al Tair notes that the new InterContinental generated profit from its opening month. This year, RAK Properties plans to open a 174-key Anantara resort and push ahead with Phase 2 of its Marbella Villas project, which is already 80% sold. These three developments alone are expected to generate AED1 billion in revenue for the emirate's economy.

"There is a need for specific developments in order to enhance RAKs offering"



Mohammed Al Tair
COO RAK Properties

RAK Properties' short-term focus is to accelerate the development of its Hayat Island lifestyle offering. Together with its partners, it plans to construct a wide range of units ranging from studios in residential buildings to beachside villas. These projects will enhance the breadth and liveability of the organisation's product offering. Local amenities, which include offices, shops, homes and beaches, are in close proximity to one another, and the fact that assets have been developed for convenience at an affordable price is serving to enhance RAK's appeal to visitors and investors alike. RAK Properties' Al Tair and Marjan's Al Abdouli report an abundance of investors showing interest in RAK real estate from the wider UAE, Saudi Arabia and other Gulf nations. However, the emirate is also working to attract more international investors to support long-term growth, which is why they

emphasise that organisations have a responsibility to focus on the infrastructure RAK will need to enhance its international visibility. From the interviews conducted by Cooper Fitch, it is evident that there is a demand for the support of assets such as schools, clinics, hospitals, business parks, offices, staff accommodation, and housing. Tapping into these areas of infrastructure, while considering the anticipated revenue and investor growth over the coming years, will enhance RAK's liveability and appeal to those thinking about relocating to or investing in the emirate.



Pictured (left to right)
Trefor Murphy Founder
and CEO of Cooper Fitch,
Mohammed Al Tair COO of
RAK Properties, Viacheslav
Shakhov Cooper Fitch
Managing Partner, and
James Boggan
Recruitment Consultant.

Operating a business in RAK

Ras Al Khaimah is known for its strong economic diversification policy. This approach has grown during recent years as new brands have launched ventures in the emirate, attracting yet more inbound investment. During the pandemic, organisations such as RAK International Corporate Centre (RAK ICC), RAK Properties and RAK Economic Zone (RAKEZ) and other key entities in RAK pushed ahead with digital transformation efforts to accommodate their clients' needs during an uncertain time. RAK Properties' enhanced online accessibility, for instance, contributed to an increased occupancy rate of 95% in 2020 when in the UAE and globally others struggled. As an organisation that has always embraced innovation, even before the pandemic, RAKEZ's existing suite of digital tools served to engage its audience, helping stakeholders to adapt quickly to changes brought on by Covid-19. Operating a business during this period was challenging but, due to strategies implemented and a proactive approach from organisations across the emirate, it was a lot easier and more efficient than it may otherwise have been. RAKEZ continues to support the emirate's growth through the provision of an attractive investment environment and a wide range of fit-for-purpose facilities, such as co-working spaces, offices, warehouses and land plots plus a quick and easy business set-up process and visa facilitations. RAK ICC and RAKEZ are working closely with their partners to assist with business set-up in the emirate. This has been aided by the UAE's world-class offshore registry, which has enabled RAK to create a global structuring centre. With the option to operate under English Common Law, as well as world-class compliance and procedures, the emirate continues to strengthen its reputation on the global stage. Ramy Jallad, Group CEO of RAKEZ highlights that there

"It is important to note that a ⅓ of the GDP in RAK is attributed to the manufacturing sector"



Ramy Jallad
Group CEO of
RAKEZ

is an element of ease when conducting business in RAK, which has simplified its business set-up process by implementing globally recognised corporate governance standards, offering investors quick turnaround times and accessible digital services. RAKEZ is home to more than 770 industrial companies across various sectors, including food manufacturing, pharmaceuticals, automotive parts, machinery, building systems and many others. As a gateway to such an expansive regional supply chain, it has grown to become an attractive location for new ventures. Jallad notes that pursuing business operations in RAK is quite simple for investors due to the support from both the emirate and organisations such as RAKEZ who deliver the right support during the initial phases of business setup. It has achieved this by identifying properties for long-term tenures, supporting stakeholders in navigating the market, connecting with suppliers, facilitating partnerships, and providing residency visas to new employees and their families. RAK already has a healthy pool of skilled and semi-skilled talent from across the globe. To build on this foundation, RAKEZ Academic Zone is working with government and industry partners to increase graduate employability, offering niche specialisms such as construction management, investment analysis, and technology, as well as soft skills. Jallad notes that talent management among RAK-based companies could be improved through a greater number of data-focused professionals, as analysis remains vital for all business functions. This expertise would help business owners learn how their companies are performing, study customer journeys and understand new market demands as they arise.

Growth sectors

RAK is well known for its four ports, which handle extraordinary volumes of cargo. Earlier this year, it was announced that a new area of land would be developed, extending Saqr Port / Free Zone to accommodate continued growth. The emirate has also continued to invest in new segments to keep pace with demand related to changes in lifestyle and market needs. One example includes the launch of food delivery services and supplementary kitchens. The energy sector is another area in which the emirate expects to witness growth, according to Dr Sameer Al Ansari, CEO of RAK ICC. This is corroborated by the release of the RAK Energy Efficiency and Renewable Energy Strategy 2040, a long-term initiative that is targeting electricity savings of 30%, water savings of 20%, and a 20% contribution of renewables to the generation mix by the end of the stated period. Efforts are already well underway across the emirate. RAK is also home to a thriving manufacturing and industrial sector, which accounts for approximately one-quarter of the emirate's GDP as well as a significant proportion of its global exports. As one of the fastest-growing economic zones in the Middle East, RAKEZ has attracted significant inbound investment in recent years. Nevertheless, SMEs are the backbone of the economy and play a vital role in economic diversification, which is why RAKEZ offers cost-effective packages to support small businesses. Aspiring entrepreneurs can join its vibrant ecosystem for minimal investment, gaining access to a platform that enables them to connect and collaborate. The release of the UAE's Golden Visas, remote work visas and freelance visas, meanwhile, has simultaneously enhanced opportunities for a new community of professionals to thrive in RAK.

The role of ESG

"Sustainability isn't just a good play it is the right thing to do"



Raki Phillips
CEO of RAKTDA

Even before last year's launch of the RAK Energy Efficiency and Renewable Energy Strategy 2040, sustainability represented a key component of RAK's long-term economic vision. This is reflected by the initiatives that companies have implemented as part of the emirate's environmental, social and governance (ESG) framework, which is designed to account for a broad range of stakeholders with focuses on sustainable economic returns, eco-friendly practices, and transparency. Sustainability was a core focus in

RAK as far back as 2005, when RAK Properties committed to ensuring its infrastructure developments were completed with sustainable considerations in mind. Al Tair says the firm decided it was best to invest in the hospitality sector first since, over the long term, it would represent a lucrative source of sustainable income for the emirate. Man-made Al Marjan Island by Marjan is another development that has prioritised sustainability, with studies of its water quality, water flow, and the shape of the island itself, plus the successful preservation of marine life that existed prior to its construction thanks to the active participation and support of visitors. As part of the emirate's Energy Efficiency Committee, RAKEZ has played an important role in establishing, implementing, and monitoring the 2040 strategy. The organisation is working closely with RAK Municipality to conduct sustainable retrofits across its facilities and factories. RAKTDA has also adopted an active role in supporting sustainability within the emirate, participating in initiatives designed to reduce waste, remove plastic bottles, cut the amount of food wastage and ensure a high level of paperless transactions. In terms of sustainable tourism, RAKTDA's Phillips explains that sustainability far more than being a "good play", is the right thing to do. He notes that this approach should not only extend to infrastructural developments but also to the alignment of organisations' values across RAK. Preserving nature by investing in local ecosystems, enhancing their longevity and public benefits, can contribute to sustainable initiatives as well. This may include the improvement of roads, better signage for mountain trails, investing in the upkeep of biking and walking trails, and ensuring that tourist hubs are future-proofed for residents and visitors alike. Greenlighting projects capable of growing in parallel with the emirate's ecosystems is also important when looking at sustainability. It's not just about pursuing sustainable infrastructure development but also transparency across RAK's legal and compliance frameworks. RAK ICC's Dr Al Ansari notes that the emirate puts great emphasis on prudent compliance practices, including 'know your customer' (KYC) activities, giving further confidence to investors.

"The emirate puts great emphasis on prudent compliance practices including KYC"



Dr Sameer Al Ansari
CEO of RAK ICC

Talent considerations

Talent acquisition is an important part of organisational agendas in RAK, with the attraction of world-class skills and expertise playing a central role. Lifestyle is crucial to prospective residents, and RAK is able to complement the other emirates and offer a unique value proposition in the UAE. Affordable housing, areas of natural beauty and its proximity to Dubai make RAK an attractive proposition. The emirate is looking to broaden its appeal with enhanced offerings for both individuals and families, making it a genuine alternative for those considering relocation to the UAE. RAK is working on further improving infrastructure, developing schools, housing and other amenities to keep pace with growing demand. The UAE's expanded range of visa schemes is also convincing fresh talent to move to the emirate. In terms of recruitment within RAK's hospitality sector, Grinnell says decision-makers are now focusing on quality as opposed to quantity, with renewed investment in cross-training staff, high-quality worker accommodation and competitive salaries. RAK is also looking to undertake recruitment drives across an array of source markets to accommodate the diverse range of nationalities visiting the emirate. At the same time, there has been a significant uptick in the recruitment of financial and data analysts, customer experience and relationship managers, and insight leads, especially within RAKEZ. Both Jallad and Grinnell note that it has been necessary to adjust competencies and reskill employees to retain talent and facilitate professional development across all levels of business. As RAK's hospitality infrastructure grows, so too will the demand for talent, opening up multiple opportunities to those interested in relocating to the emirate. RAK has adopted a forward-thinking, long-term approach in this regard, which is designed to attract content creators, freelancers and eSports professionals from Generation Z. Local hotels and meetings, incentives, conferences and exhibitions (MICE) venues, meanwhile, are offering spaces tailored for large-scale events such as eSports tournaments and weddings, demand for which is anticipated to grow significantly during the coming years. As RAK continues to diversify its portfolio, it will require asset-management expertise in the form of applicants with experience in handling sizeable real assets. Similarly, greater numbers of compliance and risk management professionals will be needed.

Phillips notes that employees with backgrounds in foreign direct investment (FDI), industrial zones, health, safety and environment (HSE), infrastructure and engineering will also be in greater demand over the medium and long term.

It is evident from the conversations we have had, as well as the movement of new businesses and sector expansion in the emirate, that RAK is on course to achieve exponential growth across multiple industries. It is refreshing to see a collaboration between leadership teams and genuine alignment surrounding the vision for the emirate. RAK's sustainability strategy represents a blueprint for the wider region, demonstrating how ecosystems can be preserved without compromising economic prosperity, as well as how working in alignment can drive positive change. HR considerations suggest skills will be needed across a broad range of functional expertise as the emirate continues to grow. Individuals experienced in managing large-scale events, assets, policies and procedures will also be required. As infrastructure evolves and additional schools, hospitals and workspaces come online, the livability of the emirate will be enhanced, encouraging those who wish to live and work in a rapidly developing area to relocate. Moreover, simplified visa procedures will facilitate individuals looking to conduct freelance work or specialise in content creation and media. There is also a concerted effort to secure investment from multiple geographies, not just the Gulf. As RAK grows, we expect greater levels of FDI from the UK, Europe and Asia, boosting growth within multiple sectors such as hospitality, real estate, industrial, e-commerce and others. At the same time, those considering establishing a business in the emirate will be attracted by the streamlined and cost-effective options available to them. In summary, RAK appears to have a robust growth strategy that will benefit multiple sectors and, thanks to the collaborative approach of its public and private sectors, we expect confidence in the emirate to continue to grow.

"There is an opportunity to broaden the horizon of the Emirate's lifestyle hotel market and cater to the growing segment of value-conscious travelers"



Abdulla Al Abdouli
CEO of Marjan

ABOUT COOPER FITCH

Established in 1997, Cooper Fitch provides recruitment, executive search, HR advisory and RPO services throughout the GCC. Our team supports clients across the Gulf, Europe with all talent-related matters. Cooper Fitch is also a proud member of the Talent Club group of companies, with 37 offices across three continents. We hope you find our latest RAK report insightful. If you have any questions about the contents of this report, or would like to learn more about our offering, please feel free to contact Emily Bates from the Cooper Fitch CEO's office by writing to ebates@cooperfitch.ae.

RESEARCH METHODOLOGY

The Growth of an Emirate reviews key topics concerning Ras Al Khaimah, including its economy, ESG activities, business regulations and HR considerations. Cooper Fitch conducted six interviews with key leaders in RAK to compile this report. Interviewees included Alison Grinnell, CEO of RAK Hospitality; Mohammed Al Tair, COO of RAK Properties; Raki Phillips, CEO of Ras Al Khaimah Tourism Development Authority; Ramy Jallad, CEO of RAK Economic Zone; Abdulla Al Abdouli, CEO of Marjan; and Dr Sameer Al Ansari, CEO of RAK International Corporate Centre. Data included is based on our contributors' insights as well as publicly available information. All interviews were conducted by CEO and Founder of Cooper Fitch, Trefor Murphy; Managing Partner Slav Shakhov; Principal Consultant Kilian Murphy; Recruitment Consultant James Boggan; and Emily Bates of the Cooper Fitch CEO's office. We are immensely grateful to our contributors for their valuable time and insights.



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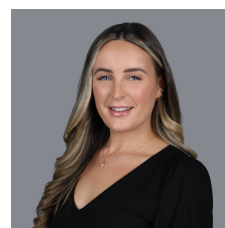
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