



Photo of Saker Falcon: International Wildlife Consultants (UK) Ltd

UNITED ARAB EMIRATES

A leading global oil producer, the United Arab Emirates has used its wealth to become the most competitive and fastest growing economy in the Arab world

It is now almost half a century since the defining event in the modern history of the area that is now the United Arab Emirates. That was, of course, the discovery of oil beneath the coastal waters of Abu Dhabi by the British in 1958. Two years later, oil was found onshore, and in 1962 the first exports of crude brought the trickle of what was to become a flood of revenue.

Over the decades, oil has brought untold wealth and transformed a society that had remained more or less unchanged for centuries. The British protectorate came to an end in 1971, and it was in the same year that the six sheikhdoms – Abu Dhabi, Dubai, Sharjah, Umm al-Qaiwain, Ajman and Fujairah – formed the UAE, which formally became independent in December. In February 1972, they were joined by the seventh emirate, Ras Al Khaimah.

The dynamic force behind the subsequent political, economic and social development of the country was Sheikh Zayed Al Nahayan of Abu Dhabi, who initially inspired the establishment of the federation, and became its first president. His long rule, ending with his death in 2004, saw the country's oil wealth channelled into nation-building, transforming the UAE into a modern state. Sparsely populated desert kingdoms inhabited by nomads, herdsmen, fishermen and pearl divers have become world-class cities bristling with skyscrapers, banks, luxury hotels and shopping malls. Where once there was

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nothing but sand and scrub, now there are wide tree-lined boulevards, lush gardens and pristine golf courses. The population has swollen to an estimated 4.4 million, 80 per cent of whom are expatriate workers.

It is petroleum, of course, that has fuelled this remarkable transformation. The UAE possesses the fifth largest oil reserves in the world, and the fourth largest reserves of natural gas. Production is around 2.8 million barrels of crude per day, and there are plans to raise it to 4 million bpd by 2010. However, it would be wrong to assume that the economy of the UAE rests entirely on a single, ultimately unsustainable, economic resource, vulnerable to the vagaries of the international market. Investment and diversification are today's guiding principles, and have launched a new era of development.

Sheikha Lubna Al Qasimi, Minister of Economy, sums up the choice that had to be made. "This is a small nation and it has wealth of oil," she says. "We could either sit on our oil wealth and become a social welfare society, or we could expand our economic base by attracting foreign investors and creating opportunities for them, becoming a global player as well." Oil, she points out, does not create jobs, but the wealth from oil

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ABU DHABI/2 DUBAI/6 RAS AL-KHAIMAH/9 UMM AL-QAIWAIN & SHARJAH/12
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does. "By judicious use of our oil wealth we have developed an excellent physical infrastructure, a competent administration and an educated population. A lot has been done in terms of diversifying the economy in a number of sectors, including tourism, finance, manufacturing and the services sector in general."

Last year, UAE recorded a nominal – unadjusted for inflation – GDP growth rate of 23.4 per cent, with an overall nominal GDP of around £80 billion. The contribution of the non-oil sector was 62.5 per cent, driven principally by construction and tourism. The finance, manufacturing, transport, telecommunications, healthcare and education sectors are all expanding. There has been a marked increase in non-oil exports. The free trade zones are booming, and the country has a rapidly increasing role as a re-export and distribution centre. A report in April 2007 by the World Economic Forum ranked the UAE as the most competitive economy in the Arab world and the 29th most competitive globally.

In addition to reinvestment of petrodollars, a major factor in the development of the UAE in recent years has been the tremendous increase in the amount of foreign investment coming into the country. The UAE leads the Middle



SHEIKHA LUBNA AL QASIMI
Minister of Economy

East region in attracting FDI, ranking fifteenth in the world out of 144 economies in UNCTAD's FDI performance index. IMF figures in 2006 indicated an inflow of £6.3 billion compared with £4.5 billion in 2004. This investor interest is prompted by political stability, dramatic economic growth and the favourable business environment that the government has striven to create and continues to improve.



SAEED AL MANSOORI
Minister of Government Sector Development

The federal government has shown determination to raise its own game, through moves towards greater openness, effectiveness and efficiency. A recently unveiled government strategy plan calls for modernisation of the civil service and im-

provements in government services to bring them in line with international standards. Special emphasis will be placed on education, healthcare and judicial services. E-government programmes and coordination between federal and local authorities are to be strengthened.

Sultan Bin Saheed Al Mansoori, who heads the new Ministry of Government Sector Development, says that an evaluation has been carried out at every ministry. "We have looked at the services provided to the public according to their standards, their speed and the way they can combine with each other. We have also looked at the implementations of technology and how that can enhance the service process that we have." ●

abu Dhabi

ONE OF THE WORLD'S RICHEST CITIES PLANS ITS FUTURE



Opened in 2005, the Emirates Palace Hotel is the most expensive hotel ever built. Its many attractions include more than 200 fountains

The source of most of the UAE's oil wealth, Abu Dhabi is planning to develop its capital as a major world city

One of the most remarkable symbols of Abu Dhabi's wealth is the recently opened Emirates Palace. The most expensive hotel ever built, its construction cost some £1.5 billion. The interior is decorated with gold and marble and 1,000 crystal chandeliers. Twenty thousand roses are displayed in its rooms and public spaces every day. There is an archway clad in Italian stone that is larger than the Arc de Triomphe in Paris. The Grand Atrium, the largest of the hotel's 14 domes, is higher than the dome of St Peter's Basilica in Rome, and in the 600 acres of exotic park grounds more than 200 fountains play.

It is the kind of place you might expect to find in one of the richest cities in the world. However, you might not expect one of the world's richest cities to be located in the desert. Welcome to Abu Dhabi City, the capital of the emirate of Abu Dhabi, the federal seat of government of the UAE, and the country's oil centre.

Located on a T-shaped island jutting into the Arabian Gulf where, within living memory, there once stood a small settlement of reed and mud-brick huts occupied by pearl fishers, Abu Dhabi City has an estimated population of 1.8 million, the majority of them expatriate workers from countries like India, Pakistan, Egypt and the Philippines. Now mega development

plans are afoot to transform the city into a benchmark for 21st century world capitals.

The largest of the seven emirates, Abu Dhabi covers around 87 per cent of the land area of the UAE and sits on 94 per cent of the country's oil – about 10 per cent of global reserves. In addition, it plans to become one of the top exporters of natural gas, of which it has 5 per cent of the world's total. According to Moody's Investors Service, the emirate's nominal GDP per capita reached £30,900 last year, the third highest in the world.

Overflowing with petrodollars as a result of the high international price of oil, Abu Dhabi already has the world's largest state-owned investment fund to play with. The economy is expanding rapidly, and according to a recent report from the Abu Dhabi Chamber of Commerce and Industry, the emirate is set to attract a total of more than Dh1 trillion in local and foreign capital.

Less well-known than its neighbour Dubai, Abu Dhabi has big plans to raise its profile and become an internationally recognised destination for business and tourism. Billions of dollars worth of real estate projects are planned and construction activity in the emirate is predicted to overtake that in Dubai by the end of the decade.

Foreign direct investment will make a cru-

cial contribution to Abu Dhabi City's hugely ambitious urban development plans for the next 20 years. The recently unveiled masterplan – Plan Abu Dhabi 2030 – calls for estimated investment totalling £80 billion to transform the city into a major world capital in which 3 million people will live, work and enjoy their leisure.

The plan envisages two main complementary cores. The Central Business District will be the centre of finance and commerce and the main employment hub. Centred on Al Suwwah Island, it will unite into a single area the current commercial districts of Al Suwwah Island, Al Reem Island and Port Zayed, which is to be relocated. Ten or more bridges will knit Al Suwwah and Al Reem Islands into the fabric of the city. Local and federal government offices will be concentrated in a new Capital District, to be located on the mainland to the east of the city, focusing the functions and image of government on a single iconic precinct as in other great capital cities around the world.

These two core districts will be the major centres of office space. A smaller employment and residential area will be created in the Al Bateen Airport redevelopment zone in the Grand Mosque District, at the southeast side of Abu Dhabi Island, and the Lulu Island District will be

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A Dynamic Business Environment in the Thriving Capital of the UAE



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Investment totalling £80 billion is required to take Abu Dhabi into a new era

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the location for residential housing units, hotels, resorts, recreational facilities and parks.

Three major industrial districts are to be created. The new Khalifa Port and Industrial Zone will be the location for heavy industry relying on bulk materials imported from abroad, while hi-tech industries will surround the Abu Dhabi International Airport, which has already begun a multi-million dollar transformation (see page 4). Smaller service-based industries will be allocated to the Mussafah and Mafraq areas, with rail and highway links between all three areas.

‘Our future will not be held hostage to uncontrolled expansion’

The city’s transit network will include a high-speed rail line, originating at the Central Souq train station, connecting downtown to the Capital District, the airport, and ultimately Dubai. A freight rail line will link the new port, the airport, and Jebel Ali with the other GCC countries. There will be at least two high capacity metro lines, and a network of light rail, streetcars and buses that the planners say will ensure that no one ever has to walk more than five minutes to use public transport.

A network of grand processional boulevards are intended to express the scale and importance of the capital. The Capital Boulevard is seen as a particularly important component, linking the Presidential Palace and Emirates Palace to the new Capital District, possibly including seven high arches representing the seven Emirates of the UAE, and terminating at a main capital square.

A continuous framework of planted boulevards and byways will link the community parks and the three major City Parks, making it possible to move around under the shade of trees and reinforcing the vision of the city as a garden on the shores of the Gulf. Limits will be set to the growth for the city to preserve the ecology and prevent an unending, undifferentiated sprawl through the desert to Dubai.

The masterplan has been developed under the direction of Sheikh Khalifa bin Zayed Al Nahayan, who succeeded his father as President of the UAE and ruler of Abu Dhabi. It is seen as the fulfilment of the grand design envisaged by Sheikh Zayed, who was the country’s first president. “Abu Dhabi was built on the ambitions of the late Sheikh Zayed, this must be recognised and continued,” says Falah Mohammed Al Ahbabi, Associate Director, Urban Planning, Executive Affairs Authority.

He emphasises that the key to the development of the city will be measured expansion reflecting Abu Dhabi’s sustainable economy, rather than the explosion of growth witnessed in some other emerging economies. “Abu Dhabi needs to grow, and it will grow, but our future will not be held hostage to uncontrolled expansion,” he says. The development of the city will “respect, be scaled to and shaped by the natural environment of sensitive coastal and desert ecologies.” Land uses and building heights will be carefully monitored.

Planned developments for Yas Island, Saadiyat Island, Al Raha Beach, Al Mina, Al Suwwah and Al Reem Island are already in train. On Saadiyat Island, just off the coast, a £10.2 billion project is under way to turn the emirate into an internationally recognised cultural centre. Iconic architectural designs have been created for branches of both the Guggenheim and Louvre museums.

The Guggenheim Abu Dhabi, designed by internationally acclaimed architect Frank Gehry, will be larger than any existing Guggenheim worldwide. In addition to forming its own collection of modern and contemporary art, it will also exhibit masterworks from the Guggenheim Foundation’s global collections. The Abu Dhabi Louvre, a 260,000-square foot complex covered by an umbrella-like roof, designed by French architect Jean Nouvel, will display art from all eras and regions, including Islamic art. The emirate has also pulled off a multi-million dollar deal to borrow works from the Louvre in Paris and stage special exhibitions. The plans for Saadiyat Island also include a maritime museum and a performing arts centre.

Yas Island will become a top international leisure destination, with world-class motor sports racetrack, a Ferrari theme park, a water park, 984,000-square foot dedicated to shopping, golf courses, hotels, marinas, apartments and villas. The island has been announced as the venue for a Formula 1 race in 2009, to be called the Abu Dhabi Grand Prix. ●

Expanded airport will offer top-flight experience

Innovative architecture, the latest facilities and world-class services are promised in a showcase development of the gateway to the emirate

A multi-billion dollar programme is under way to transform Abu Dhabi International Airport into a top class facility that will cater for the emirate’s growth far into the future. The £3.4 billion expansion plan is designed to raise the airport’s annual passenger capacity to 20 million by 2010, allowing for phased growth to beyond 40 million per year. It includes two new terminals, a second runway, a state-of-the-art air traffic control tower and a free trade zone. Cargo facilities at the airport are being expanded to a capacity of 2.5 million tons per year.



KHALIFA AL MAZROUEI
Chairman of Abu Dhabi Airports Company

The improvements are being made to cope with an anticipated surge of between 12 and 15 million passengers by 2015, as the rapidly developing emirate attracts larger numbers of business travellers and tourists.

Abu Dhabi Airport has been experiencing an unprecedented increase in passenger traffic, and is on the way to reaching its current capacity of seven million per year. In the first quarter of this year, it registered an increase of 25 per cent to 1.575 million, compared to 1.255 million in the same period in 2006.

The first of the new terminals will be the airport’s third – the second was opened as recently as 2005. Due to be opened next

year, and dedicated exclusively to serving the UAE’s national carrier, Etihad Airways, it will have eight gates. Next year will also see the coming into operation of a second 4.1-kilometre all weather runway, capable of landing wide-bodied aircraft such as the Airbus 380, and a 110 metre high air traffic control tower able to handle up to 70 aircraft movements per hour.

Meanwhile work will start this year on construction of the airport’s flagship development, the huge new Midfield Terminal, an

architecturally impressive showpiece development, which is scheduled to open in 2010. The innovative modern design will reflect regional architectural features such as domes and arches, and include a check-in hall framed by a series of long span steel arches supporting a soaring roof.

It is a design that will enable a quick and seamless flow of passengers, facilitated by the latest technologies, such as e-gates with biometric scans, automated check-in facilities and internet booking, paperless processing, and self-service kiosks. Initially, the terminal will have 30 gates, later to be expanded to 80.

Overseeing the development programme is the Abu Dhabi Airports Company (ADAC) which took over the running of the airport



Innovative architecture is at the heart of Abu Dhabi International Airport’s expansion plan



Abu Dhabi International Airport will eventually be able to cater for 40 million passengers

'We need to deliver top notch services at the highest management level'

from the Department of Civil Aviation last year when it was given responsibility for operating, managing and maintaining airports in the emirate.

Khalifa Mohamed Al Mazrouei, ADAC's Chairman, says the growth and expansion of the airport at its current location, ideally located 18 miles outside Abu Dhabi Island, provides "the freedom to expand on an almost unlimited level. Future developments will grow towards the Bahrain highway and Dubai highway, which are also strategically located."

In order to maintain the level of service and ensure that there is no congestion, the new facilities have been designed to cater for 10 to 15 years expected growth, he adds. "In that way we can add future expansions without disrupting the operations of the airport."

ADAC is working closely with Etihad Airways, whose growth it aims to facilitate. Etihad is one of the fastest growing airlines in the world. Over the past year, it has added 15 wide-bodied aircraft to its fleet, as well as 10 new international destinations, including New York, Kuala Lumpur and Sydney. In the first six months of the year, Etihad carried more than 1.9

million passengers compared to 900,000 for the same period last year, an increase of 111 per cent.

Creation of ADAC is part of a wider government initiative aimed at improving services to support the emirate's long-term strategies for the economy in general and tourism in particular. A key element is the direct involvement of the private sector.

According to Mr Mazrouei, there are more than 100 areas of operation at the airport in which the private sector could be involved, ranging from air traffic control to catering. "We assess every activity and its cost, and if the private sector can do better than us, we outsource.

"We need to deliver top notch service at the highest management level, and this we must do either internally or through the support of certain private airport operators who have already a track record of strong service levels."

ADAC has signed up Changi Airports International as operations manager of the airport. The Singapore-based company has assumed management of operations in key areas, such as terminal and apron operations, airport emergency services, and customer services for an 18-month term, and is also advising on the planning of the Midfield Terminal.

The airport was recently named best hub in the Middle East and Africa by the Airports Council International, an organisation representing hundreds of airfield operators across the globe. "Our pursuit for improvement is relentless," says Mr Al Mazrouei.

"It starts with safety and security issues and goes all the way to the length of waiting time at baggage collection, how long an arriving passenger has to queue for a taxi, through to check-in times, immigration services, lounge, food and beverage and duty-free experiences." ●

Duty free shopping to be extended

Opportunities for duty free shopping at the Abu Dhabi Airport are being greatly increased to cater for the rise in the number of passengers passing through. The amount of space allocated to Abu Dhabi Duty Free (ADDF), the region's leading travel retailer by customer spend and second by turnover, is being extended with the opening of the new Terminal 3 and the launch of a new 48 hour duty free shopping concept.

Sales results for the first six months of this year show turnover is 33.26 per cent higher than the same period last year. "We expect to cross the £49 million mark in terms of turnover by the end of the year," says Niveen Ibrahim, the ADDF's General Manager.

At around £25, average spending per departing passenger is one of the highest in the industry. A new 500-square foot, 48-hour arrivals shop, a first in the region, will permit travellers to take advantage of their duty free allowance for up to two days after arriving in Abu Dhabi.

"We are proud to be the first in the region to be offering this service and convenience to passengers," says Mohammed Mounib, ADAC's Commercial Director. "One of the clear advantages of the shop is that if a passenger does not take advantage of their duty free allowance when initially coming through the airport, they will be able to do so for up to two days after arrival."

Free trade zone to open

Establishing a free zone is intended to turn the airport into a thriving business and cargo hub. Phase 1, which will extend over 75 million square feet, will come into operation in June next year.

The zone will offer world-class facilities and services, and a user friendly environment for a wide range of businesses including: aerospace and related activities, logistics and freight, electronics and electricals, engineering and building materials, technology and telecommunications, and oil and gas products.

Clusters of amenities will be close by and expansion and redevelopment of the existing cargo facilities will have been completed by the time the zone

becomes operational.

Companies establishing themselves in the zone will be able to take advantage of the airport's strategic geographical position on the crossroads between east and west. Investors will benefit from 100 per cent exemption from corporate tax, imports and export duties and personal income tax. Total foreign ownership is allowed, along with 100 per cent repatriation of capital and profits.

Khalifa Al Mazrouei, ADAC's Chairman says: "Developing a free zone is an important part of the development and expansion of Abu Dhabi International Airport. It will ensure that the airport will become a thriving cargo and business hub, as well as increasing non-aeronautical revenues."

dubai

BIG PLANS FOR THE FUTURE IN THE CITY OF SUPERLATIVES

Famous for its iconic architecture and booming real estate sector, the fastest growing city in the region has not yet run out of steam

The emirate that has most successfully captured international attention is Dubai – and it is easy to see why. When it comes to innovative and ambitious development projects, Dubai has demonstrated an extraordinary knack for grabbing the headlines.

The world's tallest and only 7-star hotel? That's the Burj Al Arab, soaring to a height of more than 1,000 feet. The world's tallest freestanding structure? That's the Burj Dubai, which will be the tallest building in the world

on completion in 2009. The largest airport will be Dubai World Central International, with an annual cargo capacity of 12 million tons and a passenger capacity of more than 120 million. The largest shopping space will be the Dubai Mall, also under construction, a shopping colossus larger than 50 international soccer pitches. The largest waterfront development will be Dubai Waterfront project, which extends over an area of 31 square miles.



Designed to resemble a billowing sail, the Burj Al Arab is the world's tallest hotel

And so the list goes on. Dubailand will be the world's largest theme park. The three islands of The Palm project will be the largest man-made islands – and be visible from the moon. Ski Dubai, where you can go skiing and tobogganing in the desert on real (manufactured) snow, is the world's largest indoor snow park.

All these massive projects – and more – are the result of a highly successful strategy for economic development by an emirate that knows it cannot depend on oil for its future prosperity and has chosen to reinvent itself as a hub for business and tourism. Over the past decade, the emirate has been highly successful in building world-class infrastructure and services.

Boosted by Dubai's pioneering decision to permit ownership of freehold property by citizens of other countries, the real estate and construction sectors have enjoyed a sustained boom. Estimates put the value of real estate under construction in the emirate last year at £22 billion, with an equal amount at the development stage.

The previously mentioned Burj Dubai will be the centrepiece of a 500-acre, £3.9 billion Downtown Dubai development that is intended to offer a dynamic urban lifestyle to rival that of New York and Los Angeles in the US, the Left Bank in Paris, and the harbour areas in Hong Kong and Sydney.

The gold-rush days may now be over, but rents and prices are still rising steadily, even though the frenetic buying has slowed. Last year real estate transactions reached a new high of £8.7 billion, an increase of 88 per cent on 2005, and the signs are that for the foreseeable future demand will exceed supply. Dubai's population is forecast to almost double to more than 2 million people by 2010, and to reach 4 million by 2017, creating a huge requirement for new accommodation.

The well-diversified economy continues to expand at a rapid rate. Nominal GDP growth last year was an impressive 23 per cent. Dubai now accounts for around 43 per cent of the UAE's total non-oil GDP and 28 per cent of its entire GDP. Dubai's free zones have made a major contribution to this growth and diversification. The emirate's strategic location and excellent infrastructure makes it an ideal distribution and commercial hub for the region.

The latest economic plan, launched by Dubai's ruler, and Prime Minister of the UAE, Sheikh Mohammed Bin Rashid Al Maktoum, aims to achieve economic growth of 11 per cent a year and to almost triple gross domestic product to £53 billion by 2015. The workforce will need to almost double to sustain the pace of growth.

The plan focuses on developing the emirate as a business and services centre. "We

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will focus on the strong sectors in our economy including tourism, trade, transportation and financial services," explains Sheikh Mohammed. The contribution to GDP made by financial services will increase fourfold to £7.4 billion from the current £1.7 billion.

Dubai has firmly established itself as the UAE's tourism hub. In 1996, the emirate welcomed 1.9 million visitors. Last year, it received more than 6.5 million, generating revenues in excess of £1.5 billion. The contribution made by tourism to the emirate's GDP has risen to around 30 per cent. Passenger numbers at Dubai International Airport have been rising by at least 15 per cent each year since 2000; in 2006, 28.8 million people passed through it. More than 687,000 of Dubai's visitors in 2006 arrived from the UK, the emirate's largest source of arrivals since 2003, constituting 10 per cent of the market.

The 82 per cent occupancy rate registered by the local hotels was exceeded only by London and New York. There are currently more than 400 hotels – 100 have opened since 1996. By 2010, the emirate aims to attract 15 million tourists annually, to have 80,000 hotel rooms compared to the current 39,000, and to more than triple the number of people employed by the industry to 100,000.

A major draw will be Dubailand, an entertainment, leisure and retail complex of mind-boggling scale, twice the size of Walt Disney World Resort in Florida, that expects to cater for a population of 2.5 million tourists, workers and residents, once fully operational. Its attractions will range from theme parks, to culture and art, science and planetariums, sports and sports academies, wellbeing and health facilities, shopping, resorts and hotels. ●



Sheikh Zayed Road, named after the UAE's first president

Rocky Real Estate, welcome to Dubai

One-stop shop backed by three decades of experience in the Emirate's real estate market.

Dubai has seen it all, the hard times and the good times, and the emirate's real estate market is no exception. Having gone through rapid transformation over the last decade and a half, and with opportunities being snapped up at a rapid pace, experience is an asset that often proves essential towards transforming opportunities into success. In this sense, Rocky Real Estate definitely has an edge.

Having entered Dubai's property market in 1976, Rocky Real Estate has positioned itself as one of the emirate's oldest and most well recognized and reliable real estate companies. Mr. Kiran Uttamchandani, Rocky Real Estate's Marketing Director, explains, "The secret behind our successful transformation has been moving according to the times."

With the one-stop shop concept truly mastered and an array of services that include buying, selling, leasing, acquisition, disposition and property management, Rocky Real Estate today has more than 8500 individual commercial and residential units under management, enviable experience within the market, and a number of close ties with financial institutions ready to provide credit facilities to its clients.



**MR. KIRAN
UTTAMCHANDANI**
Marketing
Director

not only in the real estate market, but also in every sector of the emirate, is fantastic.

Rocky Real Estate entered Dubai's property market in 1976, and has since become one of Dubai's most recognized real estate companies. Could you give us an overview of Rocky Real Estate's beginnings?

Rocky Real Estate is a company that was started over thirty years ago by my father and uncle. Dubai at that time was a completely different emirate to the one we see today. Rocky Real Estate started long before all the changes that transformed Dubai to what it is nowadays came, when Dubai's real estate sector was basically a couple of buildings here and there.

Of course, after three decades in the market, Rocky Real Estate has faced a number of challenges, as the industry went through a number of difficult periods, especially in the beginning. The main thing is that we've learned a lot from our past experiences and can today use our knowledge in order to offer the highest possible level of service to our customers.

Dubai's Real Estate sector is one that has firmly positioned itself as a world-wide leader for investment and has become synonymous with trend setting properties and global landmarks. In your view, what is behind the development of the emirate's Real Estate market?

Talking about the key factors behind the success of Dubai is synonymous with talking about one person in particular, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Prime Minister of the UAE and Ruler of Dubai; it is talking about his vision, strategies, strength, and also his way of decision making. One of the most impressive aspects of the transformation that Dubai is going through is the fact that every change that has occurred over the last few years was planned over ten years ago. The strategy behind this unbelievable development,

Rocky Real Estate offers its clients a wide variety of buyer and seller services. Could you give us some insight into these?

The majority of our business is related to property management, meaning that Rocky Real Estate's main service consists of leasing out properties on behalf of our clients. This has been our main business over the last thirty years and it is where most of our experience and knowledge resides. We are a very conservative company in terms of buying and selling. When it comes to investment, we only invest in properties in which we are very confident. The main aspects we always take into account include location, the quality of the property, and the development in which the property is located. We offer our clients only well selected properties with the highest possible return on investment. In other

words, we operate in a way in which our future forecast is based on our past experiences.

What is the importance of UK investors and real estate related firms to Rocky Real Estate?

UK investors are very representative to Rocky Real Estate. It is important to highlight that British investors are smart, sophisticated, intellectual, and they know what they want and also how to get it. If you look at the British real estate market, which has now existed for almost four hundred years, one can safely say that it is highly sophisticated. I personally enjoy working with British clients due to the fact that they know what they are talking about. They are the type of customer that is very informed about both the internal and external market. They know how much to invest and how much to expect as a return on the investment. The main attractions of Dubai for UK investors include a tax-free environment, the beautiful beaches of the emirate, the weather, the low price of property, and the easy access to the country; there are over twelve flights daily from the UK.

It could be said that Dubai offers an exceptional lifestyle and has become a kind of optional real estate investment market for those who planned to invest in Spain, but who are now looking for something new.

Are there any strategies in place in order to capitalise on the potential British clients have to offer?

We are currently planning to open an office in the UK towards the middle of next year, before the summer starts. Our idea is to build a structure that can provide support to our existing customers as well as attract new potential clients. We believe that there are a number of investors out there who are interested in investing in the property market of Dubai but don't actually know how to do so. We are looking at offering a service which is not yet on the market where we want to offer guaranteed rental return. We also plan to create an investment fund, where we manage a portfolio of properties on behalf of our clients.

What are your main priorities for the final semester of 2007 and the first semester of 2008?

Our priority is to expand. Rocky Real Estate plans to expand in a smart way where we want to make sure that we have the right people, that is, highly trained employees that are able to provide our clients with the best possible investment advice. Our main priority will be to focus on research in order to find the most suitable product to fulfil the needs of our clients; we have always aimed to satisfy our clients. ●

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A paradise for horselovers

Top equine-themed park to become a major new attraction in the Middle East

Arab traditions of horsemanship can be traced back to the eighth century and Arabian horses, notable for their distinctive beauty and stamina, have played an important role in warfare and sport through the ages.

Al Kaheel, an equine theme park that will be part of Dubailand, the multi-themed mega leisure and tourism development, aims to attract horse lovers from across the world, both as tourists and property owners. According to Machhour Moukaddem, Chief Executive Officer of Al Kaheel Equine Management, it will be the most comprehensive equine centre ever built, "the ultimate destination for horse lovers."

Covering 10 million square feet, the Dh1.6 billion (£214 million) project will be an educational theme park and working horse farm offering activities for all the family. Visitors will be able to enjoy short or extended stays at the full service luxury resort, which will feature a 150 room executive suite hotel and 100 luxury chalets, restaurants and shops.

An equine "edutainment park" will feature 400 horses representing more than 60 differ-



Machhour Moukaddem says Al Kaheel will be an attraction to be enjoyed by all the family

ent breeds at work and play. Weekend horse fairs will be staged with competitions, demonstrations, and a variety of family activities. A nightly show will feature world-class equine acts with more than 45 performers and 70 horses. Desert safaris will offer scenic outings through the sand dunes on horses, ponies and wagons.

The park will also be home to the region's first accredited world-class academy of horse-

manship, teaching a variety of certified courses, and an equestrian centre with a clubhouse, stables, horse training and event areas. An equine spa and therapy centre will have state-of-the-art facilities for the treatment and rehabilitation of sport horses.

Mr Moukaddem says that visitors to Al Kaheel will have the opportunity to enjoy an "up close and personal" relationship with the

horses. "When someone comes to Al Kaheel, they will have the chance to learn horse riding, watch the equine theatre and take part in the interesting shows, demonstrations and exhibitions that will be unique to the park.

"In Al Kaheel, the whole family will be entertained; kids can go to the park, others may go on the Desert Safari, and at night we will have shows displaying top horsemanship. The whole family will be entertained in one project that needs a minimum of one week to be seen in its entirety."

Located in Dubailand's eco-zone, Al Kaheel also provides a rare opportunity in Dubai to own a home in open and natural surroundings. Not surprisingly, all 400 individually designed properties on offer rapidly sold out. Investors saw the value of their properties rise by more than 25 per cent in the first six months.

Mr Moukaddem has no doubts that Dubailand itself will be a huge success, and says that Al Kaheel plans on getting 3-4 per cent of its tourists. "Tourists usually stay for five to seven days, and therefore do not have the time to see all the attractions, which means they will keep coming back to visit a different theme park.

"The following year, people who came to Al Kaheel will visit another part of Dubailand and vice-versa. That is the beauty behind Dubailand; it caters to all tastes and interests." ●

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RAS AL-KHAIMAH



Towering mountains provide an impressive setting for the emirate's capital

EASY LIVING AND VALUE FOR MONEY

Ras Al-Khaimah is reinventing itself as a prime location for investment in business and tourism

With an attractive investment climate backed by a proactive government that firmly encourages free enterprise, Ras Al-Khaimah is positioning itself as a top business destination, regardless of its lack of significant oil reserves. The emirate has attracted the third-highest level of project investment relative to GDP in the UAE – with a value of around £12.6 billion – and accounts for a full five per cent of total GCC project investment.

Spearheading efforts to expand the local economy is the Investment and Development Office (IDO), which has laid the groundwork to attract a further £6.6 billion in inward investment over the next few years. Ras Al-Khaimah certainly has plenty to offer investors, especially in terms of real estate, tourism and the leisure industry.

Nestling between the Al Hajjar Mountains to the east and the Gulf to the west, the emirate's highly varied landscape of valleys, peaks, deserts and unspoilt coastline contrasts sharply with many other parts of the UAE.

The city of Ras Al-Khaimah, the capital, is undergoing multiple new construction projects. Key developments include RAK Financial City, which has been designed as a new hub for the offshore financial operations of the regional business community. The almost 2.5 million square feet project will include uniquely designed towers, up to 65 storeys high, providing office, hotel and residential space.

In terms of real estate, Ras Al-Khaimah is promoting low-rise developments focused on a comfortable, beach lifestyle. The emirate offers good value in terms of the cost of land and leasing, plus high quality living conditions. Its modest pricing in comparison to certain other parts of the UAE is a major selling point. This value for money, easy living appeal has won over large numbers of weekenders coming from Dubai and elsewhere, as well as attracting longer-term residents.

Saqr Port is on the way to becoming one of the most modern ports in the region. Earlier this year a new container terminal opened with a capacity to handle 350,000 TEUs: the first phase of a massive expansion. Phase two will see capacity enhanced to around 3 million TEUs over a period of five years.

In April, the IDO announced a new joint venture project with the US-based Argentum Development Company to build an International Hospitality Trade and Training Zone. A hub for the global hospitality industry, it will include a free trade zone area and a training and educational campus, which will position Ras Al-Khaimah as a centre of excellence in the leisure industry.

The capital is not the only development hub. The huge resort of Al Hamra Village comprises various sized villas and apartments offering luxury accommodation for both residents and weekenders. Facing out to the Gulf, it has a marina with 200 yachting berths allowing boat owners quick and easy access to the sailing and fishing opportunities along the coast.

In fact, a variety of tourism and leisure projects are taking shape. Some 17 miles south-west of Ras Al-Khaimah city centre, Al Marjan Island will be the emirate's first man-made island venture, reflecting the Dubai influence. This almost £1 billion cluster of coral shaped islands is due for completion in 2009.

A more unusual development will be the Jebel Jais Mountain Resort, which will be built on one of the highest points in the Al Hajjar Mountain range, and will offer visitors five-star hotel and conference facilities, and even a cable car leading to an outdoor winter snow skiing slope.

To cater for increased numbers of visitors, the international airport is being upgraded and the emirate has launched the UAE's fourth national airline, Rak Airways. What's more, plans have even been announced to develop a US\$265 million commercial spaceport for the operation of sub-orbital flights. ●



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Resort style real estate will bring a Riviera lifestyle to the Middle East

Inspired by luxury developments in Dubai, a major waterfront project is under way in Ras Al-Khaimah

On a man-made island off the coastline, construction has begun on the first phase of a multi-phased, multi-billion pound development designed to bring a touch of Monaco and Cannes to Ras Al-Khaimah. La Hoya Bay is a £400 million Mediterranean-style waterfront residential and leisure project to be built in six phases on Al Marjan Island. The £88 million first phase, currently under way, consists of 1,100 freehold studio, one, two and three bedroom apartments and on-site leisure amenities that will offer a Riviera lifestyle in the heart of the Middle East.

The developer behind La Hoya Bay Residence is Khoie Properties, which in March launched its second project on the island, the La Hoya Bay Business Village, a £74 million commercial development. Further projects for a marina, luxury hotels and apartments are currently at the design stage.

Frank Khoie, the company's Chairman and Chief Executive Officer, and founder of its parent, Khoie Group, believes the emirate has huge potential for growth and describes it as the next "hot spot" of the region. His company is committed to investing almost £1 billion in Ras Al-Khaimah by 2010. Over the next five years, he expects to see at least 200,000 people migrating to the emirate.

Khoie Group, initially an engineering company involved in the design of industrial projects from electronics to machine tools, is now an amalgamation of several companies with global interests built up over the last 32 years. Khoie Properties was established in 2005.

Mr Khoie acknowledges that the inspiration for the company's involvement in Ras Al-Khaimah came from Dubai, where palm style island developments with luxurious waterfront resort homes have proved hugely popular – not least with buyers from Europe.

"When I was in Dubai in 2001, I realised there was a huge opportunity," he says. "We had done property development in Singapore, we had done property development in Los Angeles, and I have always been interested in it. From 2001 onwards, we saw huge opportunities in the quality of funds coming here and the potential of expanding into property development as freehold laws permitted us to buy and develop projects. Of course, as an entrepreneurial organisation we looked for niche markets and niche developments, and the niche we found was Ras Al-Khaimah."

The first phase of the company's Al Marjan Island project, set amid white sand beaches and lush green landscapes, is due to be completed in July next year. Covering an area of just over 15 million sq ft, it will include 725 resort-styled apartments, three swimming pools, tennis courts, restaurants and shop-



Work started in May on construction of the La Hoya Business Village, comprising more than 500,000 sq ft of office space



FRANK KHOIE
Chairman and CEO of Khoie Properties

ping facilities.

"RAK is focusing more on resort-style developments rather than high-rise buildings," explains Mr Khoie. "They have learnt a lesson from Dubai; it is easy to build huge buildings but it is difficult to manage them. They create a level of crowding that is not necessarily attractive for tourists. Of course, Dubai is now becoming a financial and banking cor-

'The focus is on resort-style developments rather than high rise'

porate headquarters, but in Ras Al-Khaimah we believe that we should not move to imitate New York, and should avoid a crowded community – especially with the beautiful beaches and the blue water we have.

"Tourists need a place where they can come and relax. For this reason, His Highness Sheikh Saoud is particularly interested in keeping RAK fairly low key in terms of development. The focus is on resorts, golf courses, and polo clubs, and there is a great emphasis on yachting and water sports. Very few projects are going to include high-rise buildings; all our projects will be resort style."

Construction started in May on Khoie Properties' £74 million project, La Hoya Bay Business Village. Located in Ras Al-Khaimah's free zone area, the freehold commercial development will extend over 500,000 square feet. The seven-storey building will offer fully furnished and ready-to-occupy office space ranging from 40 square feet to 10,000 square feet. Amenities will include corporate and special event planning and organising, IT and telecom services, tours and travel arrangements, virtual office services, video-confer-

encing, and on-site clinic and child care. Construction started in May.

Following this, the company plans to develop La Hoya Bay Regency Hotel Apartments. Designed for guest investors, the 500 luxurious apartments "with top class service like a hotel, and where one can live for any amount of time. The rest of the property we will rent to tourists." After this, the company will be launching another 800 apartments, which will be called La Hoya Bay Pelican. "La Hoya Bay will be keeping us very busy for the next 3 to 5 years," adds Mr Khoie.

British investors are high on the list of potential purchasers. "At the top of our list is Britain. Next is Germany, and after Germany comes Holland. Many of them are buying. There is also the Iranian elite who would like to live and invest here. The UAE is surrounded by 2 billion people who find the quality of life here attractive to set up and start a business.

"The British in general are extremely bullish about the UAE. They have historical relationships with the UAE establishment. UK businesses have major developments here in terms of property and technology, from management to construction. The British run many key areas of management here. They also love to come to the beach and have either a second home or an investment abroad. The weather, location, a tax-free and development friendly environment and generally pro-UK spirit here is always an assurance. If I were British, I would invest here."

Within the next five to 10 years, Mr Khoie plans to establish a finance company to provide mortgage financing to potential buyers. Another priority is to establish Khoie Holdings by 2008 or 2009, and list on the London Stock Exchange, as well as the Dubai Stock Exchange. ●

Gaining strength through acquisition

A series of deals have raised the profile of oil and gas company RAK Petroleum

Established in Ras Al-Khaimah in 2005 to bolster local energy requirements, the oil and gas exploration and production company RAK Petroleum is increasingly active on the global energy scene, as illustrated by a run of acquisitions during the past 12 months or so.

In April, the company acquired UK-listed Gulf Keystone Petroleum, an independent oil and gas outfit with interests scattered across the Middle East and North Africa. The deal gives RAK Petroleum strong exposure to Algeria, in particular, where Gulf Keystone has signed up half a dozen blocks with strong oil and gas potential. Independent estimates of the company's resource holdings in the North African country suggest reserves of 3.9 billion barrels of oil equivalent in place.

Earlier, RAK Petroleum gained access to the upstream market in Oman through a £194 million deal, in which it acquired the entire Omani production portfolio of Indago Petroleum. The company also has exposure to other hydrocarbon-rich destinations such

as Abu Dhabi and Iran.

"All these neighbouring areas are what we call our priority one target areas for exploration, development, and production projects," says Chief Executive Peter Sadler. And there is clearly an appetite for more in the longer term.



PETER SADLER
Chief Executive
of RAK Petroleum

RAK Petroleum is owned by a mix of local and regional shareholders from across the Gulf that includes both large corporations and smaller private investors. The largest shareholders are RAK Investment Fund and RAK Gas Authority. In its first year of operation, the company posted impressive gains. During the 461 days ending 31 December 2006 net profit amounted to AED180 million (£24 million).

The Indago portfolio included production and associated cash flow from the West Bukha and Bukha fields in Oman. It also expanded RAK Petroleum's pool of oil and gas industry talent to manage the company's expanding collection of assets, including the transfer to the company of Mr Sadler himself.

Last year, RAK Petroleum took over another UK explorer, Anzon Energy, which expands

the portfolio beyond the company's core area into more distant terrain, including Indonesia and Australia, both well-known oil and gas producers. Although the Anzon portfolio is outside its core geography, the transaction gave the company access to both talent and technology, boosting its credibility.

Despite being on the acquisition trail, Mr Sadler talks of the firm's commitment to stewardship during these early days. This will be tested in the coming year as the group gets to grips with its new asset portfolio. The challenge is to accelerate the development of its upstream assets and turn this into positive cash flow as quickly as possible. "The evolution is from what is essentially a cash management company to a hydrocarbon producing company," he says.

This means getting cash from the sale of oil and gas rather than depending on the returns from other financial investments, a sign of maturity for any ambitious, young oil company. If this can be done by 2008 it will be an impressive achievement. "People will say: 'This is a company that knows what it is doing – it has got a focused strategy, is dynamic, moves quickly and does not spend a lot on overheads.' People will want to invest in this company."

Assuming all goes well, the intention is to work towards an initial public offering sometime thereafter. London is a natural choice for many global oil and gas juniors, but there are also hopes of getting a listing in the Middle East



Drilling at a site in Oman acquired by RAK Petroleum from Indago

in recognition of the company's roots.

"The earliest we can have a compelling story to take to investors is early 2009," says Mr Sadler. Going forward, the aim is to position RAK Petroleum as a showcase for Ras Al-Khaimah in the global oil and gas industry. "RAK Petroleum can put that sort of footprint down, not as a state oil company, but as an international oil company," he says. ●

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PROPERTIES

SHARJAH

DEVELOPMENT AT A MORE RELAXED PACE

Investment has soared in Sharjah which has successfully been developing non-oil activities

Sharjah is already a well-known destination for many tourists and businesses. Geographically contiguous with Dubai, the third largest emirate has an international airport, which includes the biggest air cargo hub in the whole of the Middle East and Africa region.

This has helped facilitate not just trade, but also an influx of people keen to learn more about local culture and to experience some of Sharjah's own delights. A centre of regional culture – it was once crowned UNESCO's Arab world cultural capital – the emirate also boasts beaches aplenty, luxury resorts and a variety of shopping malls. The Blue Souq, for example, is a sprawling market with around 600 outlets selling everything from gold and expensive Persian rugs to local souvenirs.

While tourism remains a high priority for the local authorities, trade and investment has soared, with Sharjah offering its own unique

incentives, as well as enjoying any overspill from Dubai. Sitting on about 5 per cent of the UAE's gross oil and gas reserves, the emirate has tapped these resources to take a lead in other areas. Indeed, Sharjah accounts for approximately 40 per cent of the UAE's industrial GDP, reflecting both the strength and depth of its economy. Last year, gross domestic product grew by 19 per cent to £5.6 billion, compared with £5.01 billion in 2005.

Proximity to Dubai means that many people commute, taking advantage of Sharjah's typically lower cost of living. Real estate development, like elsewhere in the UAE, is also a booming market.

The Sharjah International Airport is one of the emirate's key selling points, just 10 minutes away from Sharjah city centre. The airport dates back to 1932 when Imperial Airways, a forerunner to British Airways, constructed an air-



Close to Dubai, Sharjah has its own appeal to visitors – at more moderate prices

field as a stopover en route to India and Australia. At that time, Sharjah ranked as one of the airline's more remote outposts as well as being the first airport in the country.

Today, it has the capacity to handle around 8 million passengers every year and still continues to grow. It is also a hugely successful transshipment hub, especially for inter-modal cargo. The airport offers some of the fastest transit times for cargo being shipped in by sea and flown out by air: approximately six hours. This is partly because the seaports are located on both sides of the Sharjah coast, two in the Gulf of Oman, on the UAE's eastern coast.

The two principal ports are Mina (port) Khalid in Sharjah City and Khor Fakkan on the east coast. Located at these strategic air and maritime hubs are some of the UAE's most successful free zones, notably the Sharjah

International Airport Free Zone and the Hamriyah Free Zone, with its deep sea port connections, which handle some of the world's biggest ocean-going vessels.

Sharjah was the first place in the Middle East to install fully equipped container facilities and has enjoyed the massive growth in the global container market of recent years.

A further reflection of Sharjah's international credentials is its Expo Centre, a state-of-the-art meeting point for business conventions and trade fairs which draws people from across the Middle East and the wider world.

The city of Sharjah also holds great appeal for visitors, full of beautiful waterfront hotels, mosques, parks and gardens. Within touching distance of Dubai, it offers visitors more of the luxury and splendour familiar throughout the UAE, but at a more relaxed pace, and with more moderate pricing. ●

UMM AL-QAIWAIN

REALISING UNTAPPED POTENTIAL

Developers are realising that the emirate of Umm Al-Qaiwain has its own unique attractions

Located in the northern part of the country, not far from Sharjah and Dubai, Umm Al-Qaiwain is another of the lesser known emirates. Yet with some of the country's most beautiful natural landscapes, it should not be overlooked. Positioned between Sharjah to the south-west and Ras Al-Khaimah to the north-east, it offers something very different to some of the frenetic developments taking place elsewhere in the UAE.

That said, Umm Al-Qaiwain itself is now beginning to take its first real steps towards development. Traditional occupations such as fishing and date cultivation remain important, but now there is an industry free zone to stimulate more diversified business interests. Important local industries include cement production and a plastics factory.

Umm Al-Qaiwain's lengthy coastline has some of the finest beaches in the whole of the UAE, and the emirate offers some of the best sailing and bird watching. Sinaiyah Island, for instance, close to the town of Umm Al-Qaiwain, the emirate's capital, is home to one of the

largest colonies of Socotra cormorants in the world.

The untapped potential has certainly been noticed. Leading property group Emaar has registered what this destination has to offer and is engaged in real estate work, in close accord with the government of the emirate. Some impressive architectural ideas and construction more akin to Dubai are now taking shape there.

Emaar's flagship Umm Al-Qaiwain marina project offers waterfront living along the emirate's spectacular shoreline. The development, which surrounds a purpose-built marina, will be a vast master-planned waterfront community on the shore of Khor al-Beidah, offering residential villas and apartments to locals and outsiders. Some of the villas with waterfront views will be built on a large island with gated access, while a series of smaller private islands will offer luxury waterfront villas for the UAE's more discerning residents. In addition, resort and hotel rooms, as well as parks and recreational areas, retail facilities, schools and



The capital of the emirate boasts no fewer than seven forts, some recently renovated

community centres are planned or under way. Although this is not new for the UAE it is the first of its kind for Umm Al-Qaiwain, which Emaar describes as a "picture perfect location" with over 14 miles of waterfront.

The town of Umm Al-Qaiwain itself, the emirate's capital, sits just 30 miles north-east of high tempo Dubai, but offers its own unique attractions – a world away from one of the Middle East's most dynamic tourist and business centres, yet close enough to feel the effects.

The town's historical roots are to be seen all over, but there is a clear attempt to embrace modernity with a multi-million dollar aqua park, Dreamland, raising the emirate's profile within the UAE and the wider regional market.

This is not the only investment in Umm Al-Qaiwain's tourist potential. Another local play-

ground is the Flamingo Beach Resort, a major water sports destination offering activities from crab hunting and glass bottom boat rides, to snorkelling, diving and fishing.

These leisure ventures are complemented by other development projects as the government maps out a more modern future. The Umm Al-Qaiwain Free Zone, formed in 1998, sits very close to Dubai and the UAE's other major trading hubs. Known as the Ahmed Bin Rashid Free Zone, it was set up within the confines of the Ahmed Bin Rashid Port. It consists of over 2700 feet of quay wall, 1300 of which can handle ocean-going vessels, and 387,000 square feet of land reserved for light industrial development. Manufacturing, trading and consultancy activities are all permitted within the zone. ●

ajman



Hotels and resorts are developing along Ajman emirate's beautiful stretch of beach

THE SMALL EMIRATE THAT THINKS BIG

It may be the smallest of the seven emirates, but Ajman is ready to compete with its neighbours when it comes to ambitious real estate projects

Comprising an area of only 161 square miles, the emirate of Ajman accounts for less than 0.5 per cent of the country's landmass. Located on the UAE's western coast overlooking the Arabian Gulf, it has a fast modernising capital, well provided with shopping malls, an increasingly busy port encompassing a free zone, an eighteenth-century fort with a fascinating museum, and a long corniche road running between beaches of fine, golden sand and a growing number of hotels and resorts.

'The lion's share of investment this year will go to real estate'

Ajman lacks oil, but thanks to its strategic location and proximity to the commercial centres of Dubai and Sharjah it has a high percentage of the country's industrial plants. The emirate has long been known for fishing and shipbuilding, and Ajman Port is one of the fastest-developing ports in the Northern Emirates. Agriculture and tourism are also seen as sectors with great potential.

Under the leadership of Sheikh Humaid Bin Rashid Al-Nuaimi, and with financial assistance from wealthier neighbouring emirates like Dubai and Abu Dhabi, Ajman has opened up to investment and embarked on a process of development designed to boost its economy. Over the next five years the government plans to spend between £6.67 and £13.2 billion on infrastructure, includ-

ing development of the free zone and the seaport, new roads, a metropolitan rail link to Dubai, and a new sewage system.

A real estate boom is under way. Ajman was the second emirate after Ras Al-Khaimah to open up its property market to foreigners and over the last three years some £3.4 billion worth of real estate development projects have been launched. Abdel Farah, head of research and statistics at the Ajman Chamber of Commerce, has been quoted as saying that growth in investment this year will be close to 20 per cent, "and the lion's share will go to the real estate sector."

A series of mega projects will transform the local landscape. For the largest, the Al Zorah project, the emirate has formed a partnership with Solidere Management Services of Lebanon. Described as "a city within a city", and costed at around £6.8 billion, Al Zorah will spread over 107 million square feet. It will include a commercial office district, residential buildings and villas, hotels, hospitals and schools, a marina and a golf course, and will be connected directly to the Emirates Road via a new highway.

Last year saw the launch of another town-sized development, the £1.96 billion Emirates City, being developed by R Holdings, featuring 72 residential and commercial towers. Other major projects include Ajman I, a mixed-use residential, commercial and hospitality complex with 12 freehold residential towers, Ajman Marina, a tourism, residential and commercial project, and the Al Ameera Village project.

"It was clear that when the concept of 100 per cent freehold was introduced in late 2002 there would be big potential," says Fahad Dero, Chief Executive Officer of real estate company Sweet Homes. "It has added a new dimension to the UAE's property market. It has also meant that foreigners reinvest their money within the country rather than taking it abroad. There is no doubt that the freehold concept has increased the number of new buyers coming to the UAE."



Falcon Towers, Ajman's next luxury towers, will offer exclusivity and unparalleled views

Sweet Homes, which has an extensive network of offices, as well as outposts in the UK, Oman and Qatar, is currently focusing its real estate development efforts on Ajman. The company successfully marketed its first project in the emirate, Al Naemiyah Tower in 2004. Notable among its other projects in the emirate since then is the 52-storey Corniche Tower, located by the beach. However, its largest and most impressive project in Ajman is the Paradise Lakes group of eight 31-storey towers in the Emirates City development, which are scheduled for completion in December 2008.

The company promises first class facilities, comparable to Dubai, with competitive prices. "If you arrive at Dubai International Airport, you can be in Ajman within half an hour," says Mr Dero. "The Emirates City project is about twenty minutes away and to get to the downtown area it takes about five minutes. The freehold and visa facilities are

the same as in Dubai, but the prices are very competitive compared to Dubai."

Sweet Homes offers its clients a wide variety of buyer and seller services including property management, consultancy and feasibility studies. "We provide a combination of services related to market surveys, statistics, feedback and customer requirements in order to safeguard their investments and achieve better returns," explains Mr Dero. "We have a very good database and over 5,000 satisfied customers."

He adds: "Basically, the buying and selling of real estate is a customer-oriented business. If you give wrong advice it will be only once, because your customers will never come back, and they will tell their friends not to use your services. On the other hand, if your customers are satisfied, they will give you a good name and you will expand your business continuously." ●



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FUJAIRAH

ANCIENT AND MODERN

Well-connected Fujairah has become a centre for international and regional business activity

The only one of the emirates to be located entirely alongside the Gulf of Oman, the small but beautiful emirate of Fujairah is another attractive destination for businesses and tourists alike. Despite a strong historical legacy, it has embraced modernity and manages to draw large numbers of tourists – around 250,000 every year.

Fujairah has spectacular backdrops, from lofty mountains to sun-kissed golden beaches. It offers a paradise for water sports enthusiasts and adventure seekers, many cultural and historic sites, and all the luxury of five-star accommodation.

Around Dh3 billion (£400 million) is being spent on the tourism industry in a bid to attract more visitors. With its new passenger terminal, Fujairah International Airport aims to boost throughput to one million passengers a year by 2011.

According to Fujairah Tourism Bureau, the emirate receives 60 per cent of its tourists from Europe and 40 per cent from within the UAE. Flagship holiday resorts such as the Hilton Fujairah Resort and the Fujairah Rotana Resort and Spa aim to appeal to both markets. The newest arrival on the scene, the Miramar Al Aqah Beach Resort, just 90 minutes drive from Dubai, is the first resort to be opened in the UAE by the Iberotel hotel and leisure group.

Real estate developments are primarily concentrated along the Gulf of Oman coastline. Major new billion dollar development projects are under way, such as the Fujairah Paradise project, a concentration of villas, luxury hotels and retail outlets, and the Fujairah Dana

(pearl) development, comprising hotels and villas on reclaimed land off the coast near AlAqah. Further projects are planned as demand for luxury accommodation in the region grows and the leisure industry expands.

The Fujairah Exhibition Centre has also become a magnet for trade shows and conventions, which bring in visitors from all over the Gulf and the Middle East.

The capital city offers a taste of local history, with a castle and a museum to keep visitors busy, as well as plush offices and residences. These two contrasting faces are what appeals to many: the modern new town and

Raw materials for the region

Emirate produces rock and aggregates for the booming construction industry

The boom in construction activity throughout the region, and particularly in Dubai, has given a big boost to Fujairah's cement, stone crushing and mining industries. Established only last year as a joint venture between the Fujairah government and the Pacific Basin Shipping company, Fujairah Bulk Shipping has boosted local export capacity to move the rock and aggregates to regional markets.



Fujairah Fort, a 300-year-old mud brick structure, is an impressive local landmark

the winding lanes of the old town, which are overlooked by a centuries-old fort.

Underpinned by first class infrastructure, with state-of-the-art air and sea links, Fujairah has made good headway in expanding its industrial and commercial base too. The Fujairah Free Zone has become a centre for international and regional business activity, attract-

ing investment from overseas and locally. It is supported by the Fujairah International Airport, now a major regional air hub, and the deep sea Port of Fujairah, which together provide strong links to the rest of the world. Work is also under way on a six-lane Dubai-Fujairah highway to cut travel time between the two emirates. ●

"Fujairah and Ras Al-Khaimah produce the highest quality rock and aggregate for markets within the Gulf," says Edward Marc O'Grady, the company's Chief Executive. "They provide the regional multi-billion pound construction industry with the raw material necessary to build the significant commercial, industrial and tourist infrastructure currently under way."

Using ships or barges, FBS provides comprehensive shipping, stevedoring and logistic services for the transport of all rock materials in and around the Gulf. It owns a concession to build a rock handling terminal, with jetties, loading ramps and storage facilities. With the reach of Pacific Basin Shipping – one of the world's top bulk shippers – behind it, the company brings an international dimension to an already thriving maritime sector.

Moving heavy, awkward loads such as rock and aggregates presents a big problem to shipping and logistics operators. Part of the rationale to create the FBS joint venture was to build a company with integrated expertise, making the delivery of such products more efficient and cost effective.

"It was our opinion that for the business to work and reliably serve the needs of the construction industry within our region the supply

chain had to become fully integrated and managed accordingly," says Mr O'Grady.

He believes that the ability to launch such an organisation to spearhead the export and supply of these essential construction materials illustrates the commitment of the Fujairah authorities to progress and long-term development. "Fujairah has a focused and ambitious growth strategy," he says.

In addition to being a market in its own right, the UAE is fast becoming a favoured turnaround destination for ships of all shapes and sizes. Its location and state-of-the-art logistics facilities make it an ideal base to serve global freight movements heading east or west.

Mr O'Grady says this modern infrastructure is further supported by an onshore business-friendly economy and host government. "Fujairah Port is the largest multi-purpose port strategically located on the Gulf of Oman on the eastern seaboard of the UAE. Its strategic position has proved attractive to a wide range of users specifically in dry bulk cargo and container handling."

Indeed, the port has become one of the world's leading ship bunkering points and marine service providers as a result of this location. Connected by good road links to the rest of the UAE and adjoining countries, it is the perfect place for supplying the Gulf market. ●



EDWARD MARC O'GRADY
CEO of Fujairah Bulk Shipping



Fujairah Bulk Shipping (FBS) is one of the leading suppliers of rock and aggregate in the Middle East. Its fully integrated supply chain ensures that FBS can reliably and efficiently meet any requirements of its customers. FBS can offer all or part of the delivered service; from production and supply of rock and aggregate, to land transportation, loading rock and aggregate from its dedicated marine export terminal in Fujairah, to delivering to destination markets on board its tug and barge combinations or dry bulk carrier vessels.

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Fujairah Bulk Shipping transports heavy loads of materials in and around the Gulf

TELECOMMUNICATIONS

ALMOST 6 MILLION MOBILE SUBSCRIBERS

The UAE has the highest mobile phone rate of penetration both regionally and internationally

With just under 6 million subscribers, the mobile phone services penetration rate in the UAE exceeds 140 per cent of the population. UAE residents spend more per head on telecommunications than anywhere else in the region. Many have adopted the trend of subscribing to multiple mobile lines, and in addition many foreign visitors subscribe to pre-paid services, holding on to the SIM cards for future visits.

The saturation of the market has driven the dominant provider, state majority-owned Etisalat, to extend its search for business to other countries like Saudi Arabia, Pakistan, Egypt and Afghanistan. However, with the recent arrival of a second operator on the scene, Etisalat will be faced with competition.

Until last year, Etisalat was the UAE's sole telecommunications service provider. That changed when the government began to open up the sector in line with the UAE's commitments to the World Trade Organisation, which requires full liberalisation by 2015.

A second national provider, the Emirates Integrated Telecommunications Company, trading under the name "du", was licensed by the recently established Telecommunications Regulatory Authority and started operating in February this year.

The government recently announced that it would not be opening up the sector to foreign players in the near future, saying it expected tariffs to become competitive now that Etisalat's monopoly had ended. "We feel

the existing number of telecom companies is enough at present," Sultan Bin Saeed Al Mansoori, Minister of Government Sector Development, told Gulf News.

Etisalat rang up net profits of Dh3.7 billion (£496 million) in the first half of this year, a 33 per cent increase compared to first half of 2006. Mohammad Hassan Omran, the company's Chairman, says the results demonstrate the company's diverse capabilities and competitive strengths. "We achieved financial results exceeding expectations and continue to achieve strong results supporting our continued leadership in the region's telecommunications industry."

Etisalat's rival du, which like Etisalat is partly government owned, is expected to spend Dh4.7 billion (£631 million) over three years on its mobile and fixed line services to secure 30 per cent of the UAE market. A report by investment bank EFG-Hermes



Etisalat saw a 33 per cent increase in net profits in the first half of the year

says du can build a significant market share, taking advantage of the UAE's fast growing population and the high level of per capita spending on telecommunications. It predicts that du will sign up 569,000 active subscribers this year, taking 57 per cent from Etisalat. ●

Bringing the world within its orbit

With the launch of its third satellite, Thuraya Satellite Telecommunications Company is extending its coverage to the Asia-Pacific region

"The UAE lives on telecommunications and likes to do so using wireless technology," observes Yousuf Al Sayed, CEO of Thuraya Satellite Telecommunications Company. And not just the UAE, as Mr Al Sayed is in a better position than most to appreciate. For the Abu Dhabi-based firm boasts the world's largest subscriber base for satellite mobile phones, comprising more than a quarter of a million people across the globe.

Thuraya's satellite network extends to more than 110 countries in Europe, Africa, the Middle East, and Central and Southern Asia, and by the end of the year will have been extended to the 21-country Asia-Pacific region, following the launch this month of the company's third satellite. Circling 22,236 miles above the earth, at 44 degrees east longitude, five metric tons of technology will provide coverage to an area extending from the East of India all the way to Japan. "With that development, our coverage will encapsulate about two thirds of the world's population," says Mr Sayed.

Thuraya was founded by an investor consortium made up of prominent national telecommunications organisations, financial



YOUSUF AL SAYED
CEO of Thuraya
Satellite
Telecommunications
Company

houses and investment companies, including Etisalat and Abu Dhabi Investment Company. It launched its mobile satellite telecommunication system in October 2000, thus providing blanket-to-blanket coverage to more than 110 countries in Europe, North and Central Africa and large parts of Southern Africa, the Middle East, Central and South Asia. A second mobile satellite was launched in 2003.

The launch of the third satellite is part of Thuraya's push to double its market size within three years by bringing countries such as China, Japan, Korea, Malaysia, Vietnam, Indonesia, the Philippines and Australia into its orbit. The company last year opened a permanent office in Singapore as part of the extension of its services into the region.

"Thuraya is not really aimed at the UAE, which is geographically well covered by GSM," says Mr Al Sayed. "Our market is in countries that do not have a developed telecommunications infrastructure, or that are so large that it is not cost effective to provide telecom infrastructure or GSM to cover the whole territory, and where satellite coverage is the solution."



Subscribers access Thuraya's mobile satellite system through service providers who are either national GSM network companies or local telecom operators. Thuraya's special dual-mode satellite/SGSM handsets en-

able users to switch to satellite transmission whenever they are out of range of terrestrial GSM networks.

"Thuraya is unique and differentiated from other satellite service providers because we are closer to GSM than satellite. The difference is that we use satellite infrastructure," says Mr Al Sayed.

In connection with the latest satellite, service provider agreements have already been signed in Australia and South Korea, and with Beijing-based China Satellite Communications Global – a deal that Mr Al Sayed describes as "a big breakthrough for us." Agreements with companies in other targeted countries will be signed by the end of the year. Meanwhile, negotiations for a fourth satellite are under way with Boeing Satellite Systems, which has built the other three satellites.

Earlier this year, Thuraya launched Thuraya SG-2520, the smallest and lightest satellite phone, which it is calling the world's first satellite smartphone. The SG-2520 offers advanced voice, data, fax and SMS. Users are able to download and upload information from the internet in either the satellite or the GSM mode. Thuraya handsets also have a built-in GPS worldwide radio-navigation system, which can prove a lifesaver in remote areas.

Under an agreement signed with Al Jazeera Channel, Thuraya subscribers are provided with the latest breaking, political, business, and sports news through Short Messaging Service (SMS).

"We are focusing on our core business, which is voice and data," Mr Al Sayed says. "We want to bring in new services, to innovate, especially in terms of tracking systems for fleet management, and to enter into the maritime business in a strong way along the commercial routes from Japan, Singapore, Dubai, and Jeddah all the way to the UK and Amsterdam. Those are important routes for us, and for which we are developing the necessary hardware and services." ●



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