

Strategic partnership

INTERVIEW WITH HIS HIGHNESS SHEIKH SAUD BIN SAQR AL QASIMI

CROWN PRINCE AND DEPUTY RULER OF RAS AL KHAIMAH



HH SHEIKH SAUD is the Crown Prince and Deputy Ruler of Ras Al Khaimah (RAK). He has implemented vast organisational and economic reforms in RAK to ensure the success of local businesses while attracting a steady flow of foreign investment. He has focused on improving sectors in which the Emirate has a comparative advantage, such as tourism, real estate, and manufacturing. His leadership has brought about unprecedented development and growth, and his reforms have resulted in a dramatic jump in per capita GDP in RAK. He has also focused on social development in the Emirate, with special attention on education and healthcare.

Your Highness, please tell us about Ras Al Khaimah (RAK) and your vision for the future.

RAK is the northern-most of the seven emirates of the United Arab Emirates. We have experienced excellent economic growth within a short time. The overall objective is to position RAK as a major international destination for investment. The emirate has established industrial and free zones that allow 100 per cent foreign ownership, no import duties, 100 per cent repatriation on current and capital accounts, and zero taxes on personal and corporate income. My government has allowed companies investing in RAK unlimited access to foreign expertise. We are creating a cosmopolitan environment to attract the world's best and brightest. Entrepreneurial spirit is what drives progress, and we are attracting the world's entrepreneurs to RAK.

Investors in the Gulf Region are focusing on sub-Saharan Africa despite the growing recession. What is the reason for this and will the trend continue?

A recent article in the Wall Street Journal noted that in the worst of this global financial crisis Gulf investors are still committing billions to economic development in sub-Saharan Africa. The economies of sub-Saharan Africa, according to the latest IMF projections, will expand by 3.5 per cent this year and 5 per cent in 2010. This growth projection is largely possible due to expected investment from the Middle East.

From 2007 until mid-2008, Gulf investors spent US\$15 billion in foreign direct investment in sub-Saharan Africa, according to the Gulf Research Centre. RAK has taken a keen interest in expanding ties with progressive nations in the region. We consider the region an untapped market with above average growth potential. In addition to investments in Tanzania, RAK has made substantial investments in the Congo over the previous year and will continue to invest in 2009.

Has the current economic climate changed your investment strategy regarding Tanzania?

Although Tanzania will not escape the economic slowdown given falling commodity prices and a decline in tourism revenue, I am confident that Tanzania is well placed to weather the financial storm and offer a good return on investment. Tanzania has the potential to develop into one of the 'mini tigers' of the world.

Can you elaborate on your investments thus far, and your future plans?

I received HE President Kikwete in RAK in 2006, and I visited Dar es Salaam in 2007. The President laid out his vision whereby Tanzania will by 2025 be a middle income country with a well organised mining sector, established agri-businesses and a growing and diversifying industrial base, lead by the private sector. The President and I agreed on an investment agenda, and I have moved forward in meeting the commitments made during our discussions. We want to build a portfolio that balances investments in extractive industries, real estate, tourism, ports and other transport-related infrastructure.

• **Oil and Gas Exploration:** As Chairman of RAK Gas, the national gas company of RAK, I made the establishment in 2006 of RAK Gas Tanzania a priority in our investment strategy in Tanzania. We have a production sharing agreement with the government for the East Pande Block in the southern coastal region and are ahead of schedule with its PSA commitments. We are also an investor in the Nyuni Block which has seen a gas discovery.

• **Property Development:** RAK Properties acquired land in Dar es Salaam with a view to develop a hotel complex, and we have interacted with the authorities to purchase land in the city centre to build a three tower shopping, hotel and retail complex. We are awaiting government approval for a lodge development in the Serengeti National Park.

• **Infrastructure:** We are also interested in upgrading port facilities in Dar es Salaam and Zanzibar.

• **Zanzibar:** We are excited about investment opportunities in Zanzibar. HE President Karume and I have discussed opportunities in several sectors during my visit to Zanzibar in 2007 and when I received the President in RAK in November 2008.

In conclusion, do you have any specific message to Tanzanians in the current economic climate?

Tanzania has an abundance of natural resources and vast economic potential. By continuing on the path of economic liberalisation, creating a conducive investment climate, removing barriers to innovation and entrepreneurial spirit, curbing unnecessary bureaucratic processes and improving infrastructure, Tanzania will be well on the way to reducing poverty and surpassing millennium development goals. I extend a hand of friendship and renew my pledge to grow my investment portfolio in the country.