

The rising Northern Emirates

While the Northern Emirates are often eclipsed by the might of Abu Dhabi and the glamour of Dubai, they are collectively emerging to become important contributors to Emirati economy and culture

About a third of the UAE population live in the Northern Emirates

Dubai, the futuristic megalopolis of breathtaking skyscrapers and gargantuan malls continues to defy imagination and draw in the crowds. Oil rich Abu Dhabi offers a string of magnificent museums and galleries - and the stunning Formula 1 racetrack and theme park on Yas Island. For most of the world this is the instantly recognizable face of the UAE where everything is bigger, better or both. They sometimes overshadow the other five emirates in the federation - Ras Al Khaimah, Sharjah, Fujairah, Ajman and Umm Al Qaiwain.

But the fortunes of these Northern Emirates are on the rise. The impact of a US\$7 billion infrastructure and investment blueprint included in the 2011 federal budget has been dramatic. It has swept away claims of chronic neglect since the death in 2005 of the UAE's first president, Sheikh Zayed bin Sultan Al Nahyan of Abu Dhabi. Analysts predict a boom and are pointing investors in the direction of Dubai's less well known relatives.

That has been followed in recent months by a grant of some US\$70 million for improving education, employment and housing. There are also plans to boost medical services, upgrade power

distribution, introduce new waste disposal and recycling services, build desalination plants and extend the road network. A positive realignment, reinforcing individual development in the lesser emirates, is well under way.

The UAE's population is estimated at just over 8 million. About a third of the population live in the Northern Emirates. Umm Al Qaiwain is the smallest of these with a population of around 70,000 and a land area of 777 sq km. Sharjah (population 900,000, area 1684 sq km) is the largest.

Fujairah (population 140,000, area 1,300 sq km) is situated on the coast of the Gulf of Oman. It is dominated by the Al Hajar mountains which separate it from the rest of the country. Fujairah is primed to expand beyond its traditional fishing, agricultural and tourist economy. The completion of the Habshan-Fujairah pipeline, begun in 2008, has integrated the emirate into the oil industry. The capital, also Fujairah, is the only multi-purpose port on the eastern seaboard of the country.

The pipeline will bring in 1.5 million barrels a day which will be pumped to an 8 million barrel storage facility. A liquid natural gas pipeline, terminating at a new gasification plant, will be completed next year. The network will allow ships - including those of other Gulf countries - to load and offload in Fujairah bypassing the Strait of Hormuz. The Abu Dhabi International

Petroleum Investment Company has already spent US\$3 billion on a refinery that will process 200,000 barrels a day by mid-2016.

The completion of the Dubai-Fujairah highway at a cost of around US\$1.7 billion has also propelled investment. Three large shopping complexes, several hotels and industrial parks are under construction. There is development on the coast as well. A new steel factory will turn out one

Map of the United Arab Emirates with a focus on the Northern Emirates



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million tons annually while a storage terminal will hold 275,000 metric tonnes of grain.

Ras al Khaimah (population 180,000, land area 1684 sq km) is home to over 5,000 firms from 106 countries. Its economy grew by 8 percent in 2011 backed by the RAK Free Trade Zone and the RAK Investment Authority, entities owned and operated by the government. Notable trading partners are India, Egypt, the US and UK. Industry provides the bulk of its exports; its location on the Strait of Hormuz gives it a competitive advantage in terms of shipping costs. Ras Al Khaimah has developed a thriving construction materials sector and is home to the world's largest ceramics manufacturer.

The emirate also has ambitious plans to exploit its tourist potential by combining extensive outdoor activities - kayaking, fishing, parasailing, horse riding, sailing, microlight flying and golfing - with premium accommodation and world class cuisine.

Ajman benefits from a US\$55 million desalination plant courtesy of the federal government. Meanwhile the Ajman Free Zone (AFZ) continues to target small and medium-sized enterprises. Registrations are on the rise again after a dip in the wake of the global financial crash and the AFZ now has more than 7000 companies registered. The first major deluxe hotel development in ten years was also completed with the opening of the Ajman Palace last year.

Umm Al Qaiwain has received almost US\$9 million for road building and housing development. Its growth strategy aims at enhancing infrastructure and building public sector capacity. It intends to lead the way in eco-tourism and is pioneering the transplanting of coral reefs.

Eco-tourism is also on the economic agenda in Sharjah. Work on the Chedi Khorfakkan Resort and the Kalba Eco-tourism and Heart of Sharjah projects is underway. The emirate also expects to capitalise on the booming healthcare industry. Transport and logistics are seen as growth areas.

The economic ambitions of the Northern Emirates may seem like small cheese by Dubai standards, or even insignificant given that Abu Dhabi covers 80 percent of the land mass and holds nearly all of the UAE's vast oil and gas reserves. But they may prove to be vital components of the federation in time.

Although the UAE has the world's third-largest conventional oil reserves, and its fifth-largest natural gas reserves, the Abu Dhabi government - which dominates - has been clear about its long term strategy of diversifying away from oil. Five years ago it unveiled Vision 2030 a development program that aimed to create a sustainable, knowledge-based, and globally integrated economy by 2030 - with the non-oil sector accounting for 64 per cent of GDP. The government would encourage industries and services in which the emirate had a comparative advantage, but it would be a regulator, rather than a provider of public services.

Against this background it is difficult to dismiss the renewed interest in the Northern Emirates. Their time has come to play an integral role in the federation, as generators of significant economic growth and not simply as the recipients of redistributed oil wealth. Given the backing of the federal government it's easy to anticipate a flurry of investment in the not so rich and famous emirates. **F**



Ras Al Khaimah has some of the fastest growing free trade zones in the region