

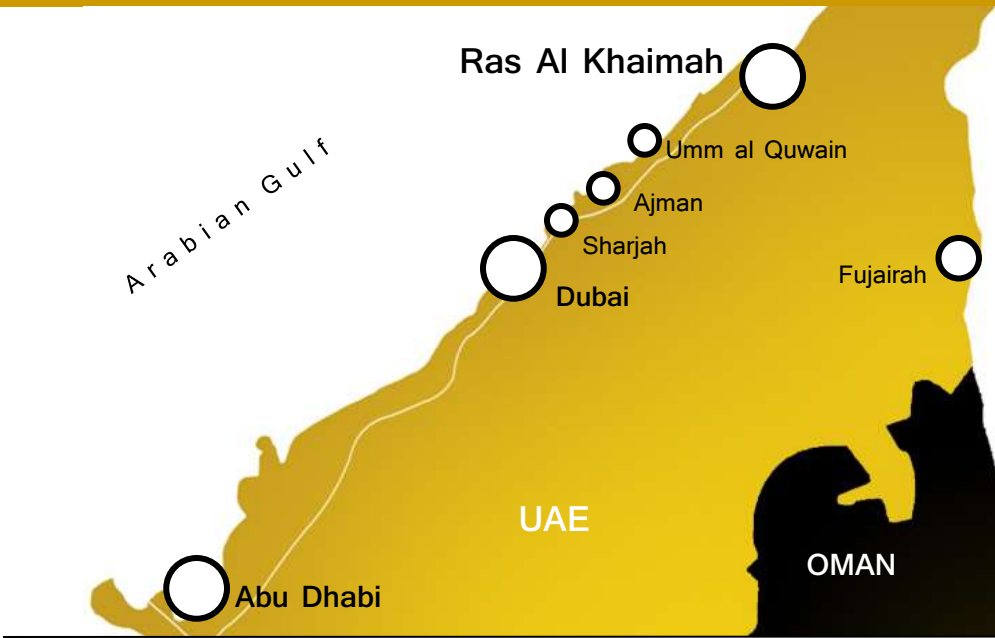
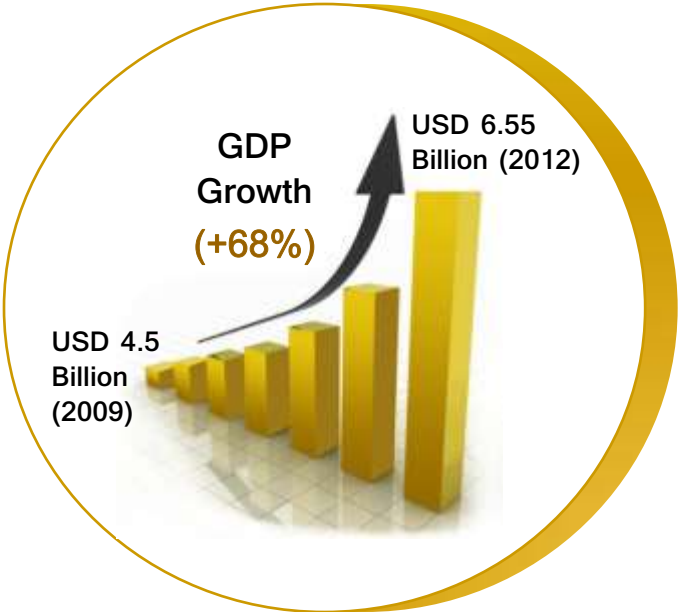


Government of Ras Al Khaimah
RAK Investment Authority



Corporate Presentation for Glass Sector

Ras Al Khaimah – At a Glance



Population

422,000



Manufacturing

24.9% of GDP



A/A-1



'A'

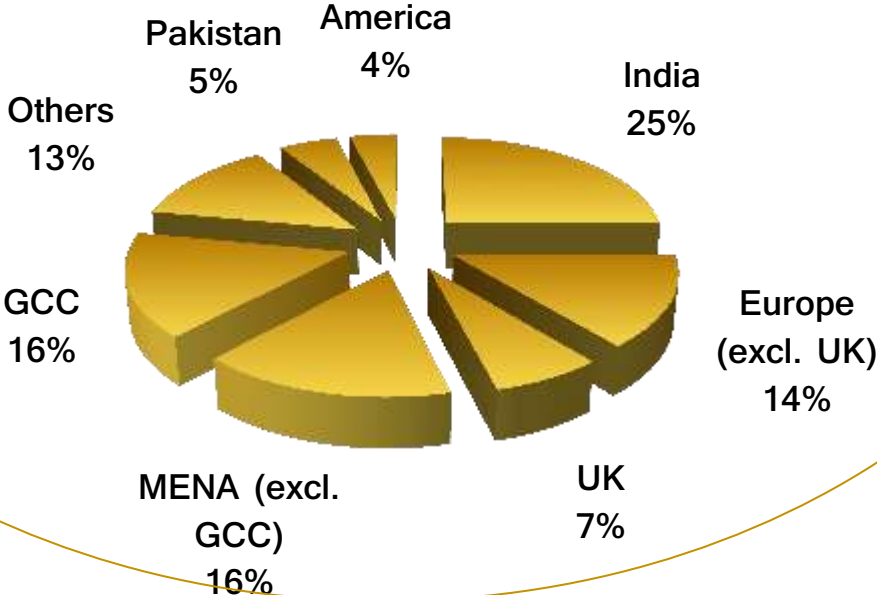


RAK Investment Authority (RAKIA) – At a Glance

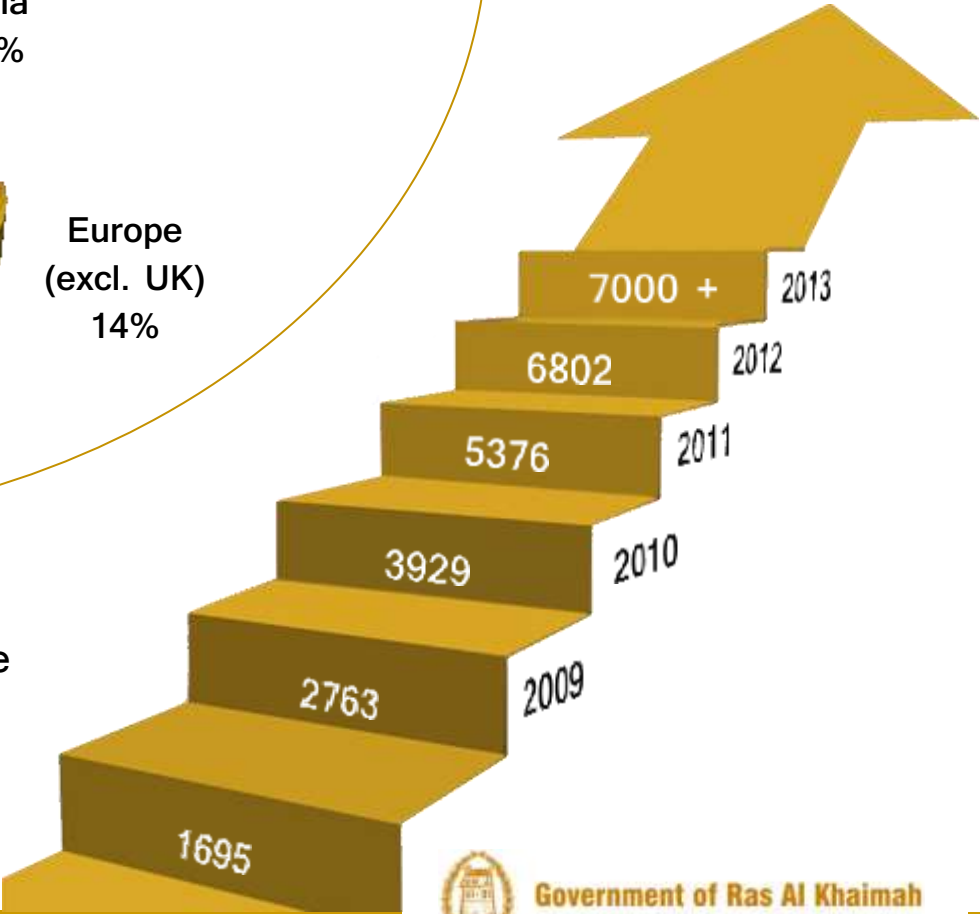


RAKIA – 9 Years of Excellence

Investor Pattern



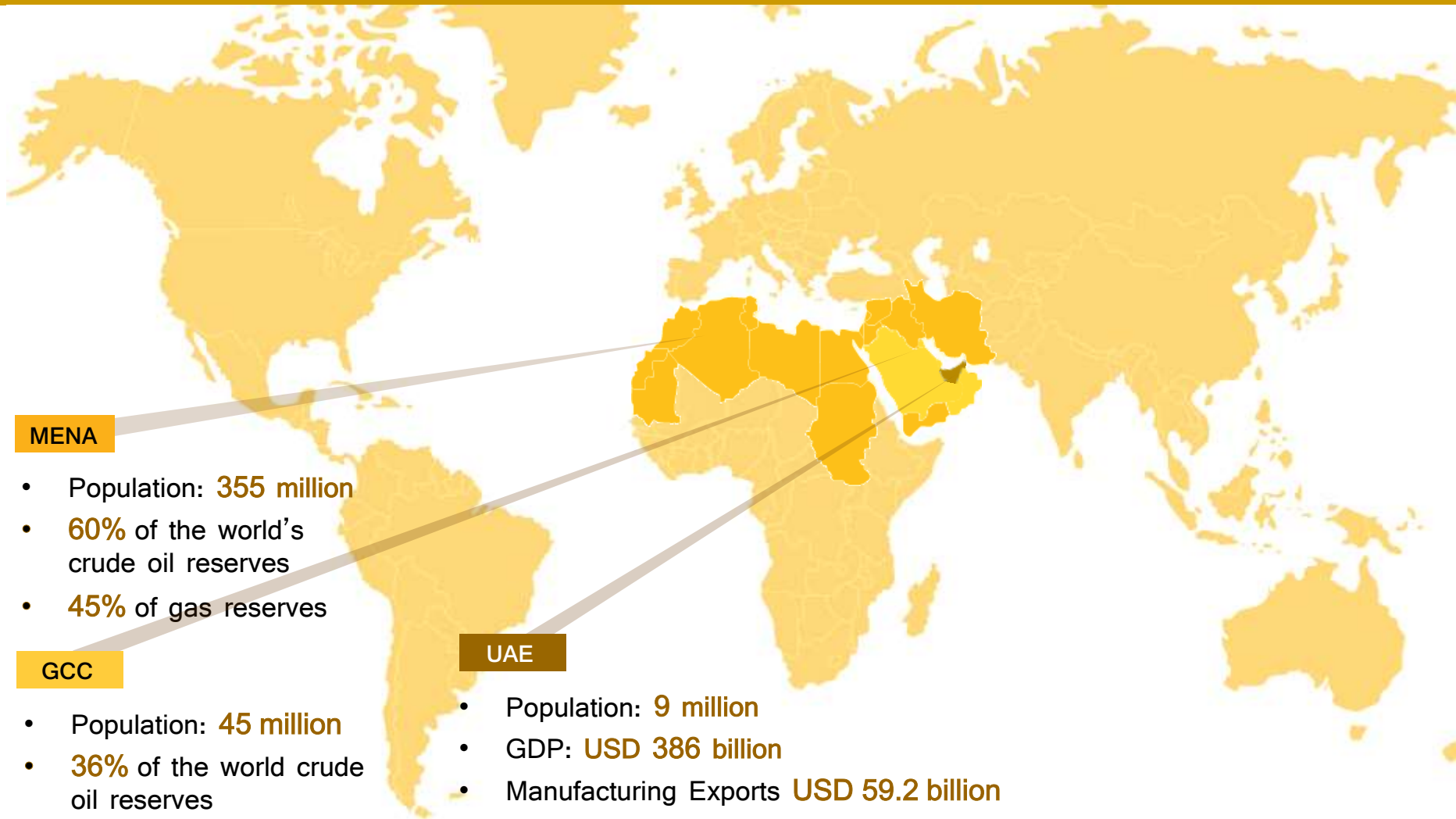
Number of Companies



Established in 2005, RAKIA is home to over **7,000** companies including **500** manufacturing units.



Potential Market



MENA

- Population: **355 million**
- **60%** of the world's crude oil reserves
- **45%** of gas reserves

GCC

- Population: **45 million**
- **36%** of the world crude oil reserves
- GDP: **USD 1.366 trillion** (2012)

UAE

- Population: **9 million**
- GDP: **USD 386 billion**
- Manufacturing Exports **USD 59.2 billion**
- Intellectual property protection
 - UAE 1st in MENA



Location Advantage



Distance to major ports & airports from Al Hamra Industrial Park



RAKIA Advantages

1. Low cost of business setup and operations

- Enables duty free trade with all GCC countries
- Most competitive lease rates in the region
- 100% tax exemptions
- 100% foreign ownership in Free Zone companies
- 100% repatriation of capital and profits
- Availability of affordable utilities
- Low cost of living and high living standards

2. Strategic location

- 45 minutes from Dubai
- UAE's first point of entry in Arabian Gulf
- Easy access to the strategic markets
- 3 billion consumers in 5 hours flying radius
- Proximity to 2 express highways, 3 sea ports and 3 airports.
- Planned railway network by 2018

3. Ease of doing business

- Free Zone and Non Free Zone
- One stop shop for business formation
- Customised business set up solutions
- Quick and efficient services
- Political & economic stability
- Transparent laws and regulations
- No restriction on hiring expatriates
- Fixed exchange rate against US Dollar

4. Business facilitation

- Presence of world class R&D and incubation centres
- Business community including 500 manufacturers
- Complete range of business solutions and facilities



RAKIA – Products & Services



Industrial Land & Warehouses



Guardian RAK - Glass

Industrial Land

- Al Hamra Industrial Park : 7 Million m²
- 97% of the area leased
- Al Ghail Industrial Park : 15.2 Million m²
- 30% of the area leased
- Area starting from 5,000 m²
- 25 year lease, renewable
- Offices & labor accommodations within premises
- 24 hrs uninterrupted power supply

Warehouses

- Located in Al Hamra Industrial Park
- Size starting from 312 m² to 10,000 m²
- Minimum electricity load 15 KVA
- Security, drainage & alarm systems
- Suitable for storage & small scale industries etc.



Mahindra - Automotive



Office Space & Business Center



Office Space

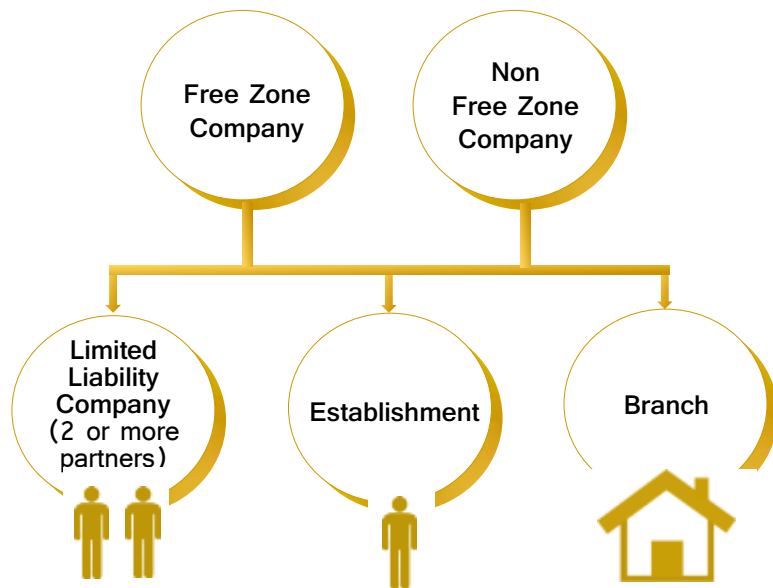
- State-of-the-art business space for service oriented companies
- Executive offices from **32 m²**
- Cubicle offices from **10 m²** to **25 m²**
- Flexi offices or shared workstation

Business Center

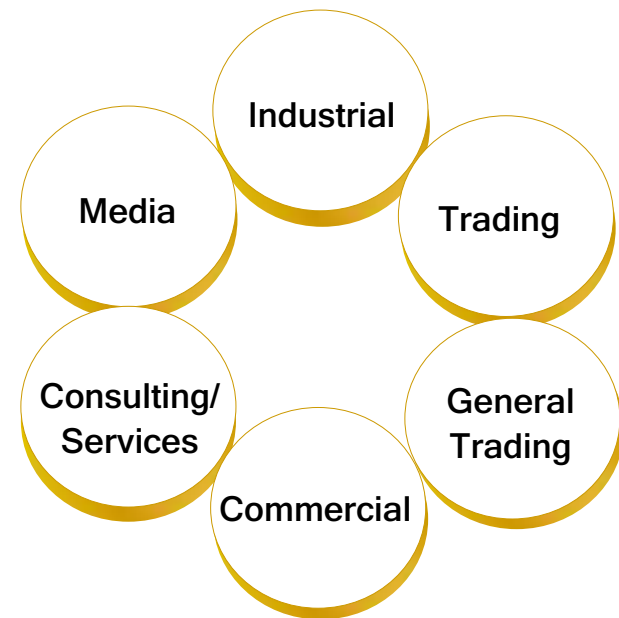
- Conference room facility
- Business lounge for networking and executive meetings
- High speed internet access
- On site administrative services



Types of Companies



Business Licenses



Free Zone vs. Non Free Zone

| Key feature | Free Zone | Non Free Zone |
|-------------------------------|--|--|
| Ownership | 100% foreign ownership | Up to 49% foreign ownership |
| Tax | 100% tax free | 100% tax free |
| Sales in local market | Through distributors and / or local agents | Direct |
| Customs duty | <ul style="list-style-type: none"> No customs duties within Free Zone 5% customs duty to be paid on deposit, for goods in transit between points of entry (seaports/airports/borders) and Free Zones and Free Zones to point of exit (export). 5% customs duty for sales to local market (import) and GCC (first point of entry-import). Local customs duties applicable for imports into other countries. | <ul style="list-style-type: none"> No customs duty applicable for sales of locally manufactured goods in GCC and GAFTA countries Local customs duties applicable for imports in to other countries |
| Capital & profit repatriation | 100% Allowed | As per the contract between partners |
| Labour Law | Free Zone rules and labour law | UAE labour laws |



Business setup - Tariffs

Free Zone

| License | Tariffs (AED) | Tariffs (USD) |
|-------------------------|---------------|---------------|
| Industrial | 26,000 | 7,079 |
| Commercial/ Trading | 15,500 | 4,220 |
| General Trading | 24,500 | 6,670 |
| Consulting/ Services | 19,500 | 5,309 |

Non Free Zone

| License | Tariffs (AED) | Tariffs (USD) |
|-------------------------|---------------|---------------|
| Industrial | 40,750 | 11,094 |
| Commercial/ Trading | 36,000 | 9,801 |
| General Trading | 42,000 | 11,435 |
| Consulting /Services | 36,500 | 9,937 |

Land Lease

| Particulars | (AED/sqm/Year) | (USD/sqm/Year) |
|-------------|----------------|----------------|
| Land Lease | 18 | 4.9 |

Property Lease

| Particulars | (AED/sqm/Year) | (USD/sqm/Year) |
|-------------|----------------|----------------|
| Offices | 769 - 1076 | 200 - 300 |
| Flexi desk | 5000/unit | 1,361/unit |



RAKIA – Potential Sectors



Automotive



Chemical



Plastics



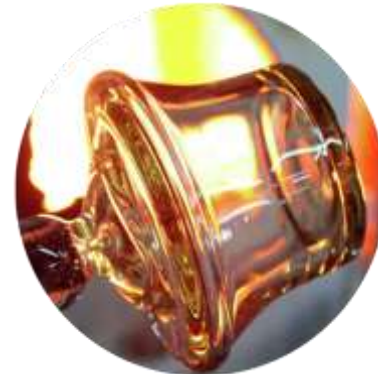
Building Materials



Metals



Food Processing



Glass



OPPORTUNITIES IN THE GLASS SECTOR



MENA Glass Industry

The global glass industry is approx \$75 billion revenue

Global value of fabricated flat glass to reach \$90 billion by 2016 , i.e. +7.1%

Top exporters to ME: Belgium, China, France, Germany, Japan, and US

Architectural glass market in the Middle East +4% P.A.

UAE's construction industry to contribute 11.5% till 2017 to the GDP

Egypt & Algeria net exporters of Float Glass

300 projects worth \$143 billion are under design stage in UAE

UAE glass Industry +20% CAGR , 2010 - 2013

Glass industry players in MENA interested in CSP for the worldwide demand



Major Glass Segments in the Middle East

**Flat glass segment
(Construction,
Automotive etc)**

**Container Glass
(Packaging, Food
Storage)**

- GCC's urban population is forecasted to grow to 45.1 million by 2020.
- UAE urban population projected to grow to 7.9m by 2020.
- Float glass production capacities are currently increasing in Algeria and Egypt and the wider MENA due to cheap natural gas and availability of raw materials.
- The main output of the MENA glass and mirror industry is food and beverage glass, glassware, building, and automotive glass
- Diversification by float glass players in value added segments – automotive , processed glass ,solar control panels, insulation and low-E glass
- Increased demand fro investments in the downstream Glass sector.



Advantages

- Availability of raw material in the region
 - Soda Ash
 - Silica
- Continuous supply of clean and cheap power
- No anti dumping regulation on soda ash, silica and other raw materials
- 0% tax exemptions
- Location advantage to export to any part of the globe
- 0% custom duty on import of raw material
- Low fuel cost hence lower transportation cost
- Availability of cheap and skilled manpower
- Recycling of used glass supported by government



Demand Drivers - Construction sector

- The increase in the expatriate population, which accounts for more than 80% of the total figure, constitutes the main growth driver for increasing demand for residential and commercial property.
- Favorable government policies, such as permitting non-UAE/GCC national freeholds and leaseholds in designated areas of the UAE,
- Shift towards renewable energy production (solar power)
- Most Asian & Middle east markets are still low in maturity hence a great opportunity
- Continuous increase in per capita consumption of glass in the region
- Lack of availability of integration of full value chain as most of the float glass is imported (EU & Asia) and few locally sourced



Demand Drivers – Container Glass

- The Middle East container glass sector
 - The beverage sector: accounts for around 56% of total
 - The food sector: accounts for 29%
 - The perfumery, pharmaceuticals and technical product container sector: accounts for approximately 15% of total tonnage.
- Shortage of glass containers is estimated to be around 300,000 tons annually in the Middle East

| World food container demand (Billion\$) | | |
|---|------|-----------------------------|
| Region | 2017 | % Annual Growth 2012 - 2017 |
| North America | 36.7 | 3.2 |
| Western Europe | 28.5 | 2 |
| Asia Pacific | 49.8 | 6.3 |
| Central & South America | 13.3 | 6.4 |
| Eastern Europe | 6.9 | 6.2 |
| MENA | 5.5 | 6.8 |



Glass Containers: Major GCC Importers

| IMPORTING COUNTRY | VALUE (USD) | VOLUME (TONS) |
|-------------------|-------------|---------------|
| Bahrain | 4,928,887 | 5,814 |
| Kuwait | 0 | 0 |
| Oman | 1,411,613 | 1,042 |
| Qatar | 1,226,558 | 2,421 |
| UAE | 62,992,932 | 97,250 |
| KSA | 0 | 0 |



RAKIA - Prestigious Clients

SAVER GLASS



- A French company primarily producing colored bottles for commercial use, in particular for wines, perfumes and food products
- €75 million (AED 360.8m) project
- Production target is 350 tonnes of glass bottles a day and 90,000 tonnes for the first year
- Markets served - South Africa, Asia, Australia and New Zealand
- Saver Glass chose RAKIA because of
 - Easy access to raw materials and energy
 - Low labour and construction cost
 - Proximity to \$-zone countries
 - Collaboration & networking in the Glass cluster of RAKIA



RAKIA - Prestigious Clients



- Manufacturing tableware's for the Luminarc and Arcoroc brands, as well as for the RAK Glass brand
- The world specialist in dinnerware, drink ware, hot drinks, kitchenware and decoration
- Turnover of €978 million in 2012
- Products distributed in the Middle East, Africa and Asia
- Increase in the demand in the ME & availability of raw material and other utilities at lower cost is what attracted ARC International to RAKIA



RAKIA - Prestigious Clients



- Guardian is a diversified global company from Michigan, USA
- 3rd largest manufacturer of float glass (fabricated glass products, fiberglass insulation and other building materials for commercial, residential and automotive applications)
- Guardian RAK produces 700 tons of glass per day, employs over 300 people
- Guardian Glass chose RAKIA due to low lease and energy costs



Plenty more Global Players in RAKIA



"We Stand for Water Saving"



Mitsui Chemicals



RAK GHANI



VESUVIUS



LUBECHEM
INTERNATIONAL



Government of Ras Al Khaimah
RAK Investment Authority

Added Advantages

- No taxes on import of raw materials and sales of finished goods
- No corporate and personal taxes
- No filing of returns or disclosures
- No trade unions
- No restrictions on hiring expatriate workforce
- No bureaucracy in business set up and operations
- Single window licence clearance
- Funding support from the local banks



Doing Business in RAKIA- An Indian Perspective

| Key feature | India | Ras Al Khaimah |
|----------------------------------|---|---|
| Direct Tax | 33.99% on companies registered in India 41.2% on branch of foreign companies | No Corporate Tax |
| Import Duty | App. 28% | Zero duties for free zone companies, duty exemption on raw materials & machinery for non free zone companies |
| Indirect Taxes | Excise Duty (12.36%), State Entry Tax/ octroi duty, VAT/ CST | 0% |
| Duties on Exports to MENA region | Customs duties in destination country (no free trade agreements currently in force between India and any Middle East country) | Duty free exports to GCC Countries, preferential rates on export to Middle East countries in Greater Arab Free Trade Area (GAFTA) |
| Workforce Mobility | Visa required for engineers/ consultants for each country visited | Free movement within GCC with UAE residence visa, visa on arrival in many Middle East countries |
| Hiring & Restructuring of labour | Subject to federal and state laws, notably Factories Act, 1948, Industrial Disputes Act, 1947, Workmen's Compensation Act, 1923 | No restriction on hiring and restructuring |
| Foreign Exchange Transaction | Subject to exchange rate fluctuations | Fixed exchange rate vis-à-vis US Dollar |

MENA= Middle East & North Africa



Government of Ras Al Khaimah
RAK Investment Authority

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Government of Ras Al Khaimah
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Ease of doing business

+

New growing market

Benefit from the opportunity