



NEIGHBORS

Better-than-expected start to 2021

Al Habtoor says outlook positive despite COVID fallout

Khalaf Ahmad Al Habtoor, Founding Chairman of Al Habtoor Group (AHG), one of the largest privately-owned business conglomerates in the region, said the first quarter of 2021 fared better-than-expected thanks to the post-pandemic recovery in the United Arab Emirates.

Al Habtoor said AHG took measures early in 2020 to ensure it could withstand the fallout from Covid-19, which is still impacting much of the world, including industrialised nations. "The Covid-19 pandemic, which took the world by storm, took everyone by surprise. It was something no country was prepared for, let alone companies or individuals. Many industries around the globe were brought to a standstill or faced complete collapse, particularly the travel and tourism industry," Al Habtoor said.

He added, "Some of the world's largest nations failed in dealing with virus and managing its impact. Many are still struggling to get the pandemic under control, introducing lockdown after lockdown, and severely impacting business operations and the economic recovery."

He praised the UAE authorities for their handling of the crisis. "The United Arab Emirates was exemplary from the start. We have proven that we are a nation that excels in crisis management. Protecting our citizens was the number one priority. The collective efforts from the government and the willingness of the general public to support their measures is to be commended."

Speaking about the diverse industries that AHG operates in, Al Habtoor noted that the real estate sector in Dubai recorded strong sales growth of 17 per cent in January 2021 compared to the same period a year earlier: "We have seen solid growth in our real estate division, achieving a more than 300 per cent surge in the volume of sales compared to the same time last year. This growth is being driven by investor confidence in



Khalaf Ahmad Al Habtoor, Founding Chairman of Al Habtoor Group (AHG)

the Dubai Real Estate market and the superior quality of the product. Many buyers from the Middle East, parts of Europe and the United States are seeing the UAE — particularly Dubai — as a safe and stable environment to relocate to."

He praised the UAE Ministry of Health and Preven-

tion (MOHAP) for its rapid rate of COVID-19 vaccine distribution. "The UAE administers more than 120,000 doses of the vaccine daily. Currently, more than 8 million people have been vaccinated in the country. We are well on the way for the UAE to become the first country in the world to vaccinate its entire population. This is one of the reasons why we are witnessing a pickup in certain sectors, like real estate and hospitality."

The UAE was recently named as 'the most popular tourist destination for 2021' in a study conducted by global travel firm Kuoni, who revealed that the country has emerged as the world's most searched destination for 2021 in 11 countries.

Al Habtoor said that UAE's hospitality sector has managed to withstand the impact of the pandemic to regain a healthy level of business and noted that his hotels have witnessed a steady rise in occupancy rates. "Our ability to be agile and adapt to the needs of the market have been critical to our success," he said.

He noted that a 'boom' in staycations has been a contributing factor in the resurgence of hotel occupancy rates in Dubai, which reached 71 per cent in December, the highest level since February 2020; oscillating between 50 and 70 per cent over the past three months throughout the Emirates. "While we cannot receive guests from countries in lockdown, we continue to welcome guests from countries still able to travel, such as the CIS, Eastern Europe and the US," Al Habtoor said.

He acknowledged that it was hard to see hotels close their doors at the start of the COVID-19 crisis, with hotel lobbies looking like ghost towns. "I am pleased to see them back to life and delighted that the hospitality industry in Dubai is well on the road to recovery," Al Habtoor said he is expecting 2021 results to surpass those of 2019. He praised the creativity of the teams at Habtoor Hospi-

tality who had to 'reinvent' their sales approach, looking at offers and opportunities to reinvigorate the market. "Some of our hotels are already ahead of last year by more than 20 per cent, year to date," he added.

Al Habtoor said the UAE's success is down to the excellent crisis management and transparency of the authorities, as well as the collaboration between the private and public sector. "It was a collaborative effort," he said. "We prepared for the worse, adapted, and found ways to navigate the extreme circumstances we found ourselves in. At the Al Habtoor Group, we mobilised our business continuity plan very quickly and focused on cost efficiency and optimisation. We managed to turn a challenging year around."

Al Habtoor said other parts of the business are faring well. The Group's car leasing business, Diamondlease, increased its fleet size by 24 per cent to reach more than 10,000 vehicles in the period from March 2020 to March 2021, with 90 per cent utilization. He also noted strong results at Al Habtoor Motors, which match pre-pandemic numbers, and increased demand at Emirates International Schools.

He concluded, "My belief is stronger than ever, that Dubai is a safe haven for investors and for business. I am proud to wave the UAE flag."

About Al Habtoor Group

Al Habtoor Group, headquartered in the United Arab Emirates (UAE), is one of the region's largest and most respected conglomerates. Founded in 1970 by Khalaf Ahmad Al Habtoor, the Group has grown in unison with the UAE and today has a diverse portfolio of successful business operating in key economic (hospitality, automotive, real estate, and education). Al Habtoor Group has an unwavering commitment to excellence, applied throughout all its units. www.habtoor.com



Young Emirati entrepreneur AIDhabi Al Muhairi launches Rainbow Chimney

An Emirati student at Aldar Academies' Al Ain Academy has launched her own online platform 'Rainbow Chimney', offering unique boxes containing books and educational toys for children between the ages of 3 - 9. With the sup-

port of her parents, the young entrepreneur, AIDhabi Al Muhairi (above), developed an idea from a simple box of educational toys for her friends at school, to an online website offering books and customized boxes.

Sheraa develops new formula for building startups

The Sharjah Entrepreneurship Center (Sheraa) has launched its latest program, the Sharjah Startup Studio (S3), designed to build enduring businesses that will accelerate the region's digital transformation and contribute to the growth of the non-oil economy in the UAE.

The first government-backed startup studio in the UAE will go beyond the traditional method of education-based programs, taking a more hands-on approach to venture building. S3 will dedicate a team of experienced experts to work alongside founders, and will get actively and operationally involved in the co-creation of their startups.

The studio model lays the foundation for home-grown entrepreneurial success by working with founders from the earliest stages of their startup journey, helping them to validate their idea and determine whether to take it to market. In addition to extensive market research, this will involve the participation and feedback of relevant S3 corporate and government partners to ensure that pertinent problems are being solved, and to evaluate the proposed solution.

Concepts deemed viable will receive technical and financial resources from the S3 ecosystem to build and launch the product. The deep engagement with startups continues beyond graduation, with S3 leveraging its extensive market access to support startups with customer acquisition, and helping them integrate into local and global supply chains.

In keeping with Sheraa's 'founder-first' philosophy, S3 is the first startup

studio in the region to use a revenue-sharing model, with founders retaining full ownership of their businesses. This model provides founders with \$30,000 in preseed funding and allows them to focus on building a high-quality product, achieving sustainable growth and profitability, while also creating impact.

Startups in S3 will receive a host of benefits, including business incorporation in Sharjah and access to a state-of-the-art coworking space at the Sharjah Research Technology and Innovation Park (SRTIP). Founders will also have opportunities to raise follow-on funding, through Sheraa's investment partners, after graduating from the studio.

S3 was designed by Sheraa based on the culmination of challenges and difficulties which startups in the UAE and the region have encountered over the course of many years, including the obstacles faced during the pandemic last year. It is expected that S3 will be a leading contributor to the region's economic structural reforms to boost non-oil growth. According to a study published by the International Monetary Fund (IMF) in late 2020, providing financing options for startups is among the crucial measures recommended to achieve long-term private sector led growth as part of a wider post-COVID economic recovery plan.

"The launch of Sharjah Startup Studio is a watershed moment not just for Sheraa, but for the ecosystem as a whole," said Najla Al Midfa, CEO of Sheraa. "It represents a turning point in the role accelerators must play to support startups, not only ensuring they provide founders with the best possible found-

ation to launch their business, but also build it alongside them."

She continued: "S3 marks an essentially transformative era for the startup community in the region, especially in the midst of an unstable funding ecosystem that continues to affect founders and their abilities to gain access to key resources to jumpstart their startups. Through our startup studio, we can now help founders build and launch sustainable, successful and profitable businesses. By taking all the lessons we have learned over the last five years, including the turbulent challenges of the pandemic last year, S3 is the answer to how a founder can finally harness the full opportunity of becoming a key stakeholder to UAE's economic growth and diversification."

She added: "Our revenue-share model is deeply inspired by our founder-first ethos, which means that these startups will graduate not just investment-ready, but with their full equity intact. We are tremendously excited to share this journey with our founders, and co-build impactful, high-growth startups that have the potential to transform Sharjah, the UAE, and the world."

S3 is a synergistic convergence of Sheraa's venture-building experience, access to market, and leading product development partners. Combined with a unique founder-first ethos, the program will result in a new generation of startups positively contributing to the region's socio-economic growth.

Aspiring founders and entrepreneurs from across the MENA region are invited to apply for S3 through Sheraa's official website.

editor's choice

