

# THE REPORT

## Sharjah 2023

ECONOMY  
INDUSTRY  
TRANSPORT  
HEALTH

TOURISM  
CONSTRUCTION  
REAL ESTATE  
ENERGY

ICT  
FINANCIAL SERVICES  
EDUCATION  
INTERVIEWS

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## In position

Page 23

An estimated 96% of Sharjah's GDP comes from non-oil activity, with wholesale and retail the largest contributor. As of September 2022 there were more than 60,000 small and medium-sized enterprises located in the emirate, and it was home to more than 35% of the country's manufacturing enterprises. The period ahead is expected to see progress on a number of projects connected to the UAE's development goals.

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## Plentiful advantages

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Health care and wellness have emerged as growth industries in Sharjah in recent years. With research centres, advanced facilities and access to the global market, the emirate's health care sector is poised to continue to grow, supported by the local government's sustained commitment to establishing Sharjah as an international centre for health care services provision and education.





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## Diversity on display

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Part of Sharjah's ongoing transformation has been developing its tourism and culture offerings, as demonstrated by the amount allotted to such activities in the 2023 budget. The emirate is embracing ecotourism and adventure travel, and airport expansion and strategic road projects are also helping increase the emirate's investment prospects.

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## Sustainable changes

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Sharjah's energy sector is undergoing a period of dynamic change as it continues to develop its existing resources in line with its transition towards utilising clean and renewable energy sources. The emirate is well positioned to leverage its strategic location as a gateway to the Northern Emirates, making it a crucial centre for power transmission, gas pipelines and gas storage.



## Making space

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Sharjah is the only emirate in the UAE bordering all other emirates, and both the Gulf and the Gulf of Oman, making it strategically important for transport and trade. It is home to the country's first international airport and three ports. The emirate has invested in sustainable public transport and ride-hailing efforts, in line with national sustainability targets.

## Expanded offerings

Page 106

The construction and real estate sectors have supported the emirate's economic development in recent years as its government pursues further economic diversification and sustainable growth. The construction industry is supporting the government's growth strategy through the development of industrial sites and the expansion of the emirate's free zones.



## Expansion plans

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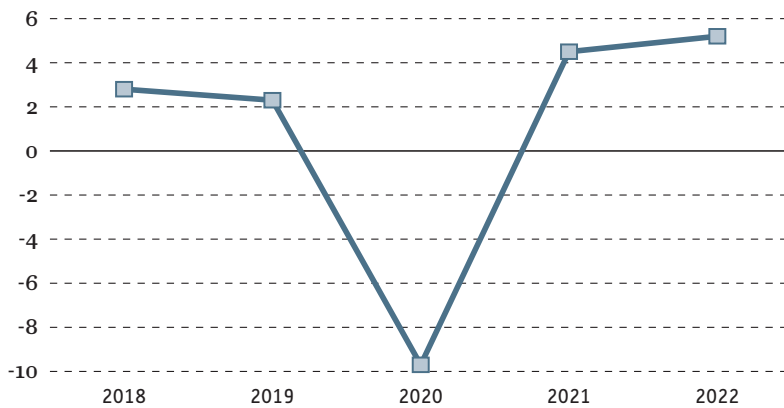
Innovative digital transformation policies and sustained investment in related infrastructure have helped establish Sharjah as a centre within the UAE and broader GCC. Sharjah has also accelerated the digitalisation of its industrial sector while providing support for wider sustainability efforts.



# Sharjah in brief

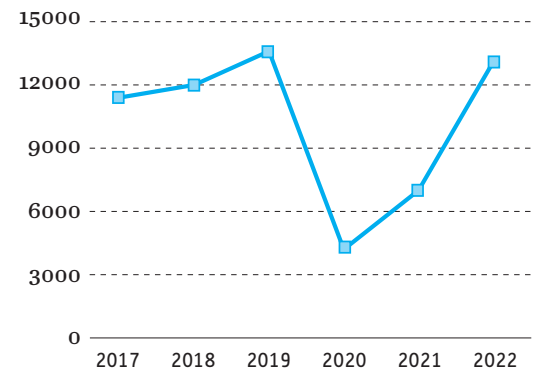
With its economy demonstrating robust growth in the wake of the Covid-19 pandemic, Sharjah has embarked on an investment and development programme to leverage its location along the Arabian Sea and Gulf coasts. Due to the emirate not being reliant on oil and gas reserves, Sharjah has well-developed manufacturing, construction and real estate sectors that have benefitted from various free zones and industrial zones that are linked by motorways to the rest of the country and the region. Tourism is an area ripe for expansion, especially as the global travel industry recovers from the pandemic, and the emirate has also been working to increase its education and medical service offerings.

GDP growth, 2018-22 (%)



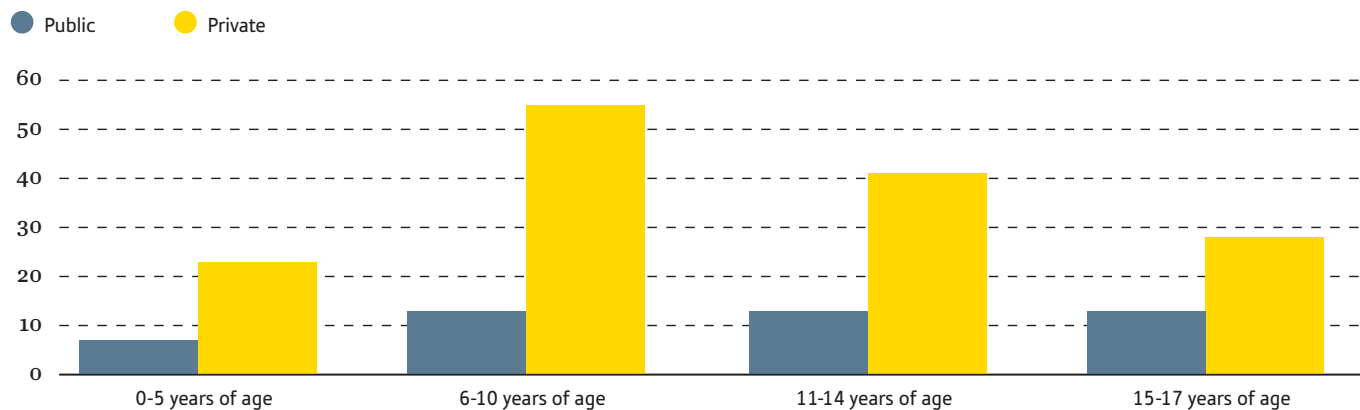
Source: DSCD

Passengers handled by Sharjah International Airport, 2017-22 (000)



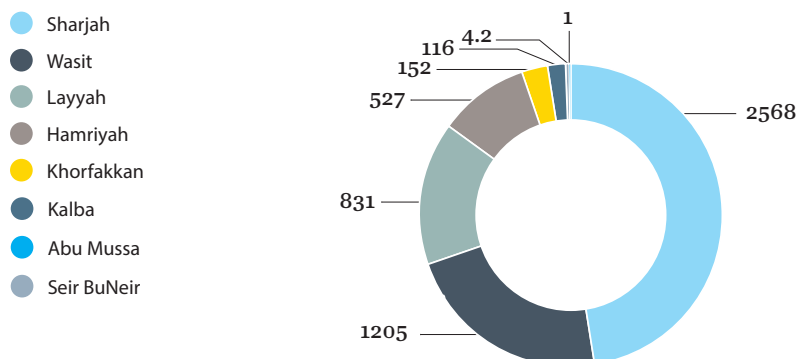
Source: Sharjah International Airport, Gulf Business

Student enrolment by age group and segment in Sharjah, 2020/21 (000)



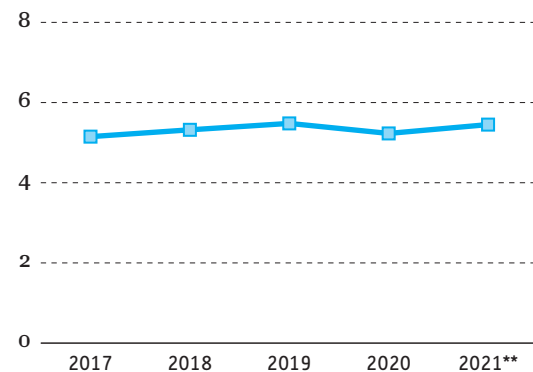
Source: MoE

Power station installed capacity, 2021 (MW)



Source: SEWA

Financial and insurance activities contribution to GDP, 2017-21 (Dh bn)

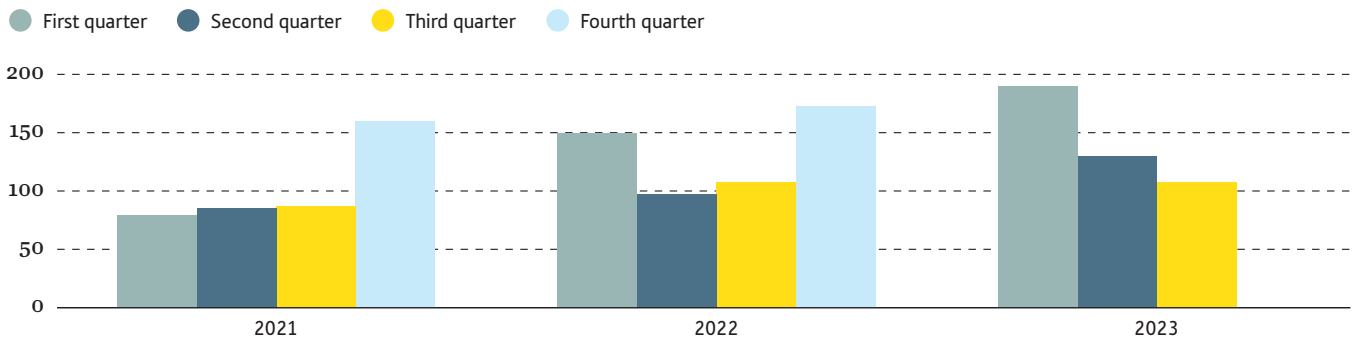


Source: Statista

\*\*Preliminary

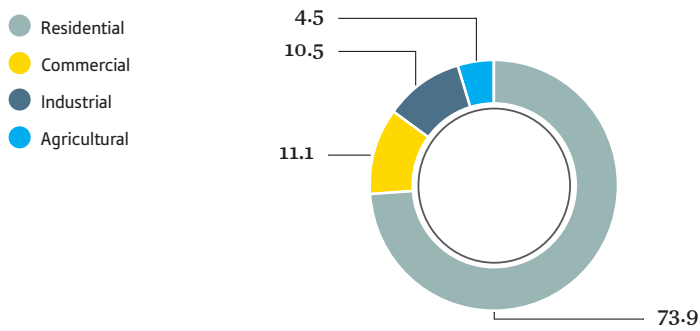


Hospitality revenue, 2021-Q3 23 (Dh m)



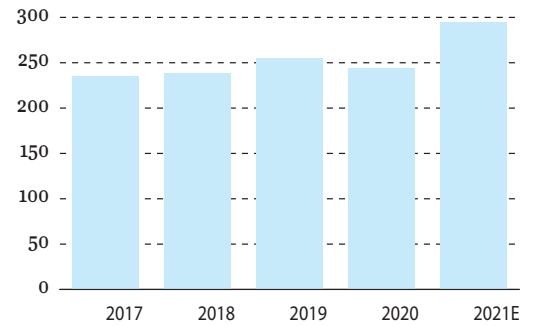
Source: SCTDA

Breakdown of real estate sales transactions in Sharjah, 2022 (%)



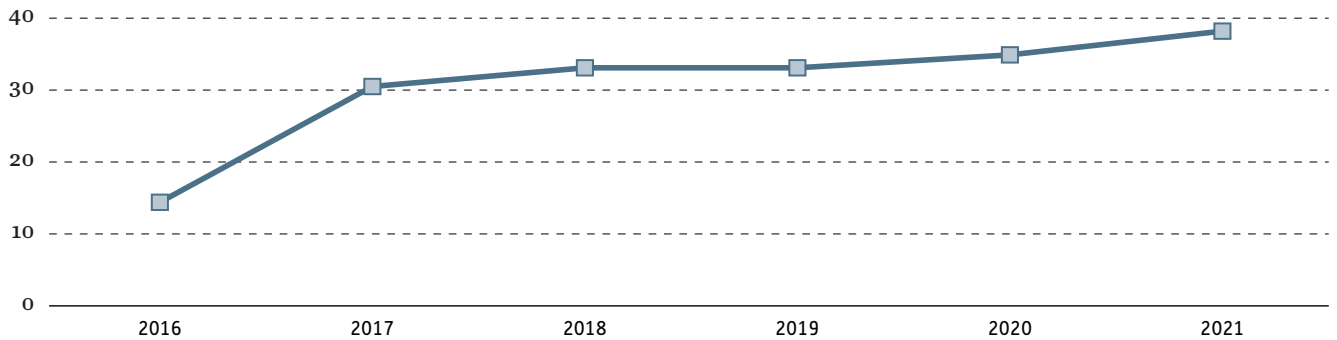
Source: SRERD

Gross-fixed capital formation, 2017-21E, (Dh bn)



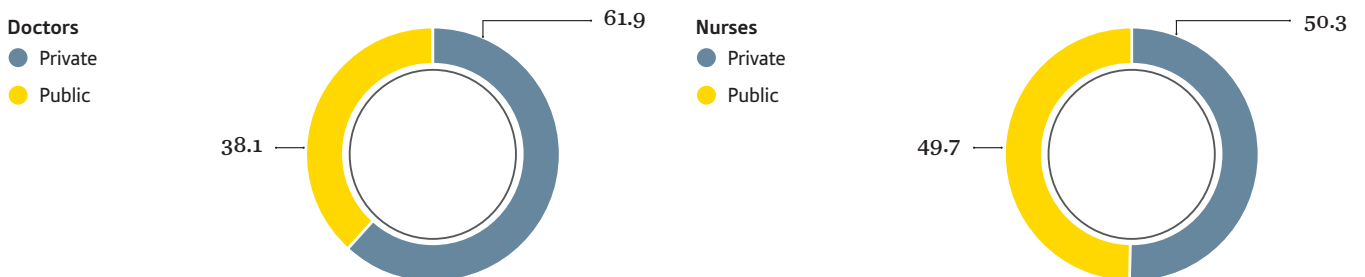
Source: DSCD

Fixed broadband subscriptions, 2016-21 (per 100 people)



Source: TDRA

Allocation of health care professionals in Sharjah, 2021 (%)



Source: MoHP



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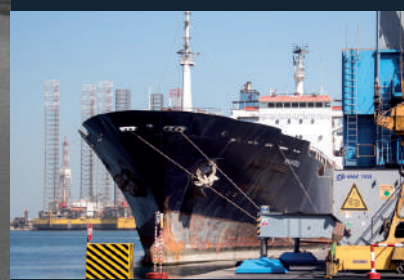
# Profile

Non-oil sector drives post-pandemic economic growth

Infrastructure projects solidify position as trade centre

The emirate remains a top regional cultural destination

Key steps taken on sustainable economic development





Sharjah's economy grew by 5.2% in 2022, when GDP reached \$37.3bn

## Diverse benefits

A growing non-oil sector, and numerous cultural and art events demonstrate the emirate's advantages

Sharjah stands out as a prime destination for manufacturing, culture and education in the UAE, with two amphitheatres, 16 museums, year-round festivals, and more than 22 colleges and universities.

The third-largest emirate in the UAE after Abu Dhabi and Dubai, Sharjah stands as a prime manufacturing, cultural and education destination in the country. It is home to two amphitheatres, 16 museums, a variety of year-round festivals and University City of Sharjah, with more than 22 colleges and universities – all of which contribute to its distinct identity.

Sharjah has a robust and diversified economy, where nearly 96% of economic activity is non-oil based and no single industry exceeds 20% of GDP. With six specialised free zones, flexible investment options and advanced infrastructure, Sharjah is well positioned in manufacturing, commerce and creative industries. As it continues to foster diversity, establish new partnerships and leverage modern technology for development, it aims to solidify its place on the world's investment map.

**GEOGRAPHY:** Situated in the north-eastern part of the Arabian Peninsula, Sharjah is the only constituent emirate of the UAE with coastlines on both the Gulf and the Gulf of Oman. Covering an area of 2590 sq km, the emirate includes the regional towns of Al Dhaid and Al Badayer, as well as three exclaves on the Gulf of Oman: Khorfakkan, Kalba and Dibba Al Hisn. Sharjah is also home to one of two counter-enclaves in the world – Nahwa, a village located inside the Omani enclave of Madha. Al Dhaid, the third-largest town, is a centre for fruit and vegetable production, while Kalba has a rich historical heritage. Dibba Al Hisn is known for its beaches, whereas Al Badayer is home to expansive deserts. On the eastern coast, Khorfakkan, Sharjah's largest coastal town, has the Khorfakkan Container Terminal – the only natural deepwater port in the region and the only UAE container port on the Gulf of Oman. Sharjah City, the emirate's primary population centre and home to 85% of its residents, is located some 170 km from the UAE's capital, Abu Dhabi City, and around 27 km from downtown Dubai.

Sharjah shares borders with all six other emirates: Dubai and Abu Dhabi to the south, Umm Al Quwain and

Ajman to the north, and Fujairah and Ras Al Khaimah to the north-east. Inland, Sharjah's landscape is dominated by the oasis town of Al Dhaid, where water channelled from the adjacent Hajar Mountains irrigates extensive date palm plantations. Despite its desert surroundings, Sharjah is rich in flora and fauna, with around 3500 endemic plants, more than 100 species of birds and a diverse range of wildlife, including the Arabian oryx, as well as a wide variety of insects and reptiles. To help celebrate this, Sharjah Safari, the largest safari outside Africa, was established in 2022.

**CLIMATE:** Winters are generally mild, with temperatures ranging between 14°C and 23°C. Like the rest of the UAE, Sharjah experiences hot and humid conditions along its coastal areas between May and October, with temperatures exceeding 46°C and humidity levels of up to 100%. The inland regions, for their part, are characterised by a desert climate, featuring hot and dry summers and cooler winters.

**HISTORY:** Archaeological evidence of early stone tools reveals human activity in Sharjah around 130,000 years ago. The emirate's modern history, however, began in 1727, when the Al Qasimi tribe gained control of the area and declared Sharjah's independence.

Early interactions with European powers, especially the British Navy, were fractious and marked by maritime conflicts. However, in 1820 a peace accord made Sharjah a British protectorate in an effort to avoid interference from the Ottoman Empire. In 1853 Sharjah became a member of the Trucial States – the collective name given to the emirates at that time – and during the late 19th and early 20th centuries it enjoyed prosperity as a significant pearl-fishing port. Between 1823 and 1954 Sharjah was the base for Britain's only political representative on the Trucial Coast, demonstrating its importance to the colonial power.

The emirate also emerged as a strategic transport centre during this period. The construction of Sharjah's airport in 1932, initially serving as a staging ground for

# 96%

of economic activity is non-oil based



Imperial Airways flights between England and India, was the first airport in the emirates and its runway is still in use as a main road. This connection to the outside world helped offset the decline of the pearl trade in the 1930s, as well as the subsequent contraction of maritime trade stemming from the silting up of Sharjah Creek.

In the 1970s the emirate entered a new era of development, joining the UAE as a founding member in 1971 and gaining a new leader in 1972 with the succession of Sheikh Sultan bin Muhammad Al Qasimi. That same year the emirate struck oil in the Mubarak field, located 80 km offshore, and within two years Sharjah was producing 35,000 barrels per day. Under the stewardship of Sheikh Sultan, the emirate grew in both population and prosperity in the intervening years, while at the same time maintaining strong links to its cultural heritage.

**GOVERNMENT:** Sharjah is a constitutional monarchy and one of seven members of the UAE, a federation of hereditary monarchies. The highest level of government in the country is the Federal Supreme Council, made up of the rulers of Abu Dhabi, Ajman, Fujairah, Sharjah, Dubai, Ras Al Khaimah and Umm Al Quwain.

Although the president and the prime minister of the UAE are electable by the Federal Supreme Council, custom dictates that the ruler of Abu Dhabi holds the presidency, while Dubai's ruler fills the post of prime minister. Since 2006 a half-elected federal National Council – made up of 40 members drawn from all seven emirates – has played a consultative role in government.

At the local level, Sharjah Municipality is responsible for providing civic services. First established in 1927, the municipality was granted its modern mandate in 1971. Many of its functions have moved online following the opening of the Sharjah eGovernment Portal. With this development, local citizens and residents can access popular services, such as passport issuance, parking permits, home care services for seniors, and requests for assistance with marital and familial disputes.

**DEMOGRAPHICS:** The latest official census figures show that Sharjah is home to a population that is young, urban, employed or studying, and predominantly expatriate. According to the 2022 census carried out by the Department of Statistics and Community Development, Sharjah's population has grown by 22% since 2015, reaching 1.8m in 2022, with 1.6m expatriates and 208,000 Emirati citizens. This builds on a jump of 77% over the previous decade, from over 793,500 in 2005 to 1.4m in 2015. The expatriate population is over two-thirds male, with 1.1m males outnumbering the female expatriate population by more than 600,000. The gender ratio among Emirati citizens is more balanced, with slightly more females (105,000) than males (103,000).

The emirate's age profile also skews relatively young, with a median age of 32.6. Individuals aged between 20 and 39 years make up the emirate's largest segment, accounting for 51% of the total population, followed by 40 to 59 years (24%), 19 years and younger (22%), and those over 60 years of age (3%). Sharjah's workforce comprises 61% of the population, with a 22% increase since the last census in 2015, totalling 1.1m in 2022. The emirate has also solidified its role as an education



Sharjah's population reached 1.8m in 2022, comprising 1.6m expatriates and around 208,000 Emirati citizens

centre, with a 23% increase in students since the 2015 census, from 253,000 in 2015 to 310,000 as of 2022.

South Asian countries account for a large proportion of the expatriate population, with India, Pakistan and Bangladesh among the most common countries of origin. Many Sharjah residents commute to the neighbouring emirate of Dubai to work. This is largely attributable to the more affordable real estate and lower cost of living in Sharjah, as well as good road connections between the two emirates.

**LANGUAGE & RELIGION:** Arabic is the official language of Sharjah, as in the rest of the UAE. Nevertheless, English is widely spoken and commonly used for business communications and public affairs. The emirate's large South Asian population means that Hindi and Urdu are also prevalent among a sizeable portion of the expatriate demographic. While Islam is the official religion of the UAE, religious freedom is enshrined in the constitution, leading to a diverse range of religions practised by the large expatriate population. In addition to Islam, Christianity, Buddhism, Hinduism, Sikhism and other faiths are represented.

**ECONOMY:** The discovery of oil in Sharjah led to an economic boom, but even in its early stages the emirate's leadership understood the importance of developing a non-oil economy. The Sharjah Chamber of Commerce and Industry was created in 1970 to broaden the range of economic activities taking place in the emirate. Since then it has overseen the development of a diversified industrial base, including petrochemicals, textiles and leather, basic non-metals, foodstuffs and wood industries. Sharjah has demonstrated economic resilience, rebounding from the Covid-19 pandemic with significant expansion, expanding by 4.8% in 2021 and 5.2% in 2022, when GDP surpassed Dh137bn (\$37.3bn). This performance was led by accommodation and food services (18%), human health and social work (7.9%), public administration and defence (6.6%), and agriculture, forestry and fishing (6%). In terms of the largest

Sharjah has strengthened its position as a leader in education, registering a 23% increase in the number of students between 2015 and 2022, from 253,000 to 310,000, respectively.

Arabic is the official language of Sharjah, as in the rest of the UAE, though English is widely spoken and commonly used for business communications and public affairs.



The 2023 edition of the Sharjah Biennial brought together 150 artists and collectives from over 70 countries

The 128,000-sq-metre Expo Centre Sharjah hosts the annual Sharjah International Book Fair, which typically attracts hundreds of local and international publishers, thousands of titles and leading authors.

contributors to Sharjah's GDP, wholesale and retail trade, and the repair of motor vehicles and motorcycles (24%) topped the list, followed by manufacturing (16.7%), real estate (9.7%), construction (9%), and public administration and defence (7.5%).

**INITIATIVES:** Over the past decade Sharjah has launched various initiatives aimed at developing the emirate's domestic economy and encouraging greater levels of inward investment. These include start-up support for small and medium-sized enterprises and the 2009 establishment of the Sharjah Investment and Development Authority – known as Shurooq – as an independent body that oversees social, cultural, environmental and economic development in line with Sharjah's Islamic identity. As the only emirate in the UAE with ports on both the Gulf and the Gulf of Oman, in addition to the country's strategic location between Europe and Asia, Sharjah is well positioned to be a central player in international trade and logistics.

Along with building competitive underlying transport infrastructure – from the Khorfakkan Container Terminal on the Gulf of Oman, to Sharjah International Airport – the emirate has developed a network of free zones and industrial zones to solidify its position as an exporter and re-exporter. As part of its focus on industrial development, Sharjah has established a total of six free zones since the first two – Hamriyah Free Zone and Sharjah Airport International Free Zone – launched in 1995. The four other free zones are Sharjah Publishing City, Sharjah Media City, Sharjah Healthcare City, and Sharjah Research Technology and Innovation Park (see Construction & Real Estate chapter).

Tourism is another crucial element of the ongoing diversification drive, with Sharjah holding a 10% share of the UAE tourism economy as of 2019. Sharjah Commerce and Tourism Development Authority's Vision 2021 initiative aimed to attract 10m annual visitors by that year – a goal which was postponed to 2022 due to the pandemic. The strategy, launched in 2015, sought

to develop the emirate into a top regional destination for family tourism by investing in a range of ecotourism and cultural attractions. The initiative has contributed to an increase in investment in tourism and supporting infrastructure, including a Dh2.4bn (\$653m) expansion of Sharjah International Airport that is set to boost annual passenger-handling capacity from 8m to more than 20m by 2026. The airport achieved a growth of 84.7% in passenger traffic to 13m in 2022, reaching pre-pandemic levels (see Transport chapter).

**CULTURE:** In addition to economic development, Sharjah's leadership has nurtured a strong cultural identity in the emirate. In 1998 UNESCO recognised this achievement by naming Sharjah the Cultural Capital of the Arab Region. Further international recognitions followed, including the title of Islamic Culture Capital in 2014 from the Islamic Educational, Scientific and Cultural Organisation, and the designation as UNESCO World Book Capital in 2019. The Sharjah Museums Authority oversees operations of 16 museums, including the Sharjah Museum of Islamic Civilisation, the Sharjah Archaeology Museum and the Sharjah Heritage Museum. Many of these are built into Sharjah City's Heritage Area, a district in the centre of the city characterised by well-preserved or restored buildings showcasing the region's traditional architecture.

**EVENTS:** This emphasis on heritage is complemented by the emirate's long-established role as a centre for arts and culture. Since 2009 the Sharjah Art Foundation has brought a range of art and cultural programmes to the communities of Sharjah, the UAE and the wider region. The emirate is also home to the Sharjah Biennial, a contemporary art event that was inaugurated in 1993 and has become a fixture in the Middle East's cultural calendar and one of the most respected contemporary art events in the region. The 15th edition ran between February and June 2023, and united 150 artists and collectives from over 70 countries.

As an indicator of the emirate's long-standing focus on promoting culture and the arts, Expo Centre Sharjah was established in 1977 as the first exhibition venue in the country, and it moved to its current location in 2002. The 128,000-sq-metre exhibition hall hosts the annual Sharjah International Book Fair, which typically attracts hundreds of local and international publishers, thousands of titles and leading authors. Another annual cultural attraction in the emirate is the Sharjah Light Festival, a nightly art exhibition that takes place during February and sees a number of Emirati and foreign artists make use of the latest graphics and lighting techniques for their installations. In 2023 the 12th edition of the 10-day festival took place across 13 locations, including some of the emirate's most prominent buildings, such as the Al Noor Mosque, University City Hall and the Khalid Lagoon.

Sharjah is one of the most pedestrian-friendly emirates in the UAE. Residents frequent popular public spaces such as Al Qasba, Flag Island and Noor Island, while traditional Gulf architecture is preserved in Sharjah City's Heart of Sharjah, a preservation and restoration project funded by the Sharjah Art Foundation.

In 2023 the 12th edition of the Sharjah Light Festival took place across 13 locations, including some of the emirate's most prominent buildings, such as the Al Noor Mosque, University City Hall and the Khalid Lagoon.





Sheikha Bodour bint Sultan Al Qasimi

# New foundations

## Sheikha Bodour bint Sultan Al Qasimi, Chairperson, Sharjah Investment and Development Authority, on creating favourable conditions for start-ups and attracting investment

**How do you assess Sharjah's progress in enhancing the entrepreneurial ecosystem, and which industries are poised for further activity?**

**SHEIKHA BODOUR:** Sharjah has made significant strides in strengthening its entrepreneurial ecosystem, and the rate of economic growth in the emirate has outpaced the global average following the Covid-19 pandemic. Sharjah is transitioning from nurturing early-stage ideas to fostering a robust portfolio of over 150 start-ups on their scaling journey, encompassing incubation, access to funding and mentorship.

Sharjah has one of the Gulf's most dynamic start-up ecosystems, giving entrepreneurs the resources to make an impact. The UAE's projected non-oil economic growth of more than 4% in 2023 suggests fertile ground for non-oil industries, supported by the initiatives of Shurooq and the Sharjah Research Technology and Innovation Park. We expect to see growth in advanced technology, artificial intelligence (AI), research and development (R&D), and the digital economy.

**In what ways is Sharjah working to create an enabling environment for women to excel in business?**

**SHEIKHA BODOUR:** Although the UAE has a female labour force participation rate of nearly 55%, there is still work to be done. The Sharjah Entrepreneurship Centre has predominantly female leadership, and some of the emirate's most successful entrepreneurs and business leaders are women. At the corporate level, we believe that leaders should be better equipped with data that makes the case for female labour force participation. Corporations are often unaware of local nuances that can help source and retain talent, and do not recognise the value of supporting women in training, development and career opportunities. Positive working environments that provide child care, work-from-home opportunities and flexible hours also help.

Building female talent pipelines is critical, and this is something that the American University of Sharjah

and University City of Sharjah offer. The emirate has developed an ecosystem that connects academia to businesses through their physical proximity.

**Where do you see opportunities to further strengthen the local knowledge economy?**

**SHEIKHA BODOUR:** Sharjah's vision aligns with the broader goal of positioning the Middle East as an innovation centre. Although the region has not fully tapped into R&D historically, recent advancements signal an era in which Sharjah can lead the way in AI and transformative technologies. The strength of the knowledge economy lies in pioneering solutions to global issues, from energy to food security, and even space exploration – areas in which the UAE is making progress.

Our strategic investment in creating centres of excellence is crucial to advancing local and global solutions. The achievements of local companies contribute to Sharjah's competitiveness and pave the way for future innovation in line with the UAE's long-term vision, preparing the next generation for the future.

**To what extent can foreign investors support human capital and technology development?**

**SHEIKHA BODOUR:** Foreign investors are crucial to Sharjah's development, as emphasised by the emirate's success at the emirate and national level. The UAE's growth in foreign direct investment (FDI) reflects this, and Sharjah has played an essential role in this increase. With its academic and research partnerships, University City of Sharjah exemplifies the successful infusion of international expertise into the local economy.

Sharjah offers investors strong incentives, and initiatives like NextGen FDI demonstrate our desire to attract digital businesses, and help them establish and expand their companies locally. This multi-sector strategy has laid the foundation for sustained growth in foreign investment within the innovation and human capital segments, a trend that we anticipate will continue.



Ahmed Al Qaseer

## Global destination

Ahmed Al Qaseer, CEO, Sharjah Investment and Development Authority (Shurooq), on realising economic objectives and attracting increased investment inflow

### What steps have been taken to attract investment and improve the business climate?

**AL QASEER:** In addressing global macroeconomic developments, it is crucial to recognise how the Covid-19 pandemic fundamentally altered the landscape. In Sharjah, the government's swift action significantly contributed to our resilience, especially in terms of the rapid vaccine rollout and the relatively brief lockdown period of about three months. During the lockdown, we took the opportunity to reassess and reformulate our policies to foster a more business-friendly environment. We aimed to create a setting where investors feel supported and secure. This included revising regulations, such as eliminating the requirement for a local business partner and re-evaluating government fees.

### In what ways can Sharjah distinguish itself as an investment destination in the region?

**AL QASEER:** Sharjah has positioned itself as a prime investment destination through its advanced infrastructure and supportive policies. Our focus on quality education, health care and health insurance policies lays a strong foundation for attracting investors and their families. The emirate's infrastructure is internationally competitive, with transport systems including roads and airports offering extensive connectivity. This infrastructure extends to our ports and logistics, enabling smooth and easy market access across the region.

Legislative reforms have played a key role in enhancing Sharjah's appeal. These include more flexible business ownership laws and reviewing government fees to create a more investor-friendly environment.

Another distinguishing factor is the emirate's investment in human capital. University City of Sharjah, which is home to approximately 40,000 students, underscores our attentiveness to education and innovation. This dedication extends to supporting start-ups and entrepreneurs through the provision of finance and infrastructure, particularly in research and technology parks.

Our economic strategy emphasises diversification, particularly in advanced manufacturing and technology. This approach aligns with our focus on sustainability, demonstrated by companies like BEEAH Group, one of the largest recycling firms in the region, which originated in Sharjah. We have a balanced contribution from various sectors, ensuring a robust and resilient economy. This diversification extends to our agricultural initiatives, where recent advancements and government support are paving the way for increased self sufficiency in food production.

### How is the emirate working to position itself within the regional and global economy?

**AL QASEER:** Sharjah is positioning itself in the regional and global economy through two key strategies. Firstly, we are intensifying our efforts to promote the emirate as an investment destination. This involves targeted approaches in specific markets of high importance, such as China, India and select European countries, where we have identified strong investor interest. Our approach includes organising international workshops to bring stakeholders and potential investors together. These workshops serve as platforms to showcase Sharjah's infrastructure and investment opportunities. We also provide comprehensive support to investors through initiatives like our one-stop shop, which offers free advisory services. This centre assists investors in understanding where and how to invest in the emirate without expensive consultancy fees.

Second, our legislative framework is continuously evolving to meet the needs of a dynamic global economy. Sharjah boasts robust infrastructure, a fundamental advantage we continuously highlight to potential investors. Our focus is not only on attracting investment, but also on educating ourselves about the types of companies that align with our values and goals. We are committed to supporting businesses that match our standards and contribute positively to our economy.





Sustainable tourism is expected to drive employment opportunities

# Green targets

## Sustainable investment and residential and tourism development offer opportunities to reach net-zero goals

In recent years Sharjah has taken steps to align public financing with environmental and socio-economic priorities, leveraging local business' expertise and inherent advantages. As such, the COP28 UN Conference on Climate Change hosted by the UAE in November 2023 presented a key opportunity for Sharjah to showcase its progress in advancing the UN Sustainable Development Goals (SDGs) and contributing to the UAE's commitment to become a net-zero economy by 2050.

**SUSTAINABLE FINANCE:** In February 2023 Sharjah began taking orders for the sale of nine-year sustainable bonds denominated in US dollars. The initial price guidance was approximately 310 basis points over US Treasuries maturing that month.

The bond issuance followed the publication of Sharjah's Sustainable Financing Framework, which received a favourable second-party opinion from international credit ratings agency Standard & Poor's Global Ratings across all assessment criteria, particularly reporting. The framework aligns with the UAE's 2050 net-zero target, the goals of the UAE Centennial 2071 plan and the UN SDGs. It clearly states Sharjah's commitment to allocating the net proceeds raised under the framework exclusively to finance or refinance eligible environmental or social projects, with 14 eligible categories.

The issuance marked a significant step for the emirate in covering \$4.7bn in financing requirements in 2023, made up of a \$2.3bn budgeted deficit and \$2.4bn in maturing bank loans. While part of the proceeds under social categories are expected to cover various recurrent expenditure, Sharjah's government has set a clear path towards sustainable economic development, aided by the actions of public authorities and partners.

**DEVELOPMENT DIRECTIONS:** With Sharjah positioning itself as a family-oriented and culturally rich destination, residential and tourism projects are on the rise, offering opportunities to implement sustainability concepts (see Tourism & Culture chapter). The Sharjah Investment and Development Authority is making

progress on three major real estate ventures: Sharjah Sustainable City, an eco-friendly community powered by green energy; Maryam Island, a waterfront development with luxury residential apartments; and Ajwan Residences, located on the coast of the Gulf of Oman and set for completion in 2024.

With community development posing a host of environmental challenges, Sharjah's BEEAH Group, established in 2007 as a public-private company, has refined its services across multiple verticals and undertaken large-scale projects, with the company's waste-to-energy plant a case in point. Operational since 2022, it has achieved a 90% waste diversion rate and targets the conversion of 300,000 tonnes of waste into 30 MW of low-carbon electricity capacity per year.

In the tourism sector, the Sharjah Tourism and Commerce Development Authority, along with other government entities, is working to enhance the emirate's position as a leading destination for experiential travel and promote sustainable tourism by leveraging its natural landscape and rich history. The rise in sustainable tourism and Sharjah's developments in the field are expected to contribute to employment opportunities for communities in remote regions.

**WINDOW FOR ENGAGEMENT:** COP28 offered an opportunity to showcase Sharjah's progress and catalyse new initiatives in the niches where the emirate aims to position its economy. As such, the authorities have been focusing outreach efforts in this direction. The latest edition of Sharjah Diplomatic Day in March 2023 exemplifies this commitment. The event united 71 representatives, including 41 ambassadors and consuls from 55 countries, at BEEAH Group's headquarters in order to discuss environmental and social challenges, and highlight the emirate's priorities and capabilities to address them. Given this context, Sharjah is likely to capitalise on the political and economic momentum to seize new opportunities, with the emirate emerging at the meeting of business and environmental priorities.

In February 2023 Sharjah began taking orders for the sale of nine-year sustainable bonds denominated in US dollars, which marked a significant step in covering \$4.7bn in financing needs that year.

Sharjah is positioning itself as a family-oriented and culturally rich destination, and ongoing residential and tourism projects offer opportunities to implement sustainability concepts.



Mohamed Al Musharrkh

# Investment drivers

Mohamed Al Musharrkh, CEO, Sharjah FDI Office (Invest in Sharjah), on investment appeal and new growth avenues

**How do you evaluate the global investment climate, and what factors position Sharjah as an attractive investment destination against this backdrop?**

**AL MUSHARRKH:** In evaluating the global investment climate for 2023-24, we see a landscape of resilience and gradual post-Covid-19 pandemic recovery, with foreign direct investment (FDI) flows rebounding. However, developing countries face a slower recovery due to geopolitical and economic uncertainties.

The UAE – particularly Sharjah – stands out in this context. The country's economy has rapidly recovered from the effects of the pandemic, driven by higher oil prices and diverse economic strategies. Sharjah has harnessed this momentum effectively, implementing investor-friendly policies such as 100% foreign company ownership, strong intellectual property laws, and initiatives to both attract talent and foster creativity and innovation. These efforts position Sharjah as a particularly attractive destination for FDI.

The emirate's focus on innovation, technological advancement and the development of a skilled workforce enhances its appeal to global investors. A commitment to sustainable and green initiatives aligns with the growing investor preference for environmentally conscious and future-forward opportunities.

**Which attributes could help the emirate capitalise on strategic investment in the UAE and the GCC?**

**AL MUSHARRKH:** Sharjah's effectiveness as a long-term incubator for strategic investment in the UAE and the GCC is defined by several key attributes. Its economic diversity, encompassing multiple sectors, offers a wide range of investment opportunities and reduces the risks associated with economic change. A strategic location at a significant trade crossroads gives Sharjah a unique advantage for regional trade, providing access to both UAE and GCC markets. A welcoming business environment, supported by favourable regulatory frameworks and the ease of

doing business, further enhances Sharjah's appeal. The region's advanced infrastructure, including ports and digital connectivity, supports efficient business operations as well as global economic integration. An emphasis on innovation, research and technological advancement positions Sharjah as an attractive destination for forward-thinking investment.

The region's rich cultural heritage and focus on sustainability resonate with investors prioritising social responsibility. Supportive government policies offering various incentives create a stable investment climate. Additionally, Sharjah's high quality of life, marked by safety and cultural richness, attracts investors seeking long-term engagement in the region. These factors make Sharjah a conducive and strategic location for sustainable investment and development.

**With the UAE having hosted the COP28 UN Conference on Climate Change, where do you foresee related investment opportunities in the emirate?**

**AL MUSHARRKH:** The UAE's hosting of COP28 presented a significant opportunity for Sharjah to catalyse investment in green technology, which is likely to positively influence FDI in this area over the short to medium term. Hosting such a prestigious global environmental event elevated the awareness and visibility of the emirate's commitment to sustainability.

This heightened profile is an invaluable asset in attracting investment. It puts Sharjah on the map as a leading destination for green technology initiatives, appealing to a global audience of potential investors and collaborators keen to be part of a forward-thinking, eco-conscious landscape. The event has also opened up lucrative business opportunities for innovative companies and environmentally friendly enterprises in the emirate. These stand to benefit from the increased focus and investment in this segment, spurred by the international attention brought by COP28 amid a global shift towards green investment.





In 2022 trade value between the GCC and the EU surpassed \$183bn

# Regional ties

## Bilateral trade talks between the UK and the GCC stand to benefit renewable energy and food security in the bloc

As part of plans to expand and diversify its global trade partners and fulfil their respective national development strategies, the GCC has launched negotiations with the UK on a free trade agreement (FTA). This partnership is expected to bolster the bloc's economy, help attract investment and provide greater opportunities for local businesses. On June 22, 2022 the two parties signed a joint statement and officially launched talks on a comprehensive trade deal, with Anne-Marie Trevelyan, the then-UK secretary of trade, meeting with Nayef Falah Al Hajraf, the GCC secretary-general at the time, in Riyadh, before travelling to Dubai to meet with representatives from the six GCC countries: Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the UAE.

**PARTNERSHIP:** GCC-UK talks are focused on securing an FTA that would reduce or remove tariffs on a series of goods and services. The agreement is expected to be a substantial economic opportunity for the UK-GCC relationship, especially considering in 2022 annual trade in goods between the GCC and the UK stood at \$42bn. GCC member countries are important partners for the UK. Indeed, the bloc as a whole is equivalent to the UK's seventh-largest export market, and the fourth-largest outside of the EU. Underscoring the potential of the agreement, the GCC's demand for imported products and services is expected to grow rapidly to £800bn by 2035 – a 35% increase from 2022 – creating new businesses and employment opportunities.

While there is no official timeline for the completion of the deal, in July 2022 local and international media reported that both sides were hopeful of securing an agreement before the end of 2023. The fourth round of negotiations, which were conducted in London, took place in July 2023. Technical discussions were held across 23 policy areas over 44 sessions, and the fifth round of discussions was held in Riyadh in November in a hybrid fashion. A sixth round of talks between the entities is scheduled for the first quarter of 2024.

In May 2023 Kemi Badenoch, the UK secretary of trade, visited the UAE at the end of a tour of the GCC to promote a trade deal with the bloc. In addition to discussing areas for growth and investment with her counterparts in the UAE, Badenoch signed a memorandum of understanding (MoU) with Sharjah's public-private organisation BEEAH Group, established in 2007, aiming to support the growth of green technologies in the region. The UAE was the UK's 19th-largest trading partner in the second quarter of 2023, with the bilateral trade volume growing by 47.3% from the second quarter of 2022 to reach £25.5bn.

In addition to the advancement of stronger ties with the UK, the GCC also has opportunities to deepen relations with the EU. In 2022 trade between the two blocs surpassed \$183bn. As the EU is working to deepen its engagement with the Gulf, GCC governments are urging swift, tangible action beyond high-level visits, and are seeking assurances that this partnership extends beyond the EU's immediate need for alternative energy sources to Russian fossil fuels.

**ENERGISING RENEWABLES:** One area where the UK-GCC agreement is expected to have a significant impact is renewable energy. While the GCC's oil and gas reserves are not likely to be included in the deal, any prospective agreement is expected to help Gulf countries diversify their respective energy sectors and reduce their reliance on hydrocarbons.

Talks are set to look at removing tariffs on renewable energy infrastructure such as UK-made wind turbine parts, and GCC countries would also benefit from greater access to UK clean energy technology, such as innovations that improve energy efficiency in homes, buildings and businesses. In a move to meet this goal, in July 2022 Oman hosted a conference in London highlighting renewable energy and decarbonisation investment opportunities in the country.

**BOLSTERING FOOD SECURITY:** Free trade talks are expected to yield progress on agricultural imports and

By 2035 the GCC's demand for imported products and services is expected to reach

**£800bn**

The UAE was the UK's 19th-largest trading partner in the second quarter of 2023, with bilateral trade volume growing by 47.3% from the second quarter of 2022 to reach £25.5bn.

As GCC countries seek to broaden their trade relations, the India-Middle East-Europe Economic Corridor, unveiled at the G20 summit in New Delhi, India, in September 2023, marks a significant development.

food security. Individuals involved in the discussions have flagged the possibility of the GCC reducing or removing tariffs on food and drink imports from the UK, which range from 5% to 25% for various products. In addition to supporting UK farmers, such a deal would help shore up food security in the GCC.

Following the disruption of global supply chains associated with the Covid-19 pandemic and, more recently, the Russia-Ukraine conflict, food security has become a more pertinent issue for governments in the GCC, which has some of the world's most import-dependent countries. At the beginning of the pandemic countries in the bloc imported approximately 85% of their food. While GCC countries have reacted to recent events by increasing investment in agri-tech and improving efforts to strengthen agricultural self-sufficiency, any future agreement making it easier to import food and drink products from outside the GCC stands to further benefit the bloc's food security.

**TRADE FOOTPRINT:** The launch of free trade talks is a significant step for the GCC as the bloc seeks to diversify its trade partners and bolster its position in global trade. In addition to existing free trade deals with Singapore and the European Free Trade Association countries of Iceland, Liechtenstein, Norway and Switzerland, in September 2023 the GCC initialised an agreement with Pakistan. The bloc is also in trade negotiations with China, the EU, India Japan, New Zealand, South Korea, Turkey and the Southern Common Market member

countries of South America. Future agreements are expected to play a key role in attracting foreign investment, as GCC countries embark on transformation strategies to diversify their economies.

**NEW CORRIDOR:** As GCC countries seek to broaden their trade relations, the India-Middle East-Europe Economic Corridor (IMEC), unveiled at the G20 summit in New Delhi, India, in September 2023, marks a significant development. This corridor, comprising an eastern leg connecting India with the UAE, Saudi Arabia, Jordan and Israel, and a northern leg linking these Middle Eastern countries to Europe, aims to enhance connectivity and economic integration between Asia and Europe.

IMEC leverages the strategic locations and logistics capabilities of the UAE and Saudi Arabia. It is also in line with the multi-aligned foreign policies of the GCC countries. Amid the global geopolitical changes accelerated by the Russia-Ukraine conflict, GCC members have chosen to pursue independent and multi-aligned foreign policies.

However, IMEC's advancement faces political and operational challenges. The corridor's inclusion of Israel introduces complexities in light of the ongoing Hamas-Israel conflict, and its impact on regional economic and political ties. Additionally, the lack of a clear action plan and the rebranding of existing projects under IMEC, without detailed financial backing at the time of writing in November 2023, hint at potential challenges in bringing projects to fruition.



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# Economy

First phase of Sharjah Sustainable City completed

Non-oil activities continue to drive expansion

Framework for sustainable financing implemented

Aid to start-ups enables growth for entrepreneurs



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Sharjah is embarking on a programme of investment and development

# In position

## Sustainable development projects and the emirate's geostrategic location bolster its role as a unique investment destination

With its economy showing robust growth as it bounced back from the impacts of the Covid-19 pandemic, Sharjah is embarking on a new programme of investment and development. Already a major technology, health care, education and tourism centre for the UAE and the wider region, Sharjah has a unique geostrategic location – with ports and cities on both the Arabian Sea and Gulf coasts.

Without major oil and gas reserves, Sharjah has well-developed manufacturing, construction and real estate sectors. These continue to benefit from a series of free zones and industrial zones, linked by new motorways to the rest of the UAE and beyond. Aided by strong growth elsewhere in the UAE and a tradition of long-term planning, Sharjah is well positioned to benefit from a range of alliances between its sectors and those of its GCC neighbours.

**STRUCTURE:** As one of the UAE's seven emirates, Sharjah is subject to both local and federal agencies and regulations. The current president of the UAE, Sheikh Mohamed bin Zayed Al Nahyan, was elected by the Federal Supreme Council (FSC) in May 2022. The FSC is the country's highest executive and legislative authority, and is advised by the 40-member Federal National Council. The rulers of each of the seven emirates have seats on the FSC, with Sheikh Sultan bin Muhammad Al Qasimi serving as Sharjah's ruler and its FSC representative.

The president of the UAE also heads the UAE Cabinet, which is the executive arm of the federation. Many of its 34 ministers have a key role in the UAE economy's oversight and in formulating policy. Certain powers are kept within the purview of the individual emirates. In Sharjah, such powers are exercised via the Sharjah Executive Council, the emirate's supreme executive authority. This assists the ruler in setting the emirate's general economic policy, as well as other social and administrative matters. It has responsibility for supervising the

implementation of federal and local laws, the proper functioning of the administration, and the drafting and proposal of new laws and regulations for submission to the relevant federal authorities.

The Sharjah Executive Council is also responsible for preparing the annual budget for the emirate, as well as is advised by the Sharjah Consultative Council. The emirate also has some devolved local authorities, with the ruler maintaining offices in Khorfakkan, Al Hamriyah and Sharjah City. In addition, the ruler's court maintains offices in Al Hamriyah, Kalba and Dibba Al Hisn.

**OVERSIGHT:** There are a number of key authorities within the emirate with specific responsibilities. These include the authorities for Sharjah's six specialised free zones and 33 industrial zones. Among these are the Hamriyah Free Zone, Sharjah Healthcare City, Sharjah Airport International Free Zone, Sharjah Media City, Sharjah Publishing City, Sharjah Research Technology and Innovation Park, and the Sharjah Human Resources Development Free Zone.

Another important body is the Sharjah Economic Development Department (SEDD) and its affiliate, the Sharjah Foundation to Support Pioneering Entrepreneurs. Other key institutions which have oversight and supervisory roles in areas of the economy where Sharjah has a specific jurisdiction include the Department of Government Relations, the Sharjah Petroleum Council, the Sharjah Finance Department (SFD), the Sharjah Media Council, Sharjah Urban Planning Council, and the Department of Statistics and Community Development (DSCD).

Another major economic entity in the emirate is Sharjah Asset Management (SAM), a holding company within the SFD that operates as the investment arm of the emirate's government. SAM has a stake in Air Arabia, the Sharjah-based airline; Sharjah Islamic Bank; Bank of Sharjah; and Invest Bank. These banks, along with a fourth Sharjah-based lender, United

Sharjah has a unique geostrategic location – with ports and cities on both the Arabian Sea and Gulf coasts – and is a major technology, health care, education and tourism centre for the wider region.

Sharjah has well-developed manufacturing, construction and real estate sectors that benefit from a series of free zones and industrial parks, linked by new motorways to the rest of the UAE and beyond.



The government's investment arm is an active investor in real estate

Sharjah uses the Emirati dirham as its currency – pegged to the US dollar since 1997 – and monetary policy is set by the Central Bank of the UAE.

Arab Bank, are listed on the Abu Dhabi Securities Exchange. Sharjah Islamic Bank is among the UAE's top-10 largest listed banks, with Dh61.1bn (\$16.6bn) in total assets as of June 2023.

Other entities with SAM's participation include oil and gas firm Dana Gas and the Souq Al Jubail mall. SAM also has a sister entity tasked with increasing investment in Sharjah, known as the Sharjah Investment and Development Authority (Shurooq). Shurooq is behind a number of major investments in tourism, real estate, parks and recreation, arts and culture. Sharjah Foreign Direct Investment (FDI) Office (Invest in Sharjah) is a key organisation within Shurooq, acting as the emirate's FDI office.

SAM's investment department also manages a portfolio of assets abroad, while its asset management division is a major investor in the local real estate sector. The entity is behind the Sharjah Entrepreneurship Centre, which runs programmes aimed

at business development, from the start-up stage to sustainable growth. Elsewhere, the Sharjah Investors Services Centre is a one-stop shop for investors under the broader Invest in Sharjah umbrella. The New Business Ventures mandate, which works in support of the SAM portfolio, invests in diversification in the automotive, IT, health care, education, and oil and gas sectors. The mandate is based on six core values: integrity, human capital, environment, innovation, cooperation and institutional agility.

**PRIVATE SECTOR ENTITIES:** The emirate is home to a number of professional organisations relevant to the economy, with the Sharjah Chamber of Commerce and Industry the leading body for private sector organisations. The chamber has sector-specific business groups under its umbrella and meets regularly with relevant authorities and other chambers throughout the UAE. The Sharjah Business Women Council, meanwhile, provides support for female entrepreneurs through a variety of workshops, programmes and initiatives.

As part of the UAE, Sharjah uses the Emirati dirham as its currency, and its monetary policy is set by the Central Bank of the UAE (CBUAE). The dirham has been pegged to the US dollar since 1997, giving it stability and meaning that interest rates follow changes in the US Federal Reserve rate.

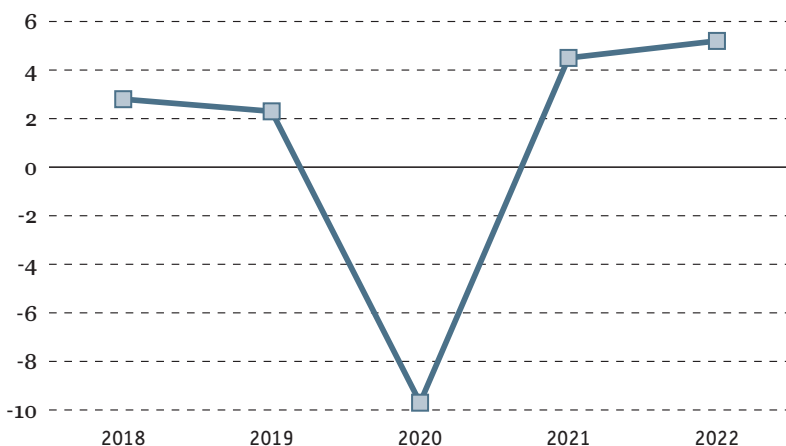
**NATIONAL STRATEGY:** Sharjah occupies an important role in the plans, programmes and strategies set out for the UAE, benefitting from the country's ongoing economic and financial development. The country has a long-term vision, the UAE Centennial 2071 plan, which lays out four pillars around which all of the country's other initiatives focus. The pillars are: a future-focused government, excellent education, a diversified knowledge economy, and a happy and cohesive society.

In this context, the UAE has set out a number of short- and medium-term programmes. These include the UAE Digital Government Strategy 2025, aimed at inclusive digital transformation; the UAE Strategy for Government Services, aimed at boosting federal service delivery; the UAE Fourth Industrial Revolution (4IR) Strategy, aimed at strengthening the country's position as a global centre for 4IR development; the CBUAE's Central Bank Digital Currency Strategy; and the UAE Strategy for Artificial Intelligence.

A further UAE programme announced in 2021 is Operation 300bn, a 10-year strategy driven by the federal Ministry of Industry and Advanced Technology. This aims to expand the contribution of the country's industrial sector to GDP from Dh133bn (\$36.2bn) in 2021 to Dh300bn (\$81.7bn) by 2031.

The UAE also follows a series of nationally determined contributions (NDCs) as part of the global effort to tackle climate change. The NDCs involve a raft of policies on renewable energy, energy efficiency, the circular economy, air quality, environmental protection, as well as carbon capture and storage. The NDCs have set a target of reducing greenhouse gas emissions by 19% for 2030 – relative

#### GDP growth, 2018-22 (%)



Source: DSCD



to 2019 – and reaching net zero by 2050. The year 2023 marked the UAE's hosting and presidency of the international COP28 UN Conference on Climate Change, with 2023 also declared the UAE Year of Sustainability by the federal government.

**SUSTAINABLE DEVELOPMENT:** In February 2023 Sharjah launched the Sustainable Financing Framework. The framework sets out the rules and regulations for financing green projects in support of the emirate's goals in meeting its net-zero target and the UAE Centennial 2071 plan. This includes reducing greenhouse gas emissions by shifting to gas-cycle power generation, promoting cleaner transport and electric vehicles, supporting research and development, and increasing energy efficiency measures.

One project that is showcasing the emirate's commitment to sustainability is Sharjah Sustainable City, a joint venture between Shurooq and sustainable development management company Diamond Developers. The project is set to be 100% solar powered and see 100% recycling of water and waste upon completion in 2024. Keys to the first villas in the 7.2m-sq-foot project were delivered to owners in 2022 (see Construction & Real Estate chapter).

Sharjah has also become a regional leader in sustainable waste management, with the emirate pursuing a goal of entirely eliminating waste to landfill. With the Sharjah Waste-to-Energy plant, built as a joint collaboration between BEEAH Group and clean

energy organisation Masdar and launched in May 2022, the emirate has taken a major step in that direction (see Energy & Green Economy chapter).

**LOCAL PROJECTS:** Additionally, Sharjah is developing its local food production, with an eye to boosting food security and establishing itself as a food technology centre. Agriculture, forestry and fishing represented Dh1.6bn (\$436m) of total GDP in 2021, or 1.2%, but by backing projects such as the Sobat Greenhouses Project in Al Dhaid, Sharjah hopes to boost local production. Another major project in the emirate is the Mleiha wheat farm, the second phase of which is set to cover 1500 ha. The initiative is expected to play an important role in supporting food security efforts in the emirate, as Sharjah currently imports 330,000 tonnes of wheat annually to meet local demand (see Energy & Green Economy).

A range of education and health care projects are under way in the emirate. Education is already a major contributor to the economy, and in 2021 the sector contributed Dh3.5bn (\$953m) to GDP – a similar amount to oil and gas. The higher education segment is concentrated at the University City of Sharjah, which is home to more than 22 higher education institutions, including the University of Sharjah and the American University of Sharjah. The district is also home to newer higher education bodies, such as Al Qasimia University; the Sharjah Academy of Astronomy, Space Sciences and Technology;

Showcasing the emirate's commitment to sustainability is Sharjah Sustainable City, set to be 100% solar powered and see 100% recycling of water and waste upon completion in 2024.



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Non-financial corporations have long been Sharjah's largest contributors to GDP, accounting for \$31.6bn in 2021, with real estate contributing a further \$3.2bn, and professional, and scientific and technical services \$1.9bn.

and the Africa Institute. Khorfakkan is also home to a branch of the Arab Academy for Science, Technology and Maritime Transport, as well as the University of Khorfakkan, which was inaugurated in June 2022.

In health care – which together with social work contributed Dh2bn (\$544m) to GDP in 2021 – a new medical district is being built by BEEAH Group, and US-based institutions Mass General Brigham Hospitals Network and Dana-Farber Cancer Institute. The Jawaher Boston Medical District is planning to cover numerous specialisations, including lifestyle and prevention medicine, oncology, women's health, paediatrics, cardiovascular diseases, neurosciences, behavioural health and rehabilitation medicine. The government is also moving ahead with a housing programme, known as Eskan, that is expected to deliver homes to UAE nationals or provide financial grants for citizens to build their own. Connecting communities is also a key priority under the Sustainable Financing Framework, with economic regeneration projects and the Dh6bn (\$1.6bn) Khorfakkan road tunnel part of this initiative.

**SECTOR BREAKDOWN:** Unlike some other GCC economies, Sharjah is not dependent on oil and gas, with the non-oil sector responsible for around 96% of the emirate's GDP. According to data from the DSCD, in 2021 mining and quarrying – which includes crude oil and natural gas – were responsible for Dh3.5bn (\$953m) of the emirate's Dh130.5bn

(\$35.5bn) GDP, or 2.7%. The non-oil sector accounted for approximately 97% of GDP from 2017 to 2020.

The largest segment of Sharjah's economy has long been non-financial corporations, with this group responsible for Dh116bn (\$31.6bn) of the total Dh131bn (\$35.7bn) in 2021. Real estate contributed a further Dh11.8bn (\$3.2bn), professional, scientific and technical services Dh7bn (\$1.9bn), and financial and insurance activities Dh5.5bn (\$1.5bn).

Public administration, defence and compulsory social security accounted for Dh9.5bn (\$2.6bn). The education sector, meanwhile, contributed Dh3.5bn (\$953m), while arts, recreation and other services accounted for an additional Dh2.9bn (\$789m). Breaking the non-financial sector down, the largest contributor to the economy in 2021 was wholesale and retail, which accounted for Dh31bn (\$8.4bn), followed by manufacturing, with Dh22.2bn (\$6bn). Other sectors that contributed more than oil and gas were construction, at Dh12.2bn (\$3.3bn); transport and storage, at Dh6.8bn (\$1.8bn); and electricity, gas and water, at Dh4.2bn (\$1.1bn).

**BUSINESS SUPPORT:** According to Invest in Sharjah, over 60,000 small and medium-sized enterprises (SMEs) and start-ups were based in Sharjah in September 2022, with the emirate home to more than 35% of the UAE's manufacturing industries. According to the latest census from October 2022, SMEs provide jobs for many of Sharjah's 1.8m residents,

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61% of which were in the active workforce that year. This showed a rapid jump in population – up 22% since the previous census in 2015. Indeed, Sharjah is the third-most populous emirate after Abu Dhabi and Dubai, with around 23% of the UAE's population.

As of 2022 the expatriate population stood at 1.6m, with 1.1m men and 500,000 women, reflecting a typical pattern in many GCC countries, where labour-intensive trades such as construction account for large numbers of predominantly male expatriate workers. The population overall is also young, with 51% between 20 and 39 years of age in 2022.

The emirate's capital, Sharjah City, is home to almost all of the population, with around 1.6m people. The second-largest urban centre is Khorfakkan, on the Arabian Sea, which had a population of 53,000 at the time of the 2022 census. Economic activity also centres on Sharjah City, which now forms an almost continuous urban area with the neighbouring emirates of Dubai to the south and Ajman to the north. Khorfakkan, meanwhile, borders Fujairah and Oman. Indeed, one of Sharjah's geostrategic advantages is that it borders – and has transport links with – all six other emirates as well as Oman, while also possessing ports on the Gulf and the Arabian Sea, and the Indian Ocean.

**POST-PANDEMIC RECOVERY:** For the UAE overall, GDP contracted by around 6.1% in 2020 due to the pandemic. In Sharjah, GDP at 2022 prices contracted by nearly 10.1% from Dh139bn (\$37.8bn) in 2019 to Dh125bn (\$34bn) in 2020. The pandemic-related slump in oil and gas prices also impacted the UAE, while non-oil was also affected by lockdowns, travel bans and supply chain disruptions. The population of the country fell by 2.3% in 2021, as many expatriate workers left. Despite this, FDI in Sharjah totalled \$220m in 2020. The third and fourth quarters of that year saw a 60% growth in FDI, which created 1117 new jobs over the year as a whole.

Along with Abu Dhabi, Dubai and the broader UAE, Sharjah took advantage of favourable global financial conditions in 2021 to issue \$2bn in debt on the global market. This helped ease the immediate fiscal burden, while, as 2021 progressed, oil and gas prices bounced back and wider economic activity resumed. Sharjah's GDP grew to Dh131bn (\$35.7bn) in 2021, up 4.7% on 2020. The UAE overall saw 4.4% real growth that year. Sharjah approved the largest budget in its history in 2021, coming in at Dh33.6bn (\$9.1bn). This marked a roughly 12% increase from 2020 and showed the impact of pandemic relief measures on government spending.

The UAE – and Sharjah – continued to witness a strong recovery in 2022. Figures from the CBUAE show that real national GDP grew by 7.9% that year, with the oil and non-oil sectors both seeing a rapid expansion. The preliminary results from the DSCD show that Sharjah posted a GDP growth of 5.2% that year, putting total GDP at just short of Dh137bn (\$37.3bn), down from the 2019 pre-pandemic total but still indicating a continued economic recovery.



In 2022 the issuance of commercial, professional and industrial licences rose by 8%, 24% and 9%, respectively

Breaking that down, Sharjah's non-oil sector grew by 5.2%, to Dh133bn (\$36.2bn), with wholesale and retail up 5.9% to Dh32.9bn (\$9bn) and manufacturing expanding by around 3% to Dh22.9bn (\$6.2bn). The fastest growth rate, however, was in accommodation and food services, which were up 18% on the back of a major recovery in tourism. Real estate, for its part, contributed 9.7% of Sharjah's GDP in 2022, while construction added 9%. The emirate's target of growing the health and social services sectors was also reflected in the figures, with this sector recording a 7.9% expansion in 2022.

A further sign of a healthy return to growth was a 5% jump in the number of business licences issued in the emirate. The SEDD noted in its 2022 report that the number of commercial, professional and industrial licences issued rose by 8%, 24% and 9%, respectively. In addition, the real estate sector showed a substantial recovery, with sales transactions up 17.9% during the first nine months of 2022 compared to the same period in 2021. In 2023 real estate transactions continued to grow, reaching \$5.2bn in the first nine months, resulting in a year-on-year growth rate of 14.6%.

Assisting with that recovery was the emirate's 2022 budget. Set at Dh34.4bn (\$9.4bn), this was a 2% increase on the 2021 budget. Particular segments saw larger increases. Allocations for infrastructure development, for example, were up 4%, while salaries – which accounted for 25% of the total budget – also rose by 4%. A further 4% funding increase was evident in social development, which comprised 21% of budget expenditure, while economic development received 27%. Capital projects were allocated 30%, with around 1000 new jobs for graduates created.

**INTEREST RATES:** In 2023, with the Targeted Economic Support Scheme wound down and pandemic-related economic support largely withdrawn, the UAE and Sharjah were working to chart a course

One of Sharjah's geostrategic advantages is that it borders – and has transport links with – all six other emirates as well as Oman, while also possessing ports on the Gulf, the Arabian Sea and the Indian Ocean.

In 2022 the non-oil sector was valued at

**\$36.2bn**



As global economic activity recovers, Sharjah's non-oil enterprises are expected to see their business grow

The 2023 budget has two dimensions: economic, social and infrastructure development; and strengthening government financial sustainability.

for continuing growth amid global supply chain uncertainties, and sustained higher interest rates and inflation. Indeed, as the US Federal Reserve has hiked its rates, the dollar peg has meant the CBUAE has also had to increase rates, putting them up by a total of 425 basis points (bps) in 2022, with a further 50-bps rise in the first half of 2023. In September of that year, however, the US Federal Reserve decided to hold rates steady, with the CBUAE following suit. As of December 2023 the CBUAE base rate applicable to the overnight deposit facility was fixed at 5.4%. **CONSUMER PRICE INDEX:** Inflation in the UAE averaged 4.8% in 2022, according to the IMF, fuelled by price hikes in imported goods, real estate, food and fuel. The fund projects inflation will moderate in 2023 to around 3%, as growth underpins economic recovery and fuel prices stabilise.

Preliminary data for 2023 suggests that growth has continued to remain positive, if at a more subdued pace than before the pandemic. The slowdown is due to sluggish global economic activity, continued high borrowing rates and a cut in the UAE's oil production quota from the Organisation of the Petroleum Exporting Countries (OPEC) and other allied oil-producing nations, collectively known as OPEC+. In September 2023 the CBUAE forecast 3.3% real GDP growth for the UAE in 2023 and 4.3% in 2024, as the OPEC+ quota increases. The IMF forecasts 3.4% real GDP growth in 2023 and 4% in 2024. For Sharjah, growth is less connected to oil and gas, and is therefore likely to be dominated by the manufacturing, services and finance sectors.

Resurgent growth could help alleviate financing pressures being felt by the emirate. According to Gulf Economics Consulting, Sharjah started 2023 with a \$2.3bn budget deficit and \$2.4bn in maturing bank loans, delivering a financing requirement of \$4.7bn for the year. With this in mind, the budget for 2023 was smaller than the 2022 budget, as

remaining financially prudent and improving the emirate's competitiveness became the main goals.

Sheikh Mohammed bin Saud Al Qasimi, chairman of the SFD, told local media in December 2022 that the 2023 budget had two dimensions: first, economic, social and infrastructure development; and second, developing and strengthening the financial sustainability of the government. Totalling Dh32.2bn (\$8.8bn) – 12% less than the year before – 2023 budget expenditure broke down into 14% on capital projects and infrastructure; 28% on salaries and wages; 30% on operating expenses, 4 percentage points less than the previous year; 13% on support and aid; and 13% on loan repayments and interest.

As for revenue, oil and gas receipts were expected to jump 96% on the 2022 budget, with this accounting for about 6% of total government revenue. Tax revenue was budgeted for an increase of around 48% on 2022, to account for roughly 10% of public revenue. Customs revenue, at 4% of total government receipts, is budgeted to rise by 4%.

At the same time, Sharjah has deployed its Sustainable Finance Framework to positive effect. In February 2023 the government issued a \$1bn, 6.5% sustainable note – due in 2032 – with law firm Clifford Chance acting as adviser, and HSBC and Abu Dhabi National Bank among the lead managers and bookrunners. This marked the first sustainable sovereign bond for the GCC region. Further recourse to the debt market seems likely to continue in 2024 (see Financial Services chapter).

**OUTLOOK:** The emirate's budget gives Sharjah strong government backing for infrastructure development, with the period ahead likely to see progress on a range of projects connected with the emirate's sustainable development framework. At the same time, as global economic activity continues to recover, Sharjah's many non-oil enterprises are expected to see their business grow. Retail and real estate in particular are positioned to recover as the UAE's economy continues to expand. One of Sharjah's distinct advantages is that it represents a lower-cost location than neighbouring emirates, with its high-quality infrastructure and transport networks. Economic growth throughout the UAE, therefore, is likely to benefit Sharjah as well.

Meanwhile, the emirate's focus on education, arts and culture should see rewards as major projects in higher education, such as the University City of Sharjah, continue to roll out. Likewise, private health investment is set to bring in medical tourism, as well as provide higher-quality services to Sharjah residents. Tourism is another clear area for future expansion, particularly as the global travel industry continues to recover after the pandemic.

There are, of course, uncertainties in the region and beyond, and Sharjah is operating in a highly competitive neighbourhood. Nonetheless, the emirate has created a clear niche for itself – and is now seeking to leverage its distinct identity in order to generate future growth and business opportunities.

In February 2023 the government issued a \$1bn, 6.5% sustainable note, which marked the first sustainable sovereign bond for the GCC region.





Hamad Ali Abdullah Al Mahmoud

# Investment destination

Hamad Ali Abdullah Al Mahmoud, Chairman, Sharjah Economic Development Department (SEDD), on the private sector's contribution to growth and key segments attracting investors

**Which leading industries are attracting foreign investment, and how do you envision their development in the near future?**

**AL MAHMOUD:** Sharjah envisions expanding into the advanced technology, medical, pharmaceutical and renewable energy industries, with an emphasis on clean hydrogen production. Traditional industries like machinery, chemicals, rubber, food and beverage, and electrical and electronic equipment are expected to thrive. Adjacent segments, including car repair, transport and storage, are experiencing rapid growth, supported by a conducive business environment. A stable economic climate, strategic infrastructure investment, and key projects such as Sharjah International Airport, ports and free zones contribute to a flourishing industrial sector.

Anticipated growth is driven not only by external factors, but also by rising demand. The emirate's commitment to diversity, urban expansion and real estate projects, combined with government incentives, positions Sharjah as a key destination for investors seeking opportunities in various industrial segments.

**How can the local private sector further contribute to achieving sustainable economic growth?**

**AL MAHMOUD:** The effectiveness of the licensing system administrated by SEDD is an important factor in economic growth. As of the end of 2022 there were approximately 72,000 active licences covering various industrial, commercial and professional activities. There was an increase of 5% in the total number of licences issued and renewed in 2022 compared to 2021. The demand for new licences increased by 11%, with renewed licences seeing a 4% increase. This rise is particularly evident in commercial, professional and industrial sectors, with increases of 8%, 24% and 9%, respectively. These increments highlight the private sector's achievement in fostering sustainable economic growth, contributing to Sharjah's GDP

approaching Dh140bn (\$38bn). The emirate boasts a robust and diversified economy, expanding by 5.2% in 2022 compared to 2021.

Sharjah has effectively managed inflation, maintaining it below 4% between 2018 and 2023. This success is attributed to the decreasing reliance on oil and gas exports and growing exports of commodities, which partly result from the increased effectiveness of the business licence system. Furthermore, the emirate has created a favourable environment for investors through its free zones, transport facilities, ownership incentives and specialised economic zones. Sharjah has pursued balanced geographical economic development, making Kalba pivotal to agricultural and food industries, and establishing Hamriyah as a centre for the petrochemicals, petroleum and natural gas industries. These initiatives provide opportunities for industrial expansion as well as foreign direct investment.

**In what ways has the regulatory framework for investment been adjusted to improve bureaucratic business procedures?**

**AL MAHMOUD:** Keeping pace with global trends, we have focused on improving the quality of services, enhancing the skills of the workforce, adopting advanced technical systems, developing customer service, implementing international business quality standards and establishing flexible regulatory mechanisms. These measures encompass initiatives such as transferring licences directly to customers, supporting service centres for business continuity, enhancing licensing and legal affairs procedures, and empowering external entities like Sharjah Court. The emirate also introduced improvements like No Objection Certificate services and an electronic licensing system. A crucial aspect of our approach is the continuous responsiveness to inquiries, complaints and feedback, ensuring a 100% response rate.



Waleed Al Sayegh

# Attracting capital

Waleed Al Sayegh, CEO of Sharjah Asset Management, on the investment climate and opportunities for growth

## What is your assessment of the current investment climate in the emirate?

**AL SAYEGH:** Sharjah has a diverse and attractive economic climate for various types of investment and sectors. The emirate is focusing on the promotion of sustainable growth in the knowledge economy, innovation, the strengthening of the circular economy and clean energy, as well as in industries based on advanced technological solutions. These include segments with high-growth potential such as agricultural technology, financial technology and health care. Sharjah attracts capital from numerous parts of the world, and provides secure options for investors and new projects that support economic growth and aid social development.

## How can collaboration between the public and private sector create an environment conducive to innovation and entrepreneurship?

**AL SAYEGH:** Partnership between the public and private sectors is fundamental in creating an environment conducive to innovation and entrepreneurship. This entails developing related strategies, action plans and incentive mechanisms with a focus on identifying developmental priorities and establishing innovation policies. Innovation requires an enabling and supportive environment, necessitating substantial collaboration between the public and private sectors. This cooperation aims to make innovation a driver of economic growth, and an enabler of productivity and efficiency – creating jobs and supporting sustainable development in the process.

## In what ways does domestic investment in industry, education and health care impact foreign direct investment in Sharjah?

**AL SAYEGH:** Local investment in industry, education and health care is crucial for sustainable investment, which enhances the emirate's attractiveness.

This is particularly important in light of the focus on developing talent and expertise at home. In terms of industry, Sharjah enjoys a favourable location, and provides supportive infrastructure and legislation. It boasts 33 industrial zones, six specialised free zones, and research and scientific complexes in technology and innovation. These factors have led 35% of industrial firms in the UAE to choose Sharjah as their headquarters. Health care is considered to be another promising sector in the emirate. There are numerous opportunities for foreign investors to establish strategic partnerships, inject capital and capitalise on the promising health care market.

## Which factors make Sharjah an attractive investment destination in the current global climate?

**AL SAYEGH:** Sharjah possesses a diversified economy, which reduces exposure to market fluctuation and contributes to sustainable growth. Additionally, the emirate enjoys political and economic stability, with robust institutions that provide protection for property rights and investment. Its modern and globally connected infrastructure make Sharjah a strategic location for business and trade. The emirate also relies on technology and innovation as part of its strategy to boost the economy, and to support start-ups and innovative companies.

## To what extent is the emirate promoting environmentally responsible investments?

**AL SAYEGH:** Sharjah has become a leader in sustainability by directing investment towards environmentally friendly projects and industries. This includes renewable energy and environmental technology, as well as projects aimed at reducing carbon emissions and improving the efficiency of natural resource utilisation. Eager to expand its capabilities and expertise, Sharjah aims to lead the global trend towards addressing climate change through technology.





Sharjah aims to attract \$150bn in foreign direct investment by 2031

# Prime location

## New regulatory authority strengthens the emirate's position as a key destination for start-ups and entrepreneurs

Global venture funding reached \$221bn in the first three quarters of 2023, marking a 42% downturn from \$381bn invested over the same period in 2022. This slowdown is evident in seed and early-stage funding, which declined from \$37.6bn in the third quarter of 2022 to \$23.4bn in 2023.

Despite the global downturn, the UAE has been successful in attracting foreign direct investment (FDI) in recent years, with a record high of \$22.7bn in FDI inflows in 2022, representing 10% growth compared to the previous year. To further enhance its economic diversification efforts and capitalise on this success, in July 2023 the UAE government established the Ministry of Investment. The ministry aims to develop strategies to streamline the investment process to attract more FDI, with a target of \$150bn in FDI inflows by 2031.

Within this context, Sharjah has emerged as one of the top emerging ecosystems in the MENA region for entrepreneurship. Start-ups in Sharjah raised \$161m and generated revenue of \$247m in 2022, solidifying the emirate's position as a key player in the start-up scene of the UAE and broader region.

**ENABLING ENTREPRENEURS:** The two key entities supporting Sharjah's entrepreneurial landscape, the Sharjah Research Technology and Innovation Park (SRTIP) and the Sharjah Entrepreneurship Centre (Sheraa), have recently witnessed significant development. In 2023 SRTIP merged with Sharjah Oasis for Technology and Innovation to create an independent free zone authority. In addition to SRTIP and Sheraa, the board of the merged organisation includes representation from numerous prominent Emirati and Sharjah-based entities and companies.

Sheraa has plans to increase its support for start-ups, aiming to assist 100 firms annually, with a focus on education technology, clean technology and creative industries. The goal is to foster the growth of unicorns while exploring additional funding instruments.

Since its inception in 2016 Sheraa has supported over 150 start-ups and intends to establish its own fund to invest in early-stage companies.

**PRIORITY SECTOR DEVELOPMENT:** The SRTIP actively supports the goals of the COP28 UN Conference on Climate Change, held in the UAE in November and December 2023, by targeting international investors and start-ups for green investment. The park engages in various projects, including hydrogen-related initiatives, sustainable agriculture and the development of green transport solutions. Notably, in 2023 an SRTIP resident start-up launched the Sulmi EB-ONE e-motorbike. Beyond this, SRTIP's showpiece global competition for start-ups, the Sharjah Advanced Industry Accelerator, attracted over 3500 applications from more than 40 countries in its November 2023 edition, with a particular focus on sustainable projects in areas such as digitalisation solutions, transport and logistics, as well as environmental analysis and water technologies.

In the context of Sharjah's vision to increase the contribution of tourism, leisure and creative industries to its economy, the emirate partnered with local developer Alef Group to empower food and beverage start-ups and small and medium-sized enterprises in the UAE, providing select organisations with opportunities to expand their businesses at Al Mamsha, Alef Group's flagship urban development project in Sharjah. In May 2023 Sheraa, in collaboration with the ICT Fund and BEEAH Group, organised the Sustainability Hackathon which brought together 150 youth to develop more than 300 food waste management solutions. Additionally, Sheraa aims to support the creative economy, as demonstrated by hosting the Amazon University Esports Masters MENA Series finals at the Sheraa Hub at the American University of Sharjah in July 2023. Around 3500 students from more than 90 universities in the UAE, Saudi Arabia, Morocco and Egypt participated in the competition.

In 2022 foreign direct investment in the UAE reached

**\$22.7bn**

In 2022 start-ups raised \$161m and generated revenue of \$247m, solidifying Sharjah's position as a player in the start-up scene of the UAE and the broader region.



Sheikh Mohammed bin Saqr bin Hamad Al Qasimi

# Landscape change

Sheikh Mohammed bin Saqr bin Hamad Al Qasimi, Chairman, Labour Standards Development Authority, on keeping pace with changing market trends and advancements

**In what ways can evolving labour standards and policies foster an attractive work environment?**

**SHEIKH MOHAMMED:** The evolution of labour legislation and policies is crucial in shaping an attractive and ethical workplace. We are focused on developing and implementing robust labour regulations to ensure compliance with legislation, thereby creating better working conditions for everyone involved.

In Sharjah, there is a focused effort on strengthening the labour market with five key objectives. First, we aim to develop an attractive work environment for workers and employers by establishing comprehensive labour standards and their effective implementation. Second, we aim to boost awareness and compliance with labour legislation, safeguarding workers' rights while promoting employers' interests. Third, we are dedicated to improving workers' well-being and quality of life by enhancing their working and living conditions. The fourth objective involves strengthening labour relationships to ensure both parties adhere to labour rules and regulations. Lastly, we ensure workers' accommodation adheres to necessary standards and best practices.

Our holistic approach aligns workers' well-being and rights with employers' interests, with the wider aim of creating a harmonious and dynamic workplace. This is particularly important in light of recent changes, such as the rise of remote work and flexible employment models. Our adaptive policies and initiatives, which include organising events and conducting awareness workshops, are designed to create an environment that values each worker's contribution, respects their rights and sets a quality benchmark in the labour sector.

**What strategies are needed for the adoption of modern labour market trends?**

**SHEIKH MOHAMMED:** Adapting to the modern labour market, which is increasingly characterised by

the emergence of gig work and the impact of automation on employment, necessitates a multifaceted and dynamic strategy. Our primary commitment is to enhance awareness and compliance with evolving labour laws. Legislation has been updated to be more flexible and in tune with the changing market demands, ensuring that workers' rights and employers' interests are safeguarded in this new landscape.

In addition to legislative compliance, a significant focus is placed on the upskilling and reskilling of the workforce. This is essential to meet the demands of an environment that is becoming increasingly automated. Our strategies involve collaborative efforts. Furthermore, we are committed to improving immediate and long-term working and living conditions, recognising the importance of strengthening labour relationships. This includes establishing effective communication channels, fostering an environment conducive to addressing emerging challenges, and organising events and workshops to raise awareness about new labour market trends.

**How can the workforce prepare for challenges associated with technological advancements?**

**SHEIKH MOHAMMED:** Preparing our workforce for future challenges in a rapidly evolving technological and economic landscape is a top priority. One of the primary hurdles is the pace of change – technology evolves so swiftly that relevant skills may become obsolete tomorrow. This requires a continuous learning approach, where both employers and employees commit to ongoing education and skills development.

There is also the human aspect of adapting to change; workers may feel anxious about their job security and the relevance of their skills. Addressing these concerns through open communication, support systems and reassurances about job transition strategies is critical. This approach aligns with Sharjah's direction towards sustainable development.



# Education

Efforts under way to boost early childhood learning

Curricula evolving to address labour market needs

Investment in research builds knowledge ecosystem

Scholarships fostering inclusion and accessibility





Sharjah's education system plays host to a multicultural student body

## Teach for tomorrow

New initiatives are helping develop advanced curricula to better position students for future job opportunities

Due to continued investment, Sharjah is a centre for higher education, research and development in the GCC, with its free zones serving as innovation centres attracting global talent.

Sharjah is home to a diverse array of educational institutions, professional development centres, and local and international schools that play host to a multicultural student body. Two universities within the emirate ranked in the top-500 institutions in the 2024 QS World University Rankings, with the American University of Sharjah and the University of Sharjah placing 364th and 465th, respectively. Due to continued investment, the emirate is a centre for higher education, research and development in the GCC, with Sharjah's free zones serving as innovation centres attracting global talent. The UAE secured the top position in North Africa and West Asia in international business school INSEAD's 2023 Global Talent Competitiveness Index and was ranked 22nd globally, and policymakers at the federal and emirate levels have demonstrated a commitment to developing a future-ready workforce capable of meeting the evolving needs of the economy.

**FEDERAL RESTRUCTURING:** The UAE's Ministry of Education (MoE) manages federal policies, strategies and legislation for the national education system; oversees curricula and tools for public schools; and supervises international exams. Private schools are required to abide by certain parameters established by the MoE, but they are also allowed greater leeway when it comes to determining their curricula. The UAE system is based on the K-12 model, with students able to continue their education following their completion of grade 12 at one of the UAE's universities, or institutes of technical and vocational education and training.

In May 2022 the UAE unveiled a significant overhaul of its education system with the appointment of three ministers: Ahmad Belhoual Al Falasi as minister of education, charged with reviewing legislation and policies pertaining to the country's education system; Sarah Al Amiri as minister of state for public education and advanced technology, and chair of the board of directors of the Emirates Schools Establishment (ESE), tasked with creating a comprehensive plan to improve

the country's public schools; and Sara Musallam as minister of state for early education, overseeing the newly established Federal Authority for Early Childhood Education. Key entities within this revamped structure include the Federal Authority for Early Childhood Education, which is responsible for developing and implementing plans for early childhood development, setting regulations and standards, issuing licences and collaborating with parents. The authority focuses its efforts on students through grade 4. Additionally, the Federal Authority for Quality and Standards of Education measures education outcomes, student performance and process efficiency. The Education and Human Resources Council – chaired by Sheikh Abdullah bin Zayed Al Nahyan, the UAE's minister of foreign affairs – is tasked with supervising a project on the future of education, and establishing a long-term vision and objectives for the sector.

**STRUCTURE & OVERSIGHT:** While the MoE is the primary body overseeing education policy and strategy at all levels in the UAE, the ministry is supported by relevant regulators at the emirate level. In Sharjah, the main local body tasked with supporting the MoE was the Sharjah Education Council (SEC) until its dissolution by Emiri Decree No. 11 of 2023 issued in March of that year. The decree established a permanent committee affiliated with the federal government called the Sharjah Award for Educational Excellence and Parents Councils. Following the dissolution of the SEC, the Sharjah Education Academy (SEA), a non-profit institution established by Emiri decree in June 2020 that specialises in academic and vocational training for educators, took on the responsibilities that were previously the remit of the SEC's early childhood department.

In addition to these bodies, the Sharjah Private Education Authority (SPEA) oversaw 127 private schools, 145 private nurseries and kindergartens, and 66 private training centres as of October 2022. The authority evaluates the performance of each private facility

The UAE secured the top position in North Africa and West Asia, and ranked 22nd globally in international business school INSEAD's 2023 Global Talent Competitiveness Index.



annually through its Itqan assessment programme, which assesses efforts to implement programmes that aid in meeting the emirate's education goals. The SPEA is currently working towards the objectives of its 2022-24 strategy launched in March 2022, which sets eight targets for institutions under its purview to be achieved by the end of 2024. These include 100% of institutions deploying proactive digital services and international benchmarking test results improving by 20%.

**EARLY & GENERAL EDUCATION:** Early education in Sharjah spans nurseries – typically for children one to three years of age – and kindergarten for children aged four and five. In terms of their classification, early education is known as Cycle 0 in the UAE. This stage is then followed by compulsory education from grades 1 through 12, which spans three cycles. Cycle 1 includes grades 1 through 5 for ages 6 to 10; Cycle 2 spans grades 6 through 9 for ages 11 to 14; and Cycle 3 covers grades 10, 11 and 12, with students finishing secondary school at the ages of 17 or 18.

**EARLY CHILDHOOD:** In recognition of the importance of quality early childhood education for holistic development, gender equality and social equity, in June 2023 Sharjah hosted a two-day regional Early Childhood Care and Education (ECCE) conference. Organised by UNESCO in collaboration with the UAE government, the SPEA, the SEA, the Sharjah Supreme Council for Family Affairs and the Sharjah Child Friendly Office, the event aimed to foster knowledge exchange and increase investment in ECCE to boost sustainable development. The conference's highlights included specific objectives to assess regional progress towards Sustainable Development Goal 4.2, which aims to ensure that all girls and boys have access to quality early childhood development, care and pre-primary education by 2030 to be prepared for primary education.

Participants at the event exchanged knowledge on enablers, identified priorities to accelerate progress, strengthened regional partnerships and explored Sharjah's experience in ECCE. The agenda focused on critical areas like inclusion, quality and well-being; the ECCE workforce and caregivers; programme innovations; and policy, governance and finance. These underscore Sharjah's commitment to its pre-school education system, and to the global dialogue on early childhood care and education. As part of its commitment to raising domestic ECCE standards, the SEA offers three distinct early childhood education certification programmes for school leaders, teachers and classroom assistants.

**AJYAL SCHOOLS:** In an effort to expand choice, improve learning outcomes and stimulate innovation in primary education, for the 2022/23 academic year the ESE introduced a new model for public Cycle-1 schools in the UAE known as Ajyal Schools, which blend the national curriculum (Arabic language, Islamic education, moral education and social studies) with the US curriculum (mathematics, science and other subjects).

Implemented in 10 Cycle-1 public schools for the 2022/23 academic year, the model was put in place in an additional eight Cycle-1 public schools for the 2023/24 academic year, with plans for another 10 Cycle-1 schools



University City of Sharjah is home to more than 47,000 students annually, including over 2000 pursuing PhDs

to become Ajyal schools in the 2024/25 academic year. Operated by the private educational entities Taaleem, Bloom and Aldar Education under the ESE's supervision, Ajyal Schools offer various educational models, propagate an effective partnership between public and private education entities, reinforce national identity and societal values, and foster collaboration with parents in assessing students' educational progress. As of December 2023 four schools in Sharjah were operating under the blended Ajyal model. The model is set to be evaluated after the initial three-year period to assess its effectiveness, appeal and scalability. Only Emirati students and the children of Emirati mothers can apply to attend the schools.

**SHORTER WEEK:** In tandem with the UAE's nationwide efforts towards policy formulation and the emirate's introduction of a four-day working week for public sector workers starting in January 2022, the SPEA introduced a four-day school week for all private schools in the emirate, effective from January 1, 2022. Under the new directive, the school day was extended by 90 minutes to ensure that students still received enough teaching time. The move to a four-day week in employment and education was designed to align with global trends towards flexible working schedules and improve the work-life balance of Sharjah residents, making it a more attractive place to live and work.

According to initial assessments, the transition has had a positive impact on productivity, and has generated wider benefits in relation to quality of life for students, educators and parents. SPEA research published in April 2023 indicated that the shift to a four-day week had resulted in a 77% increase in academic achievement among students; a 78% rise in their social skills and interactions; a 74% boost in their capacity for problem-solving; a 73% improvement in their time management abilities; a 78% rise in their achievement on assignments; as well as an 88% increase in their capacity for spending quality time with their families.

The Sharjah Private Education Authority is working towards a goal of improving international benchmarking test results by 20% in institutions under its purview by end-2024.

In June 2023 Sharjah hosted a regional Early Childhood Care (ECCE) and Education conference to foster knowledge exchange and increase ECCE investment to boost sustainable development.



The introduction of a four-day school week has had a positive impact

In September 2023 the UAE announced the launch of a training programme to enhance the integration of Emirati students into the private sector, and bridge the gap between academia and the labour market.

In July 2023 the SPEA released a more comprehensive report that collected feedback from various stakeholders, revealing widespread satisfaction with the shorter work week. Despite initial concerns, the study recorded improvements in the quality of life for students and educators, including greater personal time, fewer family expenses, and positive impacts on physical and mental well-being. While Emirati parents expressed high rates of satisfaction, acknowledging the positive effects on their children's school attendance and overall productivity, challenges such as longer school days and time management issues were also noted. To address these issues, the SPEA recommended promoting extracurricular activities, teaching time management skills, enhancing staff time management procedures, prioritising quality learning and providing regular monitoring and feedback.

**LANGUAGE COURSES:** Sharjah's main cultural centre, the House of Wisdom, offers immersive language

courses through its Wisdom Speaks language development programme. In addition to its Arabic and English courses, in August 2023 the House of Wisdom announced new courses in Spanish and Japanese, with the aim being to provide participants with linguistic proficiency and a deep understanding of the respective cultures. The Spanish courses are led by educators from the UCAM Catholic University of Murcia's Spanish Language Institute, while the Japanese courses have been developed in collaboration with UAE-based Eton Institute, the country's only EAQUALS-accredited language school. Courses are available for beginners, and intermediate and advanced students, and they include cultural experiences alongside formal education.

**JOB TRAINING:** In an effort to enhance the integration of Emirati students into the private sector and bridge the gap between academia and the labour market, in September 2023 the UAE announced the launch of a training programme targeting students starting from grade 9. Overseen by the country's Ministry of Human Resources and Emiratisation, the initial one-year pilot phase for the programme involves 3500 students. Subsequently, by 2028 the programme is set to expand to include all students from grade 9 onwards.

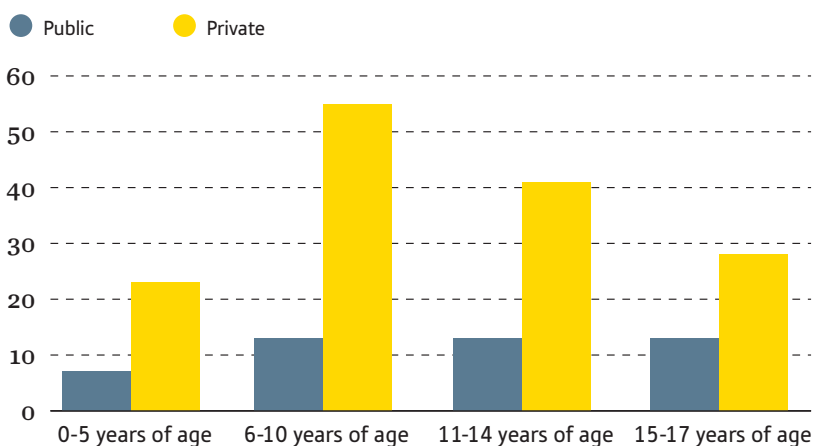
The initiative aims to encourage collaboration with the private sector to provide financial incentives to students, as well as to help them better understand companies operating in the private sector and gain the requisite skills for future careers. The programme does so via three model initiatives: the certified intern model, which offers students two- to four-week work opportunities; the exchange model, which gives students in bachelor's programmes mandatory practical experience; and the dual learning model, which requires students to complete eight weeks of practical work experience. This strategic move aligns with the government's broader goal of reshaping local perceptions of the private sector, promoting career opportunities that align with academic pathways and fostering professional relationships to support the UAE's objective of increasing Emirati participation in the private sector.

Additionally, located within University City of Sharjah, Sharjah Research, Technology and Innovation Park (SRTIP) has partnered with educational institutions to provide training programmes and courses in coding and computer science. The initiative aims to equip students with the skills to thrive in the digital age.

**UNIVERSITY LANDSCAPE:** Sharjah is a regional centre for education and is expanding learning opportunities throughout the emirate. In June 2022 Sheikh Sultan bin Muhammad Al Qasimi, ruler of Sharjah, inaugurated the University of Khorfakkan – formerly a branch of the University of Sharjah. This was followed by the September 2023 launch of the University of Kalba. Additionally, Al Dhaid University is expected to open in 2024.

University City of Sharjah is the largest cluster of such academic institutions in the region. The area is home to more than 47,000 students annually from over 100 countries, including more than 2000 pursuing PhD programmes across various disciplines. Among the

#### Student enrolment by age group and segment in Sharjah, 2020/21 (000)



Source: MoE



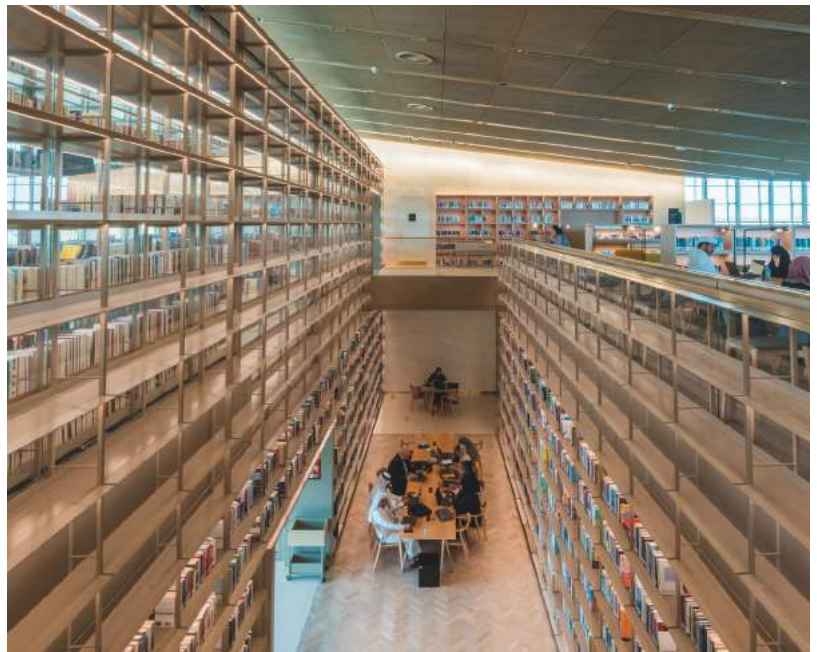
institutions operating in the cluster is the American University of Sharjah, which offers 28 majors and 45 minors in addition to 16 master’s programmes, with nearly three-quarters of its student body coming from outside of the UAE, according to the Times Higher Education World University Rankings 2024.

Meanwhile, the University of Sharjah is home to more than 19,000 students as of the 2023/24 academic year. With 14 colleges, 127 accredited programmes and three research institutes, the university is known for its programmes in health sciences, medicine, fine arts and design, engineering and communications. Other institutions of higher education include the Higher College of Technology Sharjah, the Sharjah Police Science Academy, the Sharjah Performing Arts Academy, the UAE’s Judicial Training Institute, the Sharjah Academy for Astronomy Space Sciences and Technology, as well as various entities for Arabic, Islamic and heritage studies. University City of Sharjah fosters a productive academic environment, spanning the undergraduate to doctorate levels, and ensures the continuous exchange of ideas and research, in addition to a pool of qualified graduates for the Sharjah and UAE labour markets.

**SCHOLARSHIPS:** Scholarships are used in Sharjah’s higher education system to make learning opportunities more affordable and accessible. In August 2023 Sheikh Sultan approved 2005 scholarships for undergraduate students in the 2023/24 academic year. A total of 1600 scholarships were distributed among the University of Sharjah and the American University of Sharjah, with 305 scholarships going to students at the University of Khorfakkan for the 2023/24 academic year and the remaining 100 to students at the University of Kalba.

**RESEARCH & INVESTMENT:** Beyond universities, SRTIP contributes to Sharjah’s research and innovation ecosystem. The park taps into the available pool of talent and collaborates with government, commercial and academic partners to facilitate research and development, from projects’ conception and piloting, to their commercialisation and widespread adoption. SRTIP has been successful in attracting innovation-driven multinational firms, SMEs and start-ups. The park provides an environment for innovators from over 150 academic institutions, companies and start-ups to collaborate. Among its notable projects is SkyWay, a hanging railway system that moves passengers in pods along a suspended line, which could transform the public transport sector and provide an example for the rest of the country when it comes to developing sustainable forms of public transport (see Transport chapter).

Elsewhere, the Green Homes Project, part of the Sustainable Technologies Research Site of UAE-based consumer electronics company Merlin Digital, is working to build houses using advanced polymeric compounds and aerospace technology that can be assembled in a single day. SRTIP also is host to the Sharjah Open Innovation Lab, which provides students, entrepreneurs and technology innovators with access to labs, software and machinery. In an effort to improve the funding environment for start-ups, SRTIP houses the Sharjah Angel Investors Network, which provides



The Ajyal School model, which blends UAE and US curricula, is being implemented across the emirate

interested high-net-worth individuals with a comprehensive training programme covering angel investment, risk diversification, deal negotiation and entrepreneur engagement. In subsequent stages, investors learn how to actively pursue deals and support high-potential companies in the field of emerging technology.

As Sharjah looks to strengthen its knowledge ecosystem further, there are numerous opportunities for private investors to generate long-term returns. One area with potential for greater private investment is specialised vocational academies that target key sectors such as hospitality, transport and logistics, and additive manufacturing. These can tap into the expanding market demand in the UAE. Taking into account Sharjah’s commitment to innovation, investment opportunities can be found in research laboratories that facilitate collaboration between government entities, academia and businesses. Additionally, there is significant potential for investment in early childhood education, as Sharjah aims to enhance childcare options – including nurseries and kindergarten offerings – to support women in the workplace as its population expands.

**OUTLOOK:** Sharjah is positioned for significant advancements in education, research and innovation, underpinned by the productive ecosystem of University City of Sharjah. Recent federal and emirate-level reforms, and restructuring in early childhood and general education signal a move towards boosting efficiency and standards, and nurturing a future-ready workforce. Meanwhile, scholarships and initiatives that aim to expand learning options beyond the classroom, and foster linkages between academia and industry demonstrate a commitment to inclusive and holistic education. Looking ahead, private investment inflows into vocational training centres, research and innovation facilities, and early childhood learning centres should further strengthen Sharjah’s knowledge ecosystem and support the long-term development of a diversified and high-tech economy in the emirate.

**2005** scholarships were approved for undergraduates in the 2023/24 academic year

One area with potential for greater private investment is specialised vocational academies that target key sectors such as hospitality, transport and logistics, and additive manufacturing.



Many universities in Sharjah offer students part-time job opportunities

## Practical model

A switch to hybrid learning and initiatives that provide students with employment underscore the emirate's dedication to nurturing a competitive labour force

In August 2023 the government authorised the University of Sharjah to implement a hybrid education model, in which eligible working students attend university one day per week for each course.

The pursuit of higher education is increasingly intertwined with the demands of the workforce, and balancing work commitments with academic endeavours can be challenging for students. Recognising this challenge, in August 2023 the Sharjah government authorised the University of Sharjah to implement a hybrid education model, with the aim of making higher education more accessible to working students. Hybrid education combines traditional in-person classes with online learning, offering students greater flexibility in managing their schedules and coursework. Under the new model – announced by Sheikh Sultan bin Muhammad Al Qasimi, ruler of Sharjah, in April 2023 – an eligible working student has to be at the university for only one day per week for each course, compared to the three-day requirement under the previous model.

**BENEFITS:** The hybrid education model offers numerous advantages. First, it provides working students with the flexibility to create personalised schedules that accommodate both their work and academic responsibilities. This flexibility empowers students to progress in their education without compromising their careers. Moreover, the hybrid model promotes a healthy work-life balance, reducing the stress and burnout that working students may be susceptible to. The move also contributes to enhancing the accessibility of higher education for a broader demographic. Students who may have previously considered higher education unattainable due to their job commitments may now be in a position to pursue their academic goals while maintaining a source of income. Increased access to higher education aligns with the UAE's vision for a knowledge-based economy, by allowing a greater number of individuals to acquire the skills and qualifications required by the job market.

**ADDITIONAL SUPPORT:** Hybrid education is not the only measure taken in the UAE and Sharjah to support working students. In June 2023 the federal Ministry of Human Resources and Emiratisation introduced

tailored job contracts for students, in collaboration with the Emirati Talent Competitiveness Council. Under this system, students are encouraged to take up part-time work in their field of study. The initiative not only helps students gain practical experience but also offers financial support as they continue their education.

Hybrid education and job contracts for students offer a far-reaching impact on the workforce. By aligning education with workforce demands, students may be better prepared for their careers, helping them to become valuable assets for potential employers. The result is a workforce that is not only academically qualified but also equipped with practical experience.

The University of Sharjah and the American University of Sharjah, among others, provide opportunities for enrolled students to engage in part-time work on campus. The University of Sharjah's Student Employment Programme, managed by the Career Advising and Student Training Office, empowers students to work in a variety of roles. These range from assisting in administrative departments to contributing to sustainability initiatives. Similarly, the American University of Sharjah offers a work-study programme that allows eligible students to gain valuable work experience and income while pursuing their studies. These programmes not only benefit students by enhancing their CV and fostering practical skills but also create a readily available workforce and thereby align with university objectives.

Sharjah is at the forefront of redefining education and workforce development with its innovative hybrid education model and the adoption of student employment contracts. The emirate's commitment to enhancing access to higher education, supporting working students and aligning graduate proficiencies with real-world demands underscores its dedication to nurturing a competitive workforce. This strategic investment in education and labour force development positions Sharjah as an attractive destination both for the UAE's working students and the broader workforce.

In June 2023 the federal Ministry of Human Resources and Emiratisation introduced tailored employment contracts for students, in collaboration with the Emirati Talent Competitiveness Council.





Tod Laursen

## Outcome oriented

Tod Laursen, Chancellor, American University of Sharjah, on how higher education can prepare students to succeed in the rapidly evolving modern workforce

**In what ways are educational institutions adapting to align with changing workforce needs?**

**LAURSEN:** Educational institutions should not just respond to evolving workforce demands; it is also important to anticipate them. This includes an expansion in fields ranging from areas like artificial intelligence and biotechnology to psychology and performing arts. The goal is to provide a multi-faceted education that equips students with specialised knowledge and a broad range of skills valued in the modern workplace.

It is worth noting the value and importance of a liberal arts education, even within technical fields such as computing and engineering. To achieve this, students in technical disciplines are encouraged to delve into literature, history, arts and philosophy, especially in their foundational years. The emphasis on liberal arts is rooted in the understanding that today's technical challenges require creative problem solving, ethical consideration and a global perspective. By exposing students to a range of fields, we are nurturing adaptable, well-rounded and culturally competent individuals who are proficient in technical domains and capable of thinking both critically and creatively.

**How can universities and the private sector collaborate to enhance educational outcomes?**

**LAURSEN:** In order to forge more effective collaboration, one key aspect is the co-development of curricula. Universities can ensure that their courses reflect the latest industry trends and technologies by involving industry experts in curriculum design. This not only enriches the academic content, but also makes it more relevant and applicable in real-world scenarios.

Another crucial element is the integration of practical training opportunities within the academic framework. Internships, apprenticeships and on-site training programmes facilitated by private sector entities provide invaluable hands-on experience. This experiential learning allows students to apply their academic knowledge

in practical settings, and helps to bridge the often-cited gap between theory and practice. Similarly, while students gain real-world skills and insights, businesses benefit from access to a technically proficient pool of talent that is more attuned to their specific needs and equipped to contribute to a rapidly changing world. This symbiotic relationship fosters a better-prepared workforce, reducing the time and resources businesses typically invest in new employee training.

**What role should higher education institutions play in fostering entrepreneurship among students?**

**LAURSEN:** Integrating entrepreneurship education across various disciplines is essential. Embedding business management and innovation courses into the curriculum allows students to gain theoretical knowledge and practical insights into starting and managing businesses. This approach ensures that students from all fields are equipped with entrepreneurial skills.

Furthermore, universities in Sharjah can serve as centres for networking and collaboration. Organising events like start-up competitions, innovation workshops and guest lectures by successful entrepreneurs gives students opportunities to connect and collaborate. These interactions often serve as the seedbed for future business ventures and innovations.

Beyond this, initiatives like incubators, accelerators and mentorship programmes connect students with industry professionals, offering guidance and real-world experience in developing and launching start-ups. This practical exposure is invaluable in translating theoretical knowledge into actionable business ideas.

The focus on fostering entrepreneurship in higher education aligns with national economic goals. Encouraging students to pursue entrepreneurial ventures can create new businesses, driving economic growth and diversification. This is especially relevant in Sharjah, which is aiming to foster a diverse, knowledge-based economy and reduce reliance on traditional sectors.



Higher education is realising the potential of extended-reality learning

# The metaverse in education

## Building a digital landscape in institutes of higher learning

Following the massive shift to online learning occasioned by the Covid-19 pandemic, extended reality is becoming more prominent among educational institutions.

In a bid to expand access, education is increasingly exploring the possibilities of the metaverse and extended-reality (XR) approaches. The former comprises a range of technologies that immerse users in a virtual environment. It denotes a 3D medium that combines virtual reality (VR) and augmented reality (AR) into a new digital realm, sometimes known as XR. These environments are accessed through VR headsets and are typically immersive, interactive and social.

**EXPANDING ACCESS:** The world's leading tech companies are investing heavily in XR. In 2021 Facebook rebranded as Meta, indicating how important it believes XR will become. Indeed, following the massive shift to online learning during the Covid-19 pandemic, XR is becoming more prominent among educational institutions globally. At the end of 2021 Roblox – a US-based XR platform and game-creation system – announced that it had invested \$10m to develop a set of XR games at the middle school, high school and university levels. These activities will teach robotics, space exploration, and computer, engineering and biomedical science.

Higher education also realises the potential of XR. The University of Michigan has recreated the decommissioned Ford Nuclear Reactor in XR, while the Massachusetts Institute of Technology's Electrostatic Playground is a room-scale XR environment where students can explore the principles of electrostatics. Universities are also developing infrastructure and processes to leverage XR. The University of Glasgow's new Advanced Research Centre, for instance, is a dedicated XR space and is one of the biggest in the UK. Abu Dhabi's Khalifa University has a 360-degree fully immersive VR space that it uses for various purposes, including training drivers and helping staff members practice handling high-stress situations such as fire drills.

**XR IN EMERGING MARKETS:** While higher education institutions in developed economies are leading the way when it comes to XR integration, many institutions in emerging markets are also exploring its benefits.

The Seoul-based Korea Advanced Institute of Science and Technology (KAIST) plans to open a virtual campus within its Kenya-KAIST campus at the Konza Technopolis, some 60 km outside Nairobi. In China – where in early 2022 Morgan Stanley anticipated that the metaverse market could soon be worth some \$8trn – its development is being spearheaded by a group of leading universities, led by Tsinghua x-lab, the innovation incubator at China's Tsinghua University. In parallel, the Communication University of China announced the launch of a digital campus in January 2022.

In view of its significant potential as a transformative lever in the teaching and learning space, several African countries are looking to leverage the metaverse. In November 2021 EON Reality, an AR/VR software developer based in the US, announced a partnership with the University of Nigeria to establish a knowledge-metaverse facility at its Lion Science Park Health Hub. EON Reality has also partnered with the Ministry of Education of Ethiopia to create a knowledge metaverse centre for students, teachers and entrepreneurs. EON committed \$19.9m to the project.

**POSSIBLE DRAWBACKS:** Despite its potential, deploying XR is not without challenges – perhaps the most significant of which is associated with digital interactions. Computers and smartphones are synonymous with leisure and distraction as much as work and study, and stakeholders question whether students will be able to maintain focus on a lecture in the metaverse.

At the height of the pandemic, many companies discovered that business could continue remotely. However, many are now realising an intangible, unquantifiable value associated with face-to-face interaction like the well-known "water-cooler moment", where people exchange ideas during impromptu gatherings. Some researchers point to a similar dynamic in education and have asked whether chance face-to-face encounters with peers and teachers can enrich the educational experience in ways not possible in a virtual setting.

Abu Dhabi's Khalifa University has a 360-degree fully immersive VR space that it uses for various purposes, including training drivers and helping staff members practice handling high-stress situations such as fire drills.



# Health

New facilities widen available array of services

Mandatory insurance measures to be implemented

Lower costs potential driver of medical tourism

Remote services and digitalisation boost accessibility





Sharjah aims to serve as a medical centre for the Northern Emirates

# Plentiful advantages

## Advanced infrastructure, lower costs and supportive policies position Sharjah as a regional leader in the medical field

One of the main strategies guiding the sector is the National Well-being Strategy 2031, which promotes healthy and active lifestyles, and positive mental health.

Health care and wellness have emerged as promising growth industries in Sharjah in recent years. With productive research centres, advanced facilities and global access, the health care sector is poised for continuous growth, underpinned by a commitment from the emirate's government to establish Sharjah as a leading destination for health care services, medical education and innovation. As such, Sharjah's government has cultivated an environment conducive to health care and wellness investment.

The emirate's growing population – standing at 1.8m in December 2023, up 2.5% from 2022 – illustrates the potential for the expansion of the health industry. Sharjah is well situated to serve as a medical centre for the Northern Emirates, where there is a pressing need for additional health care facilities. Population growth and ageing at the national level has exerted pressure on existing health care services. Furthermore, rising GDP per capita and the prevalence of diseases such as diabetes and cardiovascular conditions have fuelled growing demand for specialised health care services. As the UAE works towards national policies and strategies designed to encourage preventive health care and promote well-being, Sharjah is poised to play a pivotal role in supporting the overall health of the country.

**OVERSIGHT & ECOSYSTEM:** The health sector in Sharjah is overseen by the federal Ministry of Health and Prevention (MoHP). The MoHP's local arm, the Sharjah Medical District office, allows citizens to renew their health cards, obtain fitness certificates and conduct other business with the ministry. Strategy and policy overseen by the MoHP in recent years has had a strong focus on prevention and pre-emption, including the National Nutrition Strategy 2022-30, the National Policy for the Promotion of Mental Health, the National Policy on Vaccinations, and the National Policy for the Promotion of Healthy Lifestyles. One of the main strategies

guiding the sector is the National Well-being Strategy 2031, which was approved by the Cabinet in January 2023. It features 14 components and nine strategic objectives, which include enhancing overall social well-being by promoting healthy and active lifestyles, and positive mental health.

Established in 2010, the Sharjah Health Authority (SHA) works closely with the MoHP to coordinate and implement policies and strategies at the emirate level, though its primary responsibility is to manage Sharjah Healthcare City (SHCC), a dedicated health care and wellness city housing dozens of hospitals and clinics. Operating as a free zone, the SHCC offers investors a range of benefits including no taxes or duties, 100% ownership and repatriation of profit, a single-window system for establishing businesses and a streamlined licensing process. The SHCC aims to attract research and development centres, laboratories, hospitals and rehabilitation centres to set up and expand in the free zone. Located in proximity to Sharjah International Airport on a purpose-built, 2.5m-sq-metre site, the SHCC offers investors land for constructing hospitals, clinics, offices and other health care buildings available for long-term leases.

One of the strengths of Sharjah's health ecosystem is strong partnerships between academia and industry. One key example is the University Hospital Sharjah (UHS), adjacent to the University of Sharjah. UHS aspires to become a pioneering specialty health care provider in the UAE and the wider region. UHS is located within the University City of Sharjah, a centre of education and research that is home to major universities, specialised labs and research facilities. Housing more than 47,000 students and 22 educational institutions, it is one of the largest tertiary education campuses in the region.

**NON-COMMUNICABLE DISEASES:** The reason for the strong emphasis on preventive health care in the UAE is related to the prevalence of

Operating as a free zone, Sharjah Healthcare City offers investors a range of benefits including no taxes or duties, 100% repatriation of profit and a single-window system for setting up their business.



non-communicable diseases (NCDs) in the country, which is linked to lifestyle factors. Like other countries in the GCC and developed markets in the West, rising disposable incomes and the tendency for people to work in white collar jobs has been accompanied by increasingly sedentary lifestyles and unhealthy eating habits. According to a 2021 report by the World Health Organisation (WHO), 55% of all annual deaths in the UAE are attributed to the four main NCDs: cancer, cardiovascular diseases, diabetes and chronic respiratory diseases.

In addition to the social impact, the prevalence of NCDs is placing a burden on public finances and national productivity. Indeed, it is estimated that the annual costs to the national economy associated with NCDs is Dh39.9bn (\$10.9bn), of which 53% is attributed to productivity losses resulting from premature death, disability or illness. Smoking, fast-food consumption and lack of exercise were identified by the WHO as among the most urgent challenges to be tackled in the country.

At the emirate level, the Health Promotion Department (HPD) at the Supreme Council for Family Affairs executes various programmes to promote healthy lifestyles among the population in alignment with national objectives. In 2015 Sharjah became the first city in the region to meet the requirements of the WHO's Healthy City initiative, attesting to its commitment to public health and well-being. Further, in July 2023 the HPD collaborated with UNICEF and local youth organisation Sajaya to operate the Suhbati (Companionship) 2023 programme, designed to empower adolescent girls to form healthy habits through a peer education approach.

**NEW DEVELOPMENTS:** In September 2023 the SHA inaugurated the first phase of construction for the Sunny Wellness Centre, which is dedicated to women's health. The facility, occupying an area of 11,000 sq-feet at the SHCC, will offer a comprehensive range of women's health services. This development is expected to be a valuable addition to advanced healthcare services in the UAE, addressing a specific need for specialised women's health care.

Elsewhere, in May 2023 Sharjah approved plans for the construction of a new health care and research district known as the Jawaher Boston Medical District. This project aims to establish an integrated network of health care systems in the emirate. The district, situated near the Sharjah Mosque on the Emirates Bypass Road, will feature hospitals, laboratories, and research and development centres. The Jawaher Boston Medical District is a collaboration between Sharjah-based public-private partnership company BEEAH Group; Mass General Brigham Hospitals Network, a US-based non-profit hospital network with 16 member institutions; and the Dana-Farber Cancer Institute, a cancer treatment and research centre in Boston.

This medical district will cover a wide range of specialisations, including lifestyle and preventive medicine, oncology, women's health, paediatrics,



Legislative and regulatory steps have been taken at the federal level to boost investment in pharmaceuticals

cardiovascular diseases, neuroscience, behavioural health and rehabilitation medicine. A significant focus of the research in this district will be on cancer-related ailments. The project is intended to provide advanced diagnostic and therapeutic services to residents, while offering medical personnel access to the latest medical studies and research. This initiative represents a key step in advancing health care and research facilities in the emirate, although the expected completion date of the project had not been announced as of December 2023.

In June 2022 Neuropedia Children's Neuroscience Centre, the UAE's first highly specialised paediatric neuroscience centre, inaugurated its new branch in Sharjah at Sahara Healthcare City, a private medical complex developed by Dubai-based Al Nahda Properties, located near the border with Dubai. Neuropedia offers expertise in neurological, psychological, behavioural and rehabilitative science. With the new branch in Sharjah, the facility aims to provide comprehensive care for infants, children and young people facing a wide range of acute and chronic neurological, developmental, behavioural and psychological disorders. Neuropedia also provides evidence-based therapy for children and individuals with developmental delay and learning needs.

Sahara Healthcare City marked another milestone in August 2023 with the inauguration of FertiClinic Sharjah. In partnership with the UK's Assisted Reproduction Gynaecology Centre, the clinic offers personalised care tailored to patients' individual needs. It is the newest UAE branch of the FertiClinic Fertilisation Centre, which was established in 2018 in Abu Dhabi, and aims to expand the range of fertility services available in the emirate.

**HEALTH INSURANCE:** The federal health authorities announced in November 2022 that health insurance would be made mandatory for all residents and expatriates in Sharjah and the Northern Emirates

The strong emphasis on preventive health care in the UAE is related to the prevalence of non-communicable diseases in the country, which is linked to lifestyle factors.

A women's health centre, a health care and research district, the UAE's first specialised paediatric neuroscience centre and a fertility clinic represent key developments in the emirate's health care infrastructure.



In 2021, 24 of the UAE's 166 hospitals were located in the emirate

Since 2020 the Sharjah government has provided free health insurance coverage for UAE citizens residing in Sharjah, with private insurance coverage typically included in a foreign worker's remuneration package.

starting in 2023 as the country works to implement universal health insurance rules across its territory. Previously, in the UAE health insurance was mandatory only for residents of the more populous emirates of Dubai and Abu Dhabi.

Although the end of the first quarter of 2023 was expected to be the date that health insurance was made mandatory in the rest of the UAE, no such formal announcement had been made as of December of that year. Nevertheless, it is expected to be only a matter of time before such rules are in place in Sharjah and the Northern Emirates, which will create new business opportunities for insurers, while consumers are expected to benefit from a more competitive marketplace.

Since 2020 the government of Sharjah has provided free health insurance coverage for UAE citizens living in Sharjah. Although coverage for foreign residents of Sharjah remained optional as of December 2023, private insurance coverage is typically included in a foreign worker's remuneration package. The planned introduction of mandatory coverage for foreigners would likely add to the obligatory costs of businesses employing foreign workers.

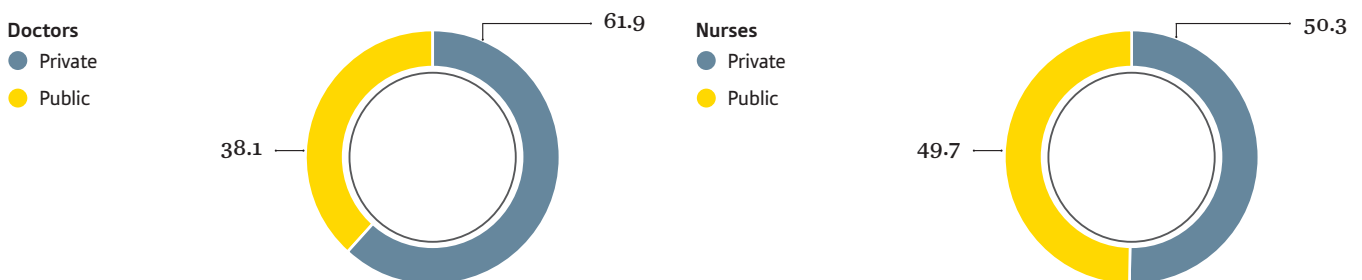
The cost of private health insurance coverage in Sharjah varies, with premium ranging from Dh400 (\$100) to Dh3000 (\$817), subject to policy terms and insurance company regulations. The extent of health coverage provided under insurance policies in Sharjah depends on the chosen premium range and the specific benefits covered. Group health insurance plans, such as those for families or employees, may offer further reduced premium costs.

Health care costs in Sharjah are typically lower compared to some other emirates, contributing to the affordability of health insurance. Premium for basic health insurance plans is commonly available at price ranges below Dh1000 (\$272), with varying costs based on the individual's age. Mandatory health insurance would be a step forward to ensure that all residents have access to medical care. This requirement is expected to provide residents with a range of medical insurance plans and benefits to choose from, allowing them to make informed decisions that align with their needs and budgets.

**FACILITIES & EXPERTISE:** According to MoHP statistics, 24 of the UAE's 166 hospitals were located in Sharjah in 2021, with the emirate's proportion of public versus private hospitals mirroring the national ratio, at 67% public and 33% private. Across the UAE as a whole, that year 53% of hospital beds were in public sector institutions and 47% in the private sector, whereas in Sharjah the ratio of beds was 65%:35% in favour of public sector hospitals. Despite having a higher number of public hospitals than private ones, 38% of Sharjah's doctors worked in the public sector in 2021 while 62% worked in the private sector – perhaps indicative of the more specialised nature of care on offer in private institutions. The ratio was much closer for nurses, with an almost 50%:50% split between nurses based in Sharjah's public and private sector institutions.

**MEDICAL & WELLNESS TOURISM:** As well as providing quality care options for UAE residents, Sharjah's health care system is well placed to serve the international medical and wellness tourism market. According to a report on the investment potential in medical tourism published by the Ministry of Economy in January 2022, the size of the medical tourism market in the Middle East and Africa is projected

Allocation of health care professionals in Sharjah, 2021 (%)



Source: MoHP



to reach \$1.4bn by 2026, growing at a compound annual growth rate of 8.5% between 2021 and 2026.

That same report projected that medical tourism receipts in the UAE would grow from the pre-pandemic level of Dh12.1bn (\$3.3bn) in 2018 to Dh19.5bn (\$5.3bn) by the end of 2023. Several factors contribute to this positive outlook. Government initiatives at the federate and emirate level, including ongoing investment in medical technologies and infrastructure, are primary drivers of growth. The availability of skilled medical professionals further enhances the UAE's appeal, as their expertise ensures the delivery of high-quality and complex medical services, a crucial factor for attracting international patients.

The advantageous geographical location of the UAE also plays a significant role in its prominence, offering accessibility for individuals seeking medical treatments, thanks to its proximity to Asia, Africa and Europe, and the connectivity levels of its national airlines and international airports. With 13m passengers arriving at Sharjah International Airport each year, Sharjah's diverse health care ecosystem – underpinned by the SHCC and complemented by a growing network of private clinics and hospitals – is positioned to capitalise on the growth potential in the medical tourism market.

Private operators offer tailored packages, and online registration and payment services for international medical tourists. With affordability identified by UAE policymakers as being one the challenges the country faces in strengthening its position in the global medical tourism market, Sharjah can also take advantage of the relative cost-competitiveness of its health care services compared to other emirates. Furthermore, Sharjah benefits from the UAE's 2021 introduction of a fast-track system for the registration of innovative and rare drugs, ensuring swift access to ground-breaking treatments for patients. The emirate can play a prominent role, utilising its manufacturing capabilities to produce drugs and complex medical products.

**PHARMACEUTICALS & MEDICAL DEVICES:** The UAE market for pharmaceuticals and medical devices has witnessed significant growth in recent years, rising from a market value of \$1.5bn in 2011 to \$3.7bn in 2021 and projected to reach \$4.7bn in 2025, according to a white paper published in 2022 by state holding firm ADQ, formerly known as Abu Dhabi Developmental Holding Company.

In 2021 there were 23 manufacturing facilities serving the sector in the UAE. Of these, 14 produced medicines, seven produced medical devices and two produced disinfectant solutions. Approximately 2500 medicines were produced in the UAE that year, with the country generating \$258m from exports sales to 48 countries. In the face of the ongoing disruption and recalibration of global supply chains in the wake of the Covid-19 pandemic, the UAE has the potential to boost production to both strengthen national medical security and increase exports revenue from regional and global markets.



One of the strengths of the emirate's health ecosystem is strong partnerships between academia and industry

At the federal level, legislative and regulatory steps have been taken in recent years to boost investment and innovation in pharmaceuticals and medical devices. As well as the fast-track system for approving innovative and rare drugs, in September 2021 the UAE removed the requirement for companies in the sector to be 51% owned by UAE national shareholders and aligned UAE patent law with international patent legislation.

With its robust logistics and knowledge infrastructure, network of manufacturing zones and access to skilled labour, Sharjah is well placed to capitalise on production and investment growth in the UAE's pharmaceuticals and medical devices market. The Hamriyah Free Zone is positioning itself to take advantage of this expansion, and in January 2023 it participated in the seventh edition of the International Conference of Pharmacy and Medicine in Dubai, where it showcased its offering to health care companies, including investment incentives and streamlined business processes. Among the pharmaceuticals and medical devices companies based in Sharjah is Al Hayat Pharmaceuticals, which operates in pharmaceuticals, medical devices, laboratory equipment and consumables, and dental equipment and supplies, as well as delivering turnkey projects.

**OUTLOOK:** Sharjah is poised to continue its growth in the health care and wellness sector, with a strategic focus on providing innovative, comprehensive and accessible services. The commitment to fostering an ecosystem that combines research, education and patient care will further strengthen its position, while the introduction of compulsory health insurance should stimulate competition and ensure that health care services are accessible to all residents. With a robust foundation in place, Sharjah is well prepared to meet the rising demand for specialised services, and contribute to improving the overall health and well-being of its population.

Medical tourism receipts in the UAE are projected to reach

**\$5.3bn**

by the end of 2023

The UAE hosted 23 manufacturing facilities serving the sector in 2021, producing approximately 2500 medicines and helping the country generate \$258m from exports to 48 countries.



Dr Abdulaziz Al Mheiri

## Leader in care

Dr Abdulaziz Al Mheiri, Chairman, Sharjah Health Authority (SHA), on initiatives driving growth in the local medical sector

**What are key health-related investment opportunities for local and global private sector entities?**

**AL MHEIRI:** Since its inception, the SHA's strategy has been to attract and build a sustainable health care community for treatment in Sharjah and beyond. With the growing population of Sharjah and the Northern Emirates, which is expected to reach 2.7m by 2025, there is an acute need for additional medical facilities. The focus is on attracting multi-level health care investors to the emirate, varying from specialised clinics and hospitals to complementary and alternative medical centres, research centres and rehabilitation centres. There is significant investment potential in stand-alone facilities that cater to cardiovascular, neurology, orthopaedic, oncology and lifestyle disease management units. Such centres are crucial for attracting patients from across the MENA region, which, in turn, encourages investment.

**How do you assess the development of local health care infrastructure and facilities?**

**AL MHEIRI:** The most significant health care project for the emirate is Sharjah Healthcare City (SHCC), which is being developed under the SHA. It is a single platform where global investors can start their operations in health care in the region. The SHCC is expected to single-handedly meet the health care demands of the GCC. This will allow for the assessment of the development needs of medical infrastructure to meet the future demand of residents in Sharjah and the UAE and the wider region.

Sharjah's government has independent initiatives to improve and modernise the local health industry. Key programmes include the announcement of University Hospital Sharjah (UHS) satellite hospitals in the various cities of the emirate and the Jawaher Boston Medical Distract – a collaboration between BEEAH Group, and US-based Mass General Brigham Hospitals Network and Dana-Farber Cancer Institute.

**In what ways can international partnerships aid in the development of medical talent and research?**

**AL MHEIRI:** The local government is keen on global partnerships to develop the health care system, and several memoranda of understanding (MoUs) were signed in recent years with international stakeholders in this regard. In June 2023 the SHA signed an MoU with Italy's consultancy firm Assolombarda to collaborate with hospitals and research centres in the Lombardi region. Previously, the SHA signed such agreements with South Korea's Ministry of Health. Today, we have the Himchan-UHS Spine and Joint Centre from South Korea operating in the UHS.

**To what extent can Sharjah compete as regional and medical tourism destination?**

**AL MHEIRI:** Positioned between Europe, Africa and Asia, as well as between the Gulf and Indian Ocean, the emirate is an ideal centre for trade and commerce. Domestically, Sharjah acts as a gateway to the Northern Emirates, while its sea and air connectivity enables access to key emerging markets in the MENA region and Asia. Sharjah is well connected to trans-emirate and GCC road networks, with its airline, Air Arabia, linked to nearly all countries in the MENA region and the Indian sub-continent. Sharjah is already established on the global tourism map for its cultural attractions, and these factors encourage us to promote health tourism using the proposed and existing health care institutions in the emirate.

The World Health Organisation's re-certification of Sharjah as a healthy city in February 2022 is also encouraging. The title is not limited to the health sector but rather an integrated system of standards, services and initiatives that improve the quality and lifestyle of all segments of society, including increasing green spaces, providing walking paths, preserving buildings and heritage, and reviving markets and cities, among others.





Emirates Health Services is implementing modern health care reforms

# Streamlined services

## Utilisation of new technologies aims to boost health care provision

The UAE is set to implement a new health care mandate requiring all providers to offer at least one remote service as part of a Smart Digital Health regulatory framework, expected to be launched by the end of 2023. The announcement of the new mandate was made by Sheikha Hassan Al Mansoori, head of Strategy and Investment at the Digital Health Department of the UAE Ministry of Health and Prevention (MoHP), in Dubai in March 2023. Under the framework, health care providers, both in the public and private sectors, would be mandated to offer one of four remote services: remote consulting, prescription of medications, patient monitoring or robotic surgeries. The framework intends to define roles, ensure patient rights and enforce medical responsibility in remote health care services, which are crucial for facilitating medical tourism and technological advancements.

**DIGITALISATION PROGRESS:** During the Covid-19 pandemic, Sharjah's health care sector experienced a rapid shift towards digital solutions as policymakers and service providers attempted to limit the spread of the virus. The pandemic altered the entire landscape of health care delivery, intensifying the pressure on systems and staff due to social distancing, infection control and lockdown measures.

Throughout the health crisis, phone and video consultations were prevalent in Sharjah, and the UAE's Al Hosn smartphone application facilitated efficient testing, tracing and screening. This rapid digitalisation has proved vital for enhancing health care services in the post-pandemic era. While increased health care spending is crucial, digitalisation helps to limit the strain on physical health facilities, provides flexibility for patients and ensures essential health care services reach even the most remote areas.

The digitalisation process in the health care sector in the UAE and its constituent emirates encompasses paperless patient records, software-enabled diagnostic systems, telemedicine, robotic surgery, e-pharmacy and

smart patient-centric approaches, thereby reducing health care expenditure over time.

**STRATEGIC FORESIGHT:** One of the entities at the forefront of innovation in remote health care delivery in the UAE and Sharjah is Emirates Health Services (EHS), the federal service provider under the MoHP, which operates 49 facilities in Sharjah out of 131 across the country. In February 2023 EHS unveiled its Innovation Strategy 2023-26, focusing on enhancing the sustainability of health-related innovations. It targets the development of local skills, fostering innovation in businesses and creating a robust ecosystem for health care start-ups. By utilising artificial intelligence (AI) to adopt technologies like e-visits, chatbot services, predictive analytics and mobile applications, the EHS is aiming to advance smart health care practices.

In line with this strategy, in January 2023 EHS introduced its Care AI and Digital Twin projects. The Care AI system enables self-monitoring and patient behaviour tracking diagnostics assistance across all EHS-affiliated facilities. The system is designed to continually update and analyse patient data, ensuring strict adherence to safety protocols and delivering improved patient care.

Simultaneously, in collaboration with French multinational Schneider Electric and US-based tech giant Microsoft, EHS is launching the Digital Twin project at Sharjah's Al Qassimi Hospital. This initiative aims to reduce the hospital's carbon footprint by minimising energy consumption and maintenance work. The digital twin solution will monitor carbon emissions, predict energy usage and optimise renewable energy sources. Al Qassimi Hospital – the largest EHS tertiary care facility in the UAE – has also been a pioneer in the field of robotic surgery. In September 2021 the hospital announced it had performed 12 robotic surgeries on pelvic conditions in five days, making it the first institution to perform more than 150 robotic surgeries in the UAE since the Robotics Surgeries Programme in Gynaecology and Obstetrics was launched in February 2019.

Under a new regulatory framework announced by the UAE Ministry of Health and Prevention in March 2023, public and private health care providers will be mandated to offer one of four remote services.

By utilising artificial intelligence to adopt technologies like e-visits, chatbot services and mobile applications, Emirates Health Services is aiming to advance remote health care practices.



Digital solutions expand access to care while helping bring down costs

# Virtual visits

## Adopting health tech to close the care gap in emerging markets

Abu Dhabi's Department of Health launched the Remote Healthcare app for smartphone users in 2020 to provide preliminary medical diagnostic services.

After a surge in uptake during the Covid-19 pandemic, the telehealth industry is courting new investment to further innovation and increase access to care in emerging markets. Digital health companies raised a record \$57.2bn in global venture capital funding in 2021, a 79% jump from the \$32bn raised in 2020, with 30% of the total directed towards telehealth. An estimated \$140bn in private sector finance will be needed annually between 2015 and 2030 to realise the UN's health-related Sustainable Development Goals, according to the UN Conference on Trade and Development, underscoring the importance of boosting spending commitments in the global health tech space.

**TELEHEALTH SOLUTIONS:** As health tech in developed countries matures, emerging markets offer an avenue for digital health technology to expand access to care, improve patient outcomes and cut costs. In sub-Saharan Africa, for example, some countries have as few as 0.23 doctors per 10,000 people compared to 84.2 in some of the most developed countries, according to the World Health Organisation. Investment in low-cost, high-impact fields such as telehealth could help to bridge this gap, however, with Africa's health tech market on course to reach \$11bn by 2025.

The Ministry of Health and the Ghana Health Service set up teleconsultation services as early as 2016 in collaboration with the Swiss Novartis Foundation, and in October 2021 a local health tech start-up, mPharma, announced plans to construct 100 virtual health centres in seven African markets. Backed by Silicon Valley-based Breyer Capital, the start-up raised over \$50m between its founding in 2013 and 2021. Highlighting its potential, mPharma's partnership in September 2021 with Gabon's strategic investment fund, which is geared towards building drug supply infrastructure, has saved the country 30% in procurement costs in one year.

Many countries are leveraging tools such as 5G, artificial intelligence (AI) and the internet of things to improve patient outcomes, reduce medical staff

burnout, and lower health care and operating costs. Internet connectivity plays a fundamental role in India's health tech expansion. In India, AI-powered predictive analytics are enabling the early detection of diabetes and cancer. These technologies could be integrated with portable screening devices to provide early testing for underserved rural areas, where 70% of the country's population lives. The country's health care sector was estimated to be around \$372bn in 2023, and the integration of data and AI in the delivery of health care could add an estimated \$25bn-30bn to GDP by 2025.

**THE FUTURE OF HEALTH:** Meanwhile, the UAE has been at the forefront of telehealth innovations – spurred by disruption of Covid-19 to regular patient care. Shortly after the declaration of a global pandemic in 2020, Abu Dhabi's Department of Health launched the Remote Healthcare app for smartphone users to access preliminary medical diagnostics services, as well as health information and guidelines.

Since then, telehealth in Abu Dhabi has evolved significantly, improving patient care and supporting the growth of medical tourism. Abu Dhabi Health Services Company (SEHA), the UAE's largest healthcare network, conducted about 50,000 virtual consultations in 2021 through its Telemedicine Virtual Outpatient Clinic, now a primary communication channel for international patients alongside SEHA's smartphone app.

In March 2023 the UAE's Ministry of Health and Prevention issued legislation requiring that all medical facilities provide at least one of the following services remotely: medicine prescriptions, vital signs monitoring, robotic surgery or medical consultations. The expansion of remote medical services is generating new business opportunities in the technology sector. For example, Yahsat – the satellite solutions provider owned by Abu Dhabi sovereign wealth fund, Mubadala – plans to offer telemedicine services, among other things, through its Thuraya-4 Next Generation Satellite when it commences commercial services in 2025.

The expansion of remote medical services in the emirate and the broader UAE is generating new business and investment opportunities in the technology sector.



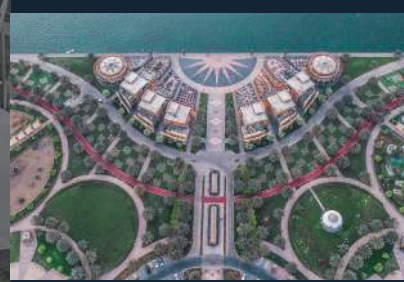
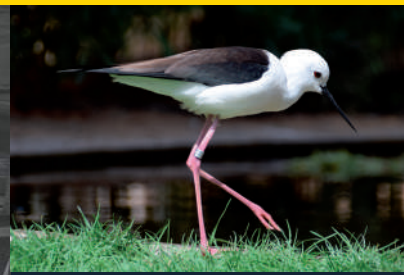
# Tourism & Culture

UAE Tourism Strategy 2031 set to boost development

Budget spending priority enhances tourism leadership

Sharjah airport undergoes significant expansion

Hospitality services demand outstrips supply in hotels





Sharjah has begun to offer ecotourism and adventure tourism packages

## Diversity on display

Sharjah's focus on eco-friendly offerings, film, cultural festivals and sport position it as a multifaceted tourist destination

At the federal level, the establishment of the Emirates Tourism Council in January 2021 by the UAE Cabinet highlights the national commitment to creating a tourism strategy aligned with the UAE Centennial 2071 vision.

Sharjah's cultural heritage has earned it the titles of UNESCO World Book Capital for 2019; Arab Tourism Capital of 2015; and Islamic Culture Capital in 2014, and it remains a focal point for the sector. This is illustrated by projects like the Heart of Sharjah, the largest heritage preservation and restoration project in the Gulf region. Sharjah is on a transformative journey with a keen focus on advancing its tourism and culture sectors. The emirate's budget for 2023 demonstrates a dedication to strengthening its cultural and tourism offerings, and positioning itself as a global centre for the arts, heritage and visitor experiences.

The emirate is diversifying its offerings by embracing ecotourism and adventure spaces, making it an attractive prospect for investors. Connectivity is a cornerstone of Sharjah's appeal, with substantial airport expansion and strategic road projects under way. The emirate is also making strides in the film industry, attracting both local and international filmmakers, while cultural festivals, including Sharjah Film Platform (SFP), continue to grow. Indeed, Sharjah is committed to hosting cultural events, including performances at venues like the Al Majaz Amphitheatre and Khorfakkan Amphitheatre, which reflect its evolution into an entertainment destination. Additionally, sport tourism is gaining momentum with its diverse landscapes offering opportunities for athletics and leisure, from cycling tracks to international sporting events and e-sports.

**STRUCTURE & OVERSIGHT:** At the federal level, the establishment of the Emirates Tourism Council in January 2021 by the UAE Cabinet highlights the national commitment to creating a tourism strategy aligned with the UAE Centennial 2071 vision. The initiative aims to integrate emirate-level authorities and departments for seamless tourism development. The Emirates Tourism Council is entrusted with a range of responsibilities, including the development and revision of policies and legislation that support the sector and national tourism development plans. It also

focuses on facilitating the growth of tourism-related industries, attracting investment in the tourism sector and proposing economic incentives to stimulate its expansion. The council's scope of work extends to the establishment of a comprehensive national tourism information database and providing support to small and medium-sized enterprises involved in the field. At the emirate level, the strategic developer and supervisor of the tourism sector, the Sharjah Commerce and Tourism Development Authority (SCTDA), in conjunction with sector partners, is guided by four strategic pillars as part of the Sharjah Tourism Vision 2021. These pillars encompass the promotion of Sharjah as a premier family tourism destination by curating exclusive packages that cater to all ages; implementing an innovative tourism approach to enhance the overall tourist experience; pursuing enhanced efficiencies in the sector through collaborative efforts to deliver top-tier tourism facilities; and promoting cultural and heritage elements, positioning Sharjah as a global cultural hub, with an emphasis on family-oriented experiences.

**HERITAGE & CULTURE:** In the cultural scene, the Sharjah Museums Authority (SMA) operates as an autonomous government authority overseeing 16 museums in the emirate. The SMA's vision is to serve as a cultural guidepost, both locally and internationally, and to promote an understanding of the significance of museums as cultural, educational and overall, enjoyable destinations. Their mission focuses on maintaining the highest museum standards, preserving collections and fostering an appreciation for culture and learning through exhibitions, educational initiatives and community programmes. In December 2022 Sheikh Sultan bin Muhammad Al Qasimi, ruler of Sharjah and member of the UAE's Supreme Council, approved the emirate's 2023 general budget with total expenditure of Dh32.2bn (\$8.8bn). Spending priorities include enhancing cultural, scientific and tourism leadership while promoting the emirate's financial sustainability.

Within the framework of the approved 2023 general budget for the emirate, spending priorities include enhancing cultural, scientific and tourism leadership, while promoting financial sustainability.



**STRATEGY:** The UAE Tourism Strategy 2031, launched by the federal government in November 2022, is a component of the Projects of the 50, a 50-year programme to secure the country's competitiveness in the high-value industries of the future. Comprising 25 comprehensive programmes and policies, the tourism strategy is designed to boost sector development.

At its core, the strategy seeks to achieve several objectives, including elevating tourism's contribution to GDP to Dh450bn (\$122.5bn), with an annual increase of Dh27bn (\$7.3bn); attracting Dh100bn (\$27.2bn) in additional tourism investment; and welcoming 40m hotel guests annually. The strategy also aims to boost the economic prospects of the UAE and solidify its standing as one of the world's leading tourist destinations.

The UAE Tourism Strategy 2031 emphasises four key priorities: strengthening the unified national tourism identity; diversifying specialised tourism products; enhancing the capabilities of the sector and promoting the participation of national cadres; and increasing investment across all tourism subsectors. Sharjah, with its distinct cultural and historical attractions, is well positioned to play an important role in achieving these objectives by offering tourists diverse experiences and ensuring the involvement of local talents.

Reflecting its namesake, which translates from Arabic to "rising sun", the emirate is dedicated to illuminating its rich heritage. Its leadership has placed great emphasis on Sharjah's position as a prominent centre for Arab culture. The emirate's cultural and heritage attractions have continuously drawn tourists and earned global acclaim, highlighted by the presence of multiple UNESCO World Heritage sites.

In an endeavour to restore and interconnect the emirate's traditional heritage areas, the Heart of Sharjah project seeks to transport visitors back to the emirate of the past by meticulously restoring and revitalising the city's traditional districts. The initiative aspires to create a tourist and trade destination infused with contemporary artistic elements while preserving the ambience of the 1950s. With the first of its five phases in progress and a scheduled completion of 2025 for all five phases, the institution charged with the emirate's transformation, the Sharjah Investment and Development Authority (Shurooq), has formed a joint committee, comprising representatives from public and private entities, to oversee this initial phase.

Located within a five-minute drive from the city's corniche and a 10-minute journey from Sharjah International Airport, the Heart of Sharjah will encompass a diverse range of commercial, cultural and residential projects. The project includes boutique hotels, restaurants, an open-air souq, retail outlets, art galleries, traditional and contemporary markets, archaeological sites, museums, recreational areas, commercial offices and children's play areas, as well as a visitor centre.

The Heart of Sharjah is a UNESCO World Heritage site candidate. Additionally, more than 20 museums and galleries across Sharjah explore Middle Eastern art and culture, archaeology, heritage, science and marine life, as well as the history of Sharjah, with the



Sharjah presents an array of opportunities for potential investors in the tourism and hospitality sectors

House of Wisdom exhibition centre being home to a number of these institutions. The emirate is home to a thriving art scene which is a major draw for domestic and international visitors. Sharjah Art Foundation organises the popular Sharjah Biennial with participation from renowned artists from across the world. Sharjah Biennial 15 closed in June 2023, with the 16th iteration opening in February 2025.

As part of Sharjah's international cultural marketing strategy, the Sharjah Museum of Islamic Civilisation is hosting the Ziena Splendour of the Indian Courts exhibition, which began in October 2023 and concludes in April 2024. This exhibition is a collaborative endeavour between the SMA and Dar al Athar Al Islamiyyah of Kuwait cultural centre, with the aim of celebrating the rich culture and craftsmanship of the Indian subcontinent, featuring an extensive collection of jewelled arts. Such exhibitions foster cultural understanding and intellectual exchange with India and enhance marketing efforts in that high-value tourism source market. The exhibition is but one example of the commitment of Sharjah's cultural institutions in collaboration with private enterprise to create opportunities in the sector.

**ECOTOURISM & ADVENTURE:** Sharjah presents a diverse array of opportunities for investors in the tourism and hospitality sectors. The emirate has embarked upon a significant transformation into a modern and progressive destination, further extending its offerings to encompass other niche markets. While its cultural attractions have long been celebrated, the emirate also offers a range of possibilities for ecotourism and adventure holidays. Entrepreneurs focusing on experience-driven ventures will discover multiple prospects, especially with the emergence of the eastern and central regions as growing tourism hotspots. The key to this success has been large-scale investment in infrastructure, tourism destinations and offerings.

Ecotourism is an integral part of Sharjah's tourism strategy, with retreat centres emerging around

The UAE Tourism Strategy 2031 seeks to elevate tourism's contribution to GDP to \$122.5bn, with an annual increase of \$7.3bn, and attract \$27.2bn in investment by 2031.

The emirate's cultural and heritage attractions continue to draw tourists and receive global recognition, highlighted by multiple UNESCO World Heritage sites.

# DUBAI'S BEST KEPT SECRET

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its UNESCO World Heritage sites and archaeological centres. As travellers are showing increased interest in more sustainable options, the ecotourism subsector is poised for long-term growth. Sharjah also attracts both domestic and international visitors with outdoor activities, including camping, deepsea fishing, hiking, trekking, scuba diving and off-roading.

The new XQuarry Off-Road and Adventure Park in the Mleiha desert offers activities such as off-roading, obstacle courses and mountain biking. In addition, Sharjah Safari, the world's largest safari park outside of Africa, opened in Al Dhaid in February 2022, and is home to more than 50,000 animals.

Sharjah is increasing its emphasis on adventure and ecotourism through several new projects. Khorfakkan, situated on the UAE's east coast, is poised for a major development, with the upcoming launch of Khorfakkan Adventure in the first quarter of 2024, an ecotourism project at Al Soueifa mountain. It will feature a range of activities, including hiking and biking trails, a zip line over Al Luluyah Beach, a giant swing overlooking the mountain landscape, and an alpine coaster offering a descent down the mountainside.

In May 2023 Shurooq announced these updates during the Arabian Travel Market in Dubai, reaffirming its commitment to expanding ecotourism offerings, particularly during the Year of Sustainability in the UAE. Khorfakkan is not the sole destination undergoing development; there are substantial efforts under way to extend Shurooq's existing luxury-tented resorts, such as Moon Retreat, and eco-retreats throughout the emirate. These expansions include the Mysk Kingfisher Retreat by the Khor Kalba Mangrove Centre, where 20 new rooms have been added, and the Mysk Al Badayer Retreat in central Sharjah, which started welcoming guests in the second half of 2023. Additionally, the Nomad by Mysk, a roaming glamping trailer concept, is set to travel from the mountains of Khorfakkan, to the deserts of Mleiha and the beaches of Hamriyah, among other destinations depending on the season, offering a nature-oriented adventure travel experience with 20 aluminium airstream trailers.

Two new luxury resorts are also on the horizon: the 800-ha LUX\* Al Bridi Resort inside the Sharjah Safari project, set to open in autumn 2024, and LUX\* Al Jabal Resort in Khorfakkan, slated for the second quarter of 2024. These resorts promise unique experiences, including the chance to spot the African Big Five animals, namely the lion, leopard, black rhinoceros, African elephant and African buffalo, making Sharjah an appealing destination for adventure-seeking travellers.

**HOSPITALITY:** In 2022 the contribution of the travel and tourism sector to the UAE's GDP was nearly Dh167bn (\$45.5bn) which is equivalent to 9% of national GDP. In 2022 the total spending of international tourists in the UAE amounted to Dh117.6bn (\$32bn). That same year, the number of hotels in the UAE increased to 1198 from 1144 in 2021, while hotel capacity in the country reached 203,000 hotel rooms. As Sharjah witnesses a continuous influx of tourists, the hospitality sector presents a substantial



The top source markets for Sharjah's tourism sector in 2022 were Russia, Oman, India, the UAE and Saudi Arabia

opportunity for potential investment. Khalid Jasim Al Midfa, chairman of the SCTDA, has expressed the emirate's ambition to be able to expand hotel capacity.

The SCTDA recently projected a 50% increase in the number of hotel rooms in Sharjah City between 2020 and 2025. For prospective investors, the hospitality sector offers a range of opportunities, spanning from affordable boutique hotels catering to budget-conscious travellers to the luxurious accommodations for which the UAE is globally renowned. This particularly holds true in the central and eastern regions of Sharjah where demand for hospitality services outstrips supply.

In the first quarter of 2023, Sharjah had 110 hotels with a cumulative offering of 8893 rooms. These accommodations were categorised into 13 five-star hotels, contributing 1010 rooms; 21 four-star hotels with 3200 rooms; 35 one- to three-star hotels offering 2616 rooms; and 41 apartment hotels, providing 2067 rooms. During this same period, Sharjah's hospitality sector welcomed 467,775 guests, signifying a 33% growth compared to the first quarter of 2022. The sector had a 73% occupancy rate, an average length of stay of 1.99 days, a revenue per available room of Dh177 (\$48.18) and an average daily rate of Dh252 (\$68.59). Furthermore, the sector generated substantial revenue, totalling Dh190m (\$51.7m), marking a 26% increase from the first quarter of the previous year.

Sharjah's top-five tourism markets in 2022 were Russia, Oman, India, the UAE and Saudi Arabia. Visitors from Russia, the Commonwealth of Independent States and the Baltic states constituted 23% of total market share, showing a 92% growth since the first quarter of 2022. Asia and the GCC represented a 19% and 16% share of the overall market, respectively, underlining the diverse sources contributing to the tourism sector.

**AIRPORT & ROAD DEVELOPMENTS:** One of Sharjah's strengths is connectivity. The emirate has undertaken several large-scale projects to enhance accessibility. These include the expansion of Sharjah International

Khorfakkan, situated on the east coast, is poised for major development, with the upcoming launch of an ecotourism project at Al Soueifa mountain in the first quarter of 2024.

The Sharjah Commerce and Tourism Development Authority recently projected a 50% increase in the number of hotel rooms in Sharjah City between 2020 and 2025.



Sharjah's airport plans to boost its passenger capacity to 20m by 2027

Sharjah has been increasingly chosen as a filming location for various movies and documentaries, as its diverse landscapes are ideal for outdoor shoots and convenient for scenes whose locations are in proximity to one another.

Airport to be finished by 2026; the Dh5.5bn (\$1.5bn) Sharjah-Khorfakkan Road inaugurated in April 2019; and the Dh1bn (\$272.2m) Sharjah-Kalba Road.

Sharjah's airport is strategically positioned to cater to increasing tourist numbers. The international airport is undergoing a Dh2.4bn (\$653.3m) expansion, which began in the fourth quarter of 2023, aims to increase annual capacity from the 13.1m passengers the airport received in 2022 to 20m passengers by 2027. With connections to more than 170 locations across the Middle East, Africa, Asia and Europe, and serving as a hub for Sharjah-based low-cost carrier, Air Arabia, the airport is an attractive option for travellers.

In the first half of 2023 Sharjah's airport received 7m passengers, a 24.4% surge in passenger traffic when compared to the first half of 2022. The airport's growth is not limited to passenger operations alone, as cargo operations have also thrived. According to airport data,

Sharjah's airport managed around 170,000 tonnes of cargo in 2022, a 21.2% increase from 2021, when approximately 140,000 tonnes of cargo were handled.

As part of the expansion project, Sharjah International Airport aims to improve service standards and enhance flight capacity. This expansion is expected to attract more airline customers, particularly from Europe and East Asia. Moreover, the growth in air traffic and the airport's role in facilitating trade and logistics operations underline its significance as a reliable and efficient regional cargo hub. Adding new international destinations will further stimulate travel and logistics opportunities, reinforcing the airport's position as an important transit point within the region.

Elsewhere, Sharjah's efforts to improve accessibility and reduce traffic include a new road project launched in July 2023. The Garn Al Sabkha Street – Sheikh Mohamed bin Zayed Roads Intersection Improvement Project is a Dh374m (\$101.8m) initiative that involves the construction of four bridges and 7 km of road work to enhance intersections. This project will streamline travel and reduce transit times between Sharjah and Dubai by 40-70%, making the former an attractive option for travellers and investors. Sharjah's investment in infrastructure, regional development and improving accessibility to and within the emirate positions it as a growing centre for tourism and investment.

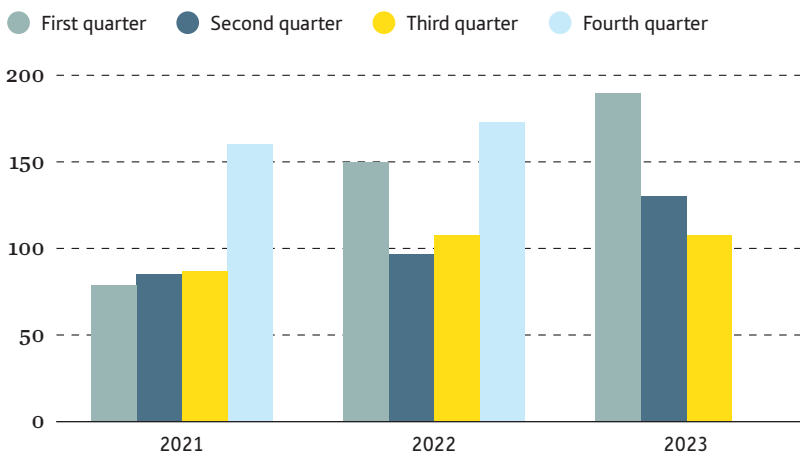
**FILM PLATFORMS:** Sharjah has been increasingly chosen as a filming location for various movies and documentaries, such as the 2023 Malayalam film *Made in Caravan*; planned Indian crime movie *Kaamraj*; and Canadian documentary *Look Up*. The emirate's diverse landscapes, from deserts to beaches, are ideal for outdoor shoots, and convenient for various scenes whose locations are in proximity to one another. Filming is feasible during autumn, winter and spring due to Sharjah's climate. The government is supportive of on-location film shoots, streamlining filming permissions.

The annual SFP showcases independent cinema, documentary filmmaking and innovative films. SFP features various regional and international productions, concerts and filmmaker talks. SFP's programme includes submissions, special programmes and awards that celebrate achievements in narrative, documentary and experimental cinema. The event also offers talks, workshops and masterclasses, fostering knowledge sharing. SFP connects filmmakers with industry professionals and supports local scriptwriters through the Pitching Forum, and issues an annual open call for the SFP Short Film Production Grant.

The Sharjah International Film Festival for Children and Youth (SIFF) features films from around the world. The festival, which took place in October 2023, showcases world premieres and regional film debuts. SIFF includes panel discussions and workshops, expanding its reach and offering opportunities for young filmmakers. Sharjah Cinema Days, a new initiative, caters to a broader audience, incorporating various film genres and artistic installations related to film and media.

**BUSINESS & ENTERTAINMENT:** Sharjah's strategic location and connectivity render it an attractive

### Hospitality revenue, 2021-Q3 23 (Dh m)



Source: SCTDA



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Sharjah offers cost-effective alternatives in the UAE for meetings, conferences, incentives and exhibitions

The rollout of a unified GCC tourist visa set to be finalised between 2024 and 2025 represents a significant development for Sharjah, the UAE and the wider region.

proposition for meetings, incentives, conferences and exhibitions. Businesses seeking low-cost and cost-effective alternatives in the UAE without compromising quality, find options in Sharjah. The emirate is home to several meeting venues, notably the Expo Centre Sharjah and Expo Khorfakkan Centre.

The calendar of Expo Centre Sharjah features several events in 2024, including SteelFab, Acres Real Estate Exhibition, 53rd Watch and Jewellery Middle East Show, Sharjah Children's Reading Festival and Sharjah International Book Fair, among others. While the UAE is recognised as an ideal host for such gatherings due to its strategic location and governmental support, Sharjah stands out as a destination where businesses can harness these advantages without incurring excessive expenses. Furthermore, Al Majaz Amphitheatre and Khorfakkan Amphitheatre embody Sharjah's aspiration to host live performances and cultural events. These venues cater to performing arts, theatrical showcases, musicals and concerts, drawing an international audience. The expanding diversity and size of events have sparked a growing need for new hospitality and accommodation options. The hospitality sector is undergoing a transformative shift to accommodate this increasing number of visitors opting for overnight stays in Sharjah.

**SPORT TOURISM:** Sharjah offers a wide range of sport and recreational activities. Facilities like the Sharjah Sports Club provide various sporting options, including football, basketball, handball and swimming. The city's diverse landscapes offer outdoor experiences, with Al Majaz Waterfront and parks like Al Montazah and Al Qasba Canal for activities like jogging, picnicking and kayaking. Dedicated cycling tracks ensure a bicycle-friendly environment. Sharjah hosts international sporting events like the Tour of Sharjah cycling race and the F1H2O Sharjah World Championship Week for powerboat racing, as well as provides golfing facilities at the Sharjah Golf and Shooting Club. It also supports

sport academies for coaching and training in various disciplines, and it embraces emerging trends like e-sports. Sharjah's sporting scene caters to residents and tourists, fostering a culture of active living.

**SUMMER ACTIVITIES:** Shurooq has introduced a range of summer activities at its destinations to reduce seasonality in the sector and promote year-round tourism. The offerings include discounts on attractions, family-friendly experiences, adventure activities and educational opportunities at seven destinations. These initiatives aim to provide a holistic experience of Sharjah's history, culture and leisure. City bus tours and boat tours are also available with special summer discounts. The Summer Passport offers water-themed experiences including boating, kayaking and musical fountain shows. Al Hira Beach and Khorfakkan Beach offer beachfront activities, while The Chedi Al Bait and Mysk Retreats provide eco-luxury experiences with discounts. The Mleiha Archaeological Centre offers discounts on horse riding and adventure packages. Such initiatives are indicative of the tourism authorities' commitment to enhancing visitor experiences and making Sharjah an attractive year-round destination.

**GCC UNIFIED TOURIST VISA:** The rollout of a unified GCC tourist visa between 2024 and 2025, as confirmed in October 2023 by Abdullah bin Touq Al Marri, UAE minister of economy, represents a significant development for Sharjah, the UAE and the wider region. This unified visa initiative, which allows travellers to explore all six GCC countries under a single visa, is poised to enhance tourism and economic collaboration throughout the GCC region. Sharjah, known for its cultural heritage and diverse tourism offerings, stands to benefit from this initiative. With the UAE poised for an increase in international tourists, Sharjah can position itself as an integral part of the broader UAE tourist route. This should contribute to the emirate's economic growth and employment opportunities. Moreover, the GCC unified tourist visa aligns with the broader GCC 2030 tourism strategy, which aims to boost tourism's contribution to regional GDP (see regional analysis).

**OUTLOOK:** Sharjah's tourism sector is positioned for growth. With the establishment of the Emirates Tourism Council in 2021 and the commitment to align its tourism strategy with the UAE Centennial 2071 vision, the emirate is set on a transformative path. This commitment is further substantiated by the 2023 budget, highlighting the dedication to strengthening Sharjah's cultural and tourism offerings. The emirate's UNESCO-recognised cultural heritage remains a focal point, with significant restoration projects like the Heart of Sharjah in progress. Sharjah's diversification into eco-tourism and adventure spaces also contributes to its attractiveness for investors. Additionally, Sharjah's film industry, cultural festivals and sport tourism position it as a multifaceted and evolving destination for tourists and investors alike. The investment in infrastructure and accessibility, including the expansion of Sharjah's airport and road developments, as well as the planned GCC unified tourist visa, further cement the emirate's status as a growing centre for tourism and investment.

With the UAE poised for an increase in international tourists, Sharjah can position itself as an integral part of the broader UAE tourist route, and contribute to the emirate's economic growth and employment opportunities.





Khalid Jasim Al Midfa

# Sustainable offerings

Khalid Jasim Al Midfa, Chairman, Sharjah Commerce and Tourism Development Authority, on investment appeal, eco-friendly practices and growth prospects in the space

**Where is the standout appeal of Sharjah's tourism industry to international businesses and investors?**

**AL MIDFA:** We are working to elevate Sharjah's profile as an investment-friendly destination. This involves showcasing the emirate's cultural richness, family-friendly atmosphere and safety at international forums and trade shows. We highlight our position as a bridge between the East and the West, as well as accessibility to major global markets, to prospective investors. Infrastructure development is also critical. We continuously improve our transport network and accommodation facilities, thereby supporting tourism while signalling to international businesses the potential for long-term growth and sustainability in Sharjah.

We are innovating in the ecotourism and cultural tourism segments. Sharjah's commitment to conservation presents investment opportunities that align with global sustainability goals. We view this space as ripe for international collaboration, offering both profitability and the fulfilment of the environmental, social and governance criteria that many investors seek.

Meanwhile, we work to foster an environment conducive to business by streamlining bureaucratic processes and offering incentives. For instance, our focus on the digital transformation of government services aims to facilitate a seamless business experience, reducing overhead and increasing efficiency for all parties.

**How can emerging markets align their tourism offerings with environmentally sustainable practices?**

**AL MIDFA:** Emerging markets possess a unique opportunity to integrate sustainable practices into their tourism offerings from the ground up. Sustainable tourism in emerging markets must prioritise the conservation of natural resources and cultural heritage. In Sharjah we have developed protected areas and wildlife centres, preserving biodiversity and offering distinctive visitor experiences. This approach promotes respect for the natural and cultural environment while also

encouraging tourists to select from travel options that are both socially and environmentally responsible.

Green technologies can facilitate sustainable operations. Among these, systems that integrate renewable energy usage, water conservation and responsible waste management in hotels can help to reduce the environmental footprint of tourism-related activities.

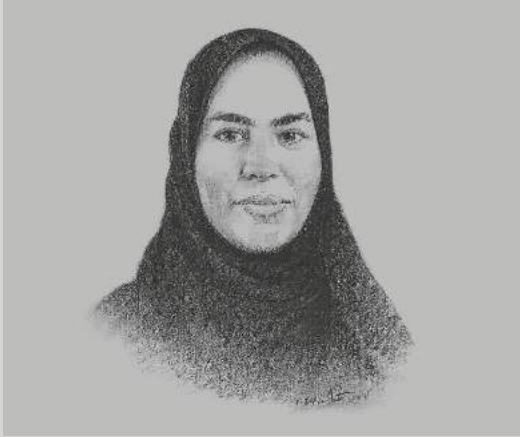
Community involvement is essential to tourism planning and development in emerging markets. This can provide economic benefits to local populations and support tourism offerings that are authentic and respectful of local traditions and values. Capacity building and education are key for effective implementation.

Sustainable tourism in emerging markets like Sharjah requires a comprehensive, strategic approach that intertwines economic growth with environmental stewardship and social well-being. This is a pathway to creating a resilient and responsible tourism sector that can serve as a blueprint for others to follow.

**Looking ahead, what are the prospects for Sharjah to strengthen its position as a tourism destination?**

**AL MIDFA:** The UAE Tourism Strategy 2031, which aims to double the number of visitors by 2031, is both ambitious and attainable, given the continuous innovation and investment in the industry. The introduction of cultural events, the expansion of hotel capacity and the fostering of international partnerships are all expected to contribute to this vision. Our positive outlook stems from several strategic initiatives in which the UAE, and Sharjah in particular, have continued to invest.

Sharjah's diverse tourism offerings, ranging from ecotourism and cultural heritage to adventure and luxury options, cater to a wide range of visitors. Sharjah is known as the UAE's cultural capital, which adds a unique flavour to the national tourism landscape. Moreover, the UAE's proactive approach to safety and security in the post-Covid-19 environment, as well as its political stability, helps to instil confidence in visitors.



Aisha Deemas

## Cultural catalyst

Aisha Deemas, Director General, Sharjah Museums Authority, on utilising the emirate's heritage to attract tourism

**What do you see as the role of museums within Sharjah's tourism and cultural economy?**

**DEEMAS:** We view museums as educational platforms, sources of entertainment and leisure, and a means to foster connection. These institutions offer diverse experiences to tourists and locals alike, and anyone visiting Sharjah will likely include at least one museum, if not several, in their itinerary. Museums have both educational and economic importance, as tourists financially support the museums and have enriching cultural experiences. Additionally, museums in Sharjah serve as important sites for multi-generational family outings, granting these institutions an important societal role. Family-centric engagement with museums benefits the local economy and fosters social bonding, communication and knowledge transfer.

**How would you measure the long-term economic benefits of cultural education initiatives?**

**DEEMAS:** The educational activities of museums yield a range of socio-economic benefits, predominantly manifesting in the medium to long term, as educational investment seldom yields instant results. Children, students and adults carry the knowledge and experiences they gain by engaging with museums throughout their lives. Eventually, this learning materialises in their careers and influences their contributions to society.

Museums serve as platforms for collaborative efforts. They do not operate in isolation, but rather partner with educational institutions, schools, universities, the Ministry of Education, and various government and non-government cultural and academic entities. By doing so, museums facilitate connections between these institutions and a broader audience. This cooperative approach enhances the educational landscape and further contributes to societal well-being.

Additionally, museums have evolved to support emerging entrepreneurs, a trend that has gained momentum in recent years. Museums offer an avenue

for these businesses to provide services, receive support or retail their merchandise. Collaborations between museums and young entrepreneurs enable mutual growth, making museums multifaceted contributors to a society's economic and cultural development. For example, a local business introduced an augmented reality experience in one of Sharjah's museums through the Access Sharjah Programme, a partnership that showcases the potential of working with local businesses. Furthermore, this approach supports education by involving universities and providing opportunities for recent graduates, combining innovation and entrepreneurship with cultural preservation.

**To what extent is the adoption of technology transforming the cultural heritage experience in Sharjah?**

**DEEMAS:** Technology is infiltrating every facet of life, and the cultural sector is no exception. However, this process is not without its complexities. There are ongoing discussions regarding technology's role in museum operations, which is essential because it is not merely a question of creating and deploying technology, but of how it complements the physical venue.

Technology evolves rapidly, and a specific technology has often already changed by the time we establish a rapport with it. The pace of development is a key challenge, as the incorporation of new technologies is a long-term commitment. Augmented reality and other emerging fields are altering the museum experience, but the extent and nature of these changes are not always immediately evident. One strategy is to employ technology to complement, not replace, the core museum experience, preserving the fundamental essence of museums while enhancing access. For example, virtual exhibitions, online collections and virtual educational programmes offered new avenues to engage audiences during lockdowns. This shift has prompted us to adopt a hybrid format, combining physical and virtual offerings to reach a broader audience.





Efforts are under way to preserve Sharjah's natural and cultural heritage

# Natural attractions

## Sustainable development, green financing and cultural attractions boost the emirate's ecotourism credentials

With tourism emerging as a pillar of Sharjah's development strategy, the emirate is providing incentives to encourage businesses to harness its tourism-related strengths, while also ensuring that growth does not occur at the expense of sustainability priorities.

**NATURAL & CULTURAL RELEVANCE:** In line with its commitment to sustainability, Sharjah is undertaking efforts to preserve its natural habitat. The ongoing expansion of Sharjah Safari, the largest safari project outside Africa, aims to provide an immersive wildlife experience. With more than 50,000 animals, this project, which is being overseen by the Environment and Protected Areas Authority, showcases the emirate's dedication to wildlife conservation. The Buhais Geology Park, meanwhile, emphasises Sharjah's geological heritage, also in support of ecotourism.

The emirate's cultural offerings have garnered international recognition. The emirate was named the Islamic Culture Capital by the Islamic Educational, Scientific and Cultural Organisation in 2014, the Capital of Arab Tourism by the Arab Ministerial Council for Tourism in 2015 and the World Book Capital by UNESCO in 2019. Sharjah is home to more than 20 museums and galleries, showcasing Middle Eastern art, culture, archaeology, heritage, science, marine life and local history. Its art scene is highlighted by the Sharjah Art Foundation, which organises the Sharjah Biennial.

**HOSPITALITY:** The concept of experiential tourism has been embraced by policymakers and businesses to enhance the emirate's natural and cultural appeal. This is particularly the case in the hospitality segment, in which operators are developing approaches to cater to visitors' desire for a connection with the outdoors and local culture, while being respectful of conservationism.

In 2022 hotels in Sharjah welcomed more than 1.3m guests, up 16% from the previous year, with the average occupancy rate reaching 66%. Sharjah is home to 67 hotels, including 12 five-star hotels and 21 four-star hotels. Many hoteliers are striving to meet guests'

interest in authentic experiences, with some establishments located in the fully restored historical quarter, and others strategically situated across the Central and Eastern regions away from the busy city centre, allowing guests to immerse themselves in nature.

**SUSTAINABILITY IN ACTION:** Socially, environmentally and economically sustainable tourism seeks to respect the culture of host communities, reduce the environmental impact of visitors and achieve economic growth without negatively impacting local communities. Protecting and conserving natural environments, as well as safeguarding cultural heritage, is crucial for the tourism industry. The emphasis on environmental sustainability in the tourism industry is increasing in line with traveller preferences, as seen in Booking.com's "2023 Sustainable Travel Research Report". According to the results, 76% of travellers surveyed in February 2023 intended to travel more sustainably over the next 12 months, while 43% said that they would be willing to pay more for sustainable options.

Sharjah has developed an effective tourism ecosystem to satisfy the demands of environmentally conscious tourists and potential investors. One key entity is the Sharjah Sustainable City, a real estate development within the portfolio of the Sharjah Investment and Development Authority that uses advanced solutions to reduce household and community-level emissions. Another player is environmental solutions company Bee'ah, which is helping make Sharjah a leader in converting waste into energy. The Sharjah Research Technology and Innovation Park is also helping develop the emirate's sustainable infrastructure.

These entities, along with others, have demonstrated their success in advancing environmentally friendly solutions and addressing the challenges of developing a sustainable tourism sector. Through their efforts, Sharjah is well positioned to attract environmentally conscious travellers and promote responsible tourism, while preserving its natural and cultural heritage.

Hotels in Sharjah welcomed more than **1.3m** guests in 2022

Sharjah has developed an effective tourism ecosystem that satisfies the demands of environmentally conscious visitors and potential investors.



Saif Mohamed Al Midfa

# Beyond boundaries

Saif Mohamed Al Midfa, CEO, Expo Centre Sharjah, on strategic partnerships, infrastructure and technological integration

**How can the meetings, incentives, conferences and events (MICE) segment be leveraged to create more synergies with Sharjah's tourism sector?**

**AL MIDFA:** With its robust infrastructure and strategic event planning, the MICE segment is pivotal in attracting international and regional audiences to Sharjah. Such an influx significantly benefits the hospitality and retail sectors, as evidenced by increased hotel occupancies and retail spending during significant events.

Moreover, the focus on specialised exhibitions and conferences, catering to niche markets such as education and specific industries, positions Sharjah as a leader in these areas. This enhances the emirate's global standing in these sectors and diversifies the tourism portfolio, attracting a broader spectrum of business travellers and tourists. The resulting economic activity from such events extends beyond immediate event-related spending, and influences sectors such as transport, food and beverage, and entertainment.

Additionally, the MICE segment has been instrumental in showcasing the emirate's cultural richness and educational strength. Sharjah has carved a niche by intertwining cultural exhibitions with commercial events. This approach draws in a wider audience and enhances visitors' experience, leaving a lasting impression and encouraging repeat visits.

**To what extent have emerging technologies been used in hosting events and enhancing efficiencies?**

**AL MIDFA:** The integration of technology and digital tools has changed the way in which events are hosted and experienced. Big data and artificial intelligence (AI), in particular, have revolutionised event management and attendee engagement. AI technology enhances visitor interactions through personalised recommendations, guiding attendees to relevant exhibits, streamlining networking opportunities and optimising overall event journeys. This not only enhances the value of participation, but also improves operational efficiency.

Big data analytics is crucial in understanding attendee behaviour and preferences, enabling organisers to tailor events more effectively. This data-driven approach helps predict trends, manage resources and craft experiences that resonate with the target audience. For exhibitors, this means greater potential for meaningful interactions and successful business outcomes.

Digital tools proved invaluable during the Covid-19 pandemic. The swift pivot to virtual and hybrid formats ensured continuity and the resilience of Sharjah's MICE segment. This transition maintained the segment's relevance and expanded its reach, allowing global participants to engage with Sharjah's events from anywhere in the world. Such digital agility has significantly increased accessibility and inclusivity.

Furthermore, advanced technology in event management has streamlined logistical processes, from registration and entry to navigation within event spaces. This has improved operational efficiencies, reduced costs and enhanced security, thereby contributing to a more seamless and safe event environment.

**What more can be done to generate further investment in the MICE segment and expand Sharjah's calendar for conferences and events?**

**AL MIDFA:** A multifaceted approach focusing on infrastructure, technology, partnerships and market diversification is essential to catalyse further growth and investment in MICE. Enhancing the physical infrastructure of venues is crucial. This involves expanding existing spaces and ensuring that they are equipped with state-of-the-art facilities. Such upgrades will enable Sharjah to accommodate more technologically sophisticated events, and attract a broader spectrum of conferences and exhibitions. In parallel, there is a pressing need to invest in advanced technological infrastructure. Integrating tools like AI, virtual reality and augmented reality can revolutionise events, offering immersive and interactive experiences to attendees.





Regional authorities aim to improve the quality of tourism services

# Cross-border connections

## Gulf countries develop strategic partnerships to promote the region as a leading international travel destination

In 2022 the Middle East witnessed the sharpest relative increase in international arrivals of any region in the world, solidifying its rebound from the disruption of the Covid-19 pandemic and further raising its profile as an increasingly attractive destination for inbound tourism. According to the UN World Tourism Organisation (UNWTO), in 2022 international arrivals in the Middle East recovered to 83% of the levels seen prior to the beginning of the pandemic, outperforming all other regions.

**ROAD TO RECOVERY:** Amid a wider recovery of tourism figures in the UAE, Sharjah saw a robust increase in international visitors in 2022, with Sharjah International Airport recording 13m international arrivals in 2022, up approximately 85% from the previous year and close to pre-pandemic levels. Hotel occupancy also witnessed an increase of 16% in 2022, reaching 1.3m by the end of the year. Visitor numbers to the emirate are likely to grow further in the future as a result of increased international attention, with US magazine *TIME* listing the emirate as one of the world's greatest places to visit in 2023.

Tourism in GCC countries has gained significant momentum on the international stage as the region transforms itself into a competitive leisure and entertainment destination. This trend is catalysed by international events like the 2022 FIFA World Cup, which drew 2.5m visitors to the region, particularly benefitting Qatar, the UAE and Saudi Arabia.

Gulf countries are working together to boost cross-border cooperation in the travel, tourism and hospitality segments, to create unique but complementary offerings that suit emerging consumer preferences and market trends. All six GCC member countries coordinate their investment and marketing strategies according to a mutually agreed tourism development agenda. These plans include existing and upcoming luxury hotels and resorts, heritage sites, and retail and entertainment offerings.

**REGIONAL AGREEMENTS:** As the result of collaboration between federal and local authorities, national airlines and private institutions, a tourism strategy has been devised to market regional offerings, develop new platforms and raise the quality of service. The Gulf Tourism Strategy was adopted at the end of the sixth meeting of GCC ministers of tourism in November 2022 in Al Ula governorate in Saudi Arabia. It is a joint initiative among members of the bloc that outlines a roadmap for developing the tourism sector in the region. The strategy, which was endorsed at the 43rd session of the Supreme Council of the GCC in December 2022 in Riyadh, highlights key objectives, including the diversification of existing offerings, the promotion of sustainable tourism practices and improvements in the quality of services. By working together, GCC countries hope to leverage collective strengths and package a more compelling value proposition to tourists, while exchanging best practices, sharing resources and developing joint initiatives.

Several factors position Gulf countries as competitive providers of integrated tourism services. According to the 2023 Numbeo Safety Index, which measures the level of crime in a country, Qatar was the safest country in the world, followed by the UAE, while Oman and Bahrain ranked fifth and 10th, respectively. This high level of security has helped the GCC develop a reputation as a haven for tourists concerned about their personal safety in the post-pandemic environment, as well as a secure place for tourism investment. Similarly, the Gulf's geographic proximity not only makes the region easily accessible for key source markets in Europe, Asia and Africa, but also reduces the travel time and expense that are associated with long-haul flights.

Robust air connectivity, led by two of the world's busiest airports in Dubai and Doha, is further strengthened by growing national flag carrier

In 2022 international arrivals in the Middle East recovered to 83% of the levels prior to the onset of the Covid-19 pandemic, outperforming all other regions.

Gulf countries are working together to boost cross-border cooperation in travel, tourism and hospitality to create unique but complementary offerings that suit emerging consumer preferences and trends.



The UAE welcomed around 22.7m visitors in 2022, making it the top tourist destination in the GCC region

In line with the Gulf Tourism Strategy, the Gulf Tourism Platform was proposed in November 2022 as a digital gateway that provides tourists with a one-stop shop for planning and booking their regional trips.

networks. According to a January 2023 report published by the Gulf Centre for Studies and Research, known by its English acronym CSRGulf, the UAE and Qatar have the most extensive national air fleets in the GCC region, with 257 and 200 aircraft, respectively, while Saudi Arabia has 144.

The Gulf Tourism Strategy recognises the importance of collaboration among GCC countries to capitalise on their competitive advantages, create a cohesive regional tourism vision and ensure the benefits are spread evenly across member countries. In tandem with national tourism strategies, the GCC seeks to secure collective commitment among its members to develop and support a common vision that defines and delivers clear outcomes, including job creation and higher levels of contribution to GDP, to facilitate diversification.

**GOING DIGITAL:** GCC governments have become increasingly aware of the crucial role that digital experiences play in every stage of a traveller's journey. In line with the Gulf Tourism Strategy, the Gulf Tourism Platform was proposed in November 2022 as a digital gateway that provides tourists with a one-stop shop for planning and booking their regional trips. This platform will use digital technologies such as artificial intelligence and big data analytics to offer a range of services, including booking accommodations, flights and tours, as well as providing practical tips and information on tourist attractions and activities, all of which aim to facilitate and enhance visitors' travel experiences. In October 2023 the tourism ministers of the GCC approved a unified tourist visa for the region, with the scheme expected to come into effect in 2024.

In a similar vein, the Gulf Tourism Capital programme was introduced in November 2020, during the fifth annual meeting of the GCC ministers of tourism, to highlight, promote and attract investment in new projects and emerging tourism sites. The

inaugural Gulf Tourism Capital title went to Ras Al Khaimah in the UAE in 2021, in recognition of its popularity as an adventure destination and its effective response to the pandemic. The Gulf Tourism Capital programme and nomination guide was reaffirmed at the sixth meeting of GCC ministers of tourism in November 2022. Doha in Qatar received the title for 2023, while Manama in Bahrain and Al Ain in the UAE were selected for 2024 and 2025, respectively.

**INDIVIDUAL STRENGTHS:** According to the UNWTO, more than 960m tourists travelled internationally in 2022, indicating that the tourism sector is on track to reach 66% of the pre-pandemic total. The Middle East region saw the strongest growth in the first half of 2023, with international arrivals 20% above 2019 levels. In 2022 the UAE emerged as the top tourist destination in the region, receiving 22.7m visitors. Saudi Arabia welcomed 16.6m people, while other top tourist recipients in the Gulf that year included Bahrain (3.7m visitors), Qatar (2.6m) and Oman (2.9m).

In recent years the sector has been playing an increasingly larger role in Gulf countries, due to investment in key areas. In 2021 Qatar ranked highest in the region in terms of tourism revenue, with the sector contributing 10.3% of GDP. Bahrain came in second, with an 8.2% share, followed by Saudi Arabia (6.5%) and the UAE (6.4%). The smallest tourism-related GDP contributions in 2021 were in Kuwait and Oman, at 4.3% and 3.5%, respectively.

Travel and tourism revenue in the GCC amounted to \$171.4bn in 2022, or around 8.3% of regional GDP. According to the WTTC's "2019 Economic Impact Report", out of total tourism revenue, 83% of spending was for leisure travel while business travel comprised 17%. Some 63% came from international tourism expenditure versus 37% from domestic tourism. Over the years the region's tourism performance has improved at a steady rate, with an estimated 4.1% compound annual growth rate during the 2015-19 period.

**BUILDING AWARENESS:** To unlock their full potential, each GCC country has rolled out a national tourism strategy aiming to attract investment and boost arrival figures. The UAE has sought to future-proof its tourism sector with the launch of the UAE Tourism Strategy 2031. The strategy is part of Projects of the 50, a 50-year programme to secure the country's competitiveness in the high-value industries of the future. With Dubai targeting 25m visitors annually by the year 2025 and Abu Dhabi 30m by 2030, the strategy seeks to raise the tourism sector's contribution to GDP to \$122.6bn, generating an average annual increase of \$7.4bn; attracting up to \$27.2bn in tourism investment; and welcoming 40m hotel guests across the country by 2031. The UAE also launched 25 projects that look to strengthen its national tourism ecosystem by developing specialised tourism projects, building tourism capabilities and increasing investment in all related sectors, activities that will create employment opportunities in the tourism sector and boost the country's economy.

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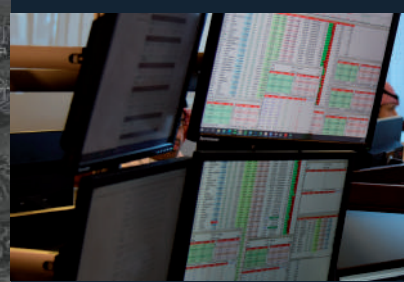
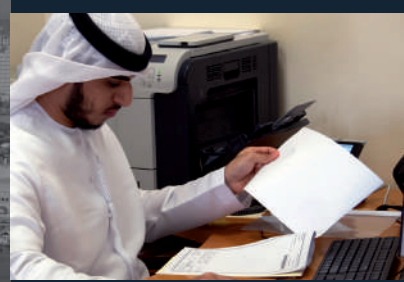
# Financial Services

Corporate tax rate established across the UAE

New Emiratisation targets created for private sector

Sustainable framework sets rules for green bonds

Due diligence guidelines established to aid institutions





The government listed a \$750m *sukuk* (Islamic bond) facility in 2023

# Securing a foothold

## Banks and insurers have carved out a dependable and secure local base with the support of the emirate's government

As one of the UAE's seven emirates, financial institutions that operate in Sharjah are subject to federal and emirate-level rules and regulations.

Sharjah is home to some of the UAE's largest banks, along with a healthy insurance sector. Local government and corporate entities are also active in the debt and Islamic bond markets, while 2023 saw Sharjah launch a sustainable financial services framework that sets the rules for future green bond issuances. At the same time, the emirate has a fast-developing start-up and financial technology (fintech) scene, aided by the UAE's overall strategies to encourage digital finance, as well as Sharjah's own underscoring of the importance of innovation, education and training.

**STRUCTURE & OVERSIGHT:** As one of the UAE's seven emirates, financial institutions that operate in Sharjah are subject to federal and local rules and regulations. The country is home to two major international financial centres, the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM); these free zones are independent common law jurisdictions and are exempt from civil and commercial UAE law.

As Sharjah does not possess its own capital markets, government and corporate entities within the emirate tend to use those in Dubai and Abu Dhabi instead. The Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market (DFM) both have financial institutions from Sharjah listed on them. Dubai is also home to Nasdaq Dubai, on which the government of Sharjah listed a \$750m *sukuk* (Islamic bond) facility in September 2023.

At the federal level, there are two basic regulatory laws governing the onshore financial sector: the main banking law – Federal Decree Law No. 14 of 2018 – and the Emirates Securities and Commodities Authority (SCA) Law No. 4 of 2000. The first sets out the structure and responsibilities of the Central Bank of the UAE (CBUAE), which is the main supervisory and regulatory authority for Sharjah's banks and other financial sector institutions. The second law established the functions and duties of the SCA, which governs the financial markets, listed companies and brokers on a federal level. It also supervises the self-regulating ADX and DFM.

ADGM, meanwhile, is governed by the regulations of the Financial Services Regulatory Authority (FSRA), while the DIFC and Nasdaq Dubai are governed by the Dubai Financial Services Authority (DFSA).

The CBUAE, SCA, FSRA and DFSA all issue periodic rulings and updates to their regulatory frameworks. Banks are mandated by law to be public joint stock companies and thus listed, meaning they must also keep abreast of guidelines and rulings of the DFM and ADX.

In addition, the UAE government, via the Emirates Investment Authority, is entitled to a 5% stake in each locally incorporated bank. Many local banks operating in the UAE have much larger government ownership, however, often via sovereign wealth funds. In Sharjah, the two largest banks – Sharjah Islamic Bank (SIB) and Bank of Sharjah – both have Sharjah Asset Management as a shareholder, with the entity acting as the government's investment arm, while Invest Bank also has a majority government stake.

Sharjah Asset Management operates within the Sharjah Finance Department (SFD), which is a key government body. The SFD acts on behalf of the emirate's government when it comes to issuing bonds and *sukuk*.

With financial institutions on the reserved list under new regulations allowing 100% foreign ownership in the UAE, local banks still have to be at least 60% owned by national shareholders, although no one person can own more than 5% without CBUAE approval. There are no limits for foreign ownership, but the national ownership requirement means foreign ownership of locally incorporated banks cannot in practice be greater than 40%.

**CENTRAL BANK:** The CBUAE's Supervision Department manages the sector on a day-to-day basis and issues banking licences and sets minimum capital requirements, among other duties. The CBUAE also ensures the UAE's banks follow Basel III, with Basel IV implementation plans forthcoming. However, some elements of Basel IV have already been put into place, such as the standardised approach for counterparty credit risk.

With financial institutions on the reserved list under new regulations allowing 100% foreign ownership in the UAE, local banks still have to be at least 60% owned by nationals.



As of August 2023 Tier-1 capital was mandated to be 8.5% of risk weighted assets (RWA), with a common equity tier 1 of 7%. Total capital, as the sum of Tier-1 capital and Tier-2 capital, had to be at least 10.5% of RWA under Basel III. In addition, there was a mandatory capital conservation buffer of 2.5%, meaning an effective capital adequacy ratio of 13% of RWA.

The CBUAE also has under its supervisory umbrella an independent anti-money laundering (AML) outfit, the UAE Financial Intelligence Unit. In October 2023 the Financial Action Task Force (FATF), the global body that monitors and assesses AML compliance, announced that the UAE had made significant progress in introducing compliance measures within agreed upon timelines. On-site visits were carried out in order to facilitate prompt removal from the FATF grey list and increased monitoring, where it had been placed in March 2022.

The CBUAE has also announced plans to establish an ombudsman unit for the financial sector, known as Sanadak, that will be a consumer complaint resolution mechanism to supplement and extend the remit of the Consumer Protection Department.

**ISLAMIC BANKS & FINTECH:** Islamic banks operating in Sharjah and the UAE are subject to the Higher Sharia Authority (HSA). The body has the power to determine the rules, general principles and standards for Islamic finance of all kinds, while also undertaking oversight of Islamic banks' own internal sharia supervisory committees. The HSA also has the task of promoting the UAE as a global Islamic financial leader.

In terms of fintech, the CBUAE, SCA, FSRA and DFSA are cooperating in efforts to establish guidelines for the segment in artificial intelligence, big data analytics, biometrics, cloud computing, blockchain and application programming interfaces. New regulations and codes of conduct were ongoing in all of these areas as of late 2023. In November 2020 the CBUAE Fintech Office was launched to help develop and implement a strategy for this key and emerging segment.

The Virtual Assets Regulatory Authority (VARA) also has charge over virtual asset issuance in Dubai, which is of relevance to Sharjah-based virtual asset issuers, as they may look to their neighbouring emirate to provide a platform. VARA also has the world's first, tailor-made virtual assets regulatory regime.

The UAE Banks Federation, established in 1982, is the sector's professional body, and in 2023, had a total of 57 members consisting of national and foreign banks and special status members.

**EMIRATISATION:** The banking sector is subject to the country's Emiratisation policy, which obliges banks and other businesses to increase the proportion of Emirati nationals working for them over a specific period. The target for the banking sector is 45% Emirati nationals by 2026, with an additional target of 30% for senior executive roles. In 2022 a further goal of 3500 new jobs for Emirati citizens in banking by 2026 was added by the CBUAE, which also regulates the Emiratisation policy for entities in the financial sector. The policy has been labelled a success by the central bank, which announced in June 2023 that in 2022 the proportion of Emiratis



The UAE Banks Federation, established in 1982, is the sector's professional body with 57 members as of 2023

working in the banking sector reached 33.2%. This was a trend reflected throughout the economy: the number of Emiratis employed by private entities increased by 11% year-on-year (y-o-y) in the third quarter of 2023.

Banks and other financial institutions operating in the emirate are subject to federal tax and company law. In terms of the former, the Ministry of Finance issued and enacted Federal Decree Law No. 47 of 2022, establishing a 9% corporate tax rate in the UAE for the first time, effective June 1, 2023. The tax creates a lower limit of taxable income of Dh375,000 (\$102,000).

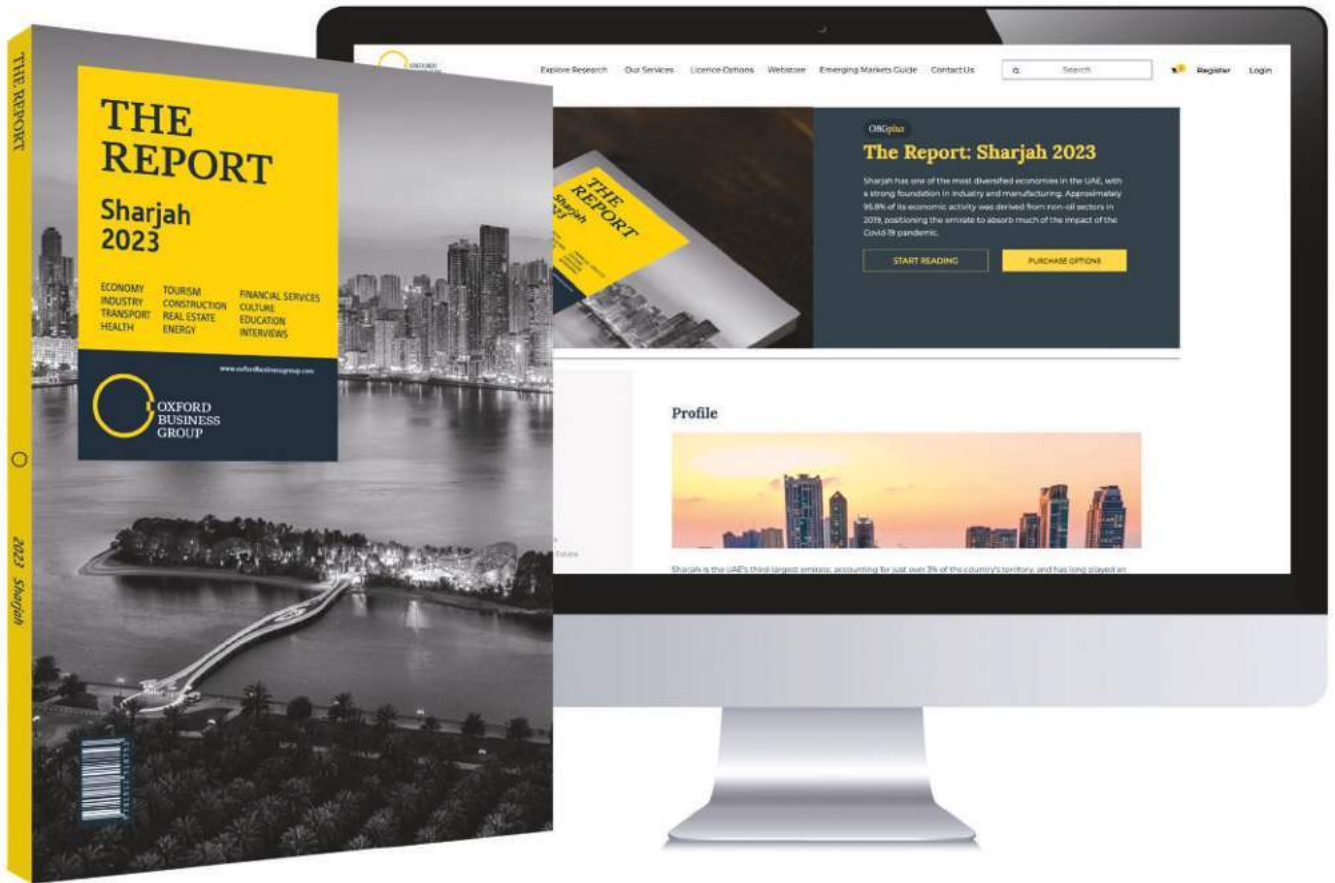
Federal Decree Law No. 32 of 2021 is an update from the previous 2015 law, and obliges banks and other UAE-registered companies to assess their status and bring practices and procedures into compliance with the new law's requirements in areas such as corporate governance, security and corporate rescue.

**SUSTAINABLE FINANCE:** As part of the global effort to tackle climate change, the UAE has set a 19% greenhouse gas emissions reduction target for 2030 and created the UAE Net Zero by 2050 strategic initiative. The year 2023 marks the UAE's hosting and presidency of the international COP28 UN Conference on Climate Change, with 2023 also declared the Year of Sustainability by the federal government.

Within this context, in February 2023 the SFD launched Sharjah's Sovereign Sustainable Financing Framework. This sets out the emirate's plans for enabling the financing of projects in Sharjah aimed at meeting those emissions targets. Green, social and sustainable bonds, sukuk and loans are seen as the way to do this, with the framework laying the ground rules for such sustainable financial instruments. These rules ensure that when such instruments are issued in and by the emirate, they also meet the UN Sustainable Development Goals requirements. This includes second-party opinion of any issuance – provided by international credit ratings agency Standard & Poor's Global Ratings – as well as post-issuance verification.

The target for the banking sector is 45% Emirati nationals by 2026. Nationals should also account for 30% of senior executives by that date.

The Ministry of Finance enacted Federal Decree Law No. 47 of 2022, establishing a 9% corporate tax rate for the first time, effective June 1, 2023.



ABU DHABI, ALGERIA, ARGENTINA, BAHRAIN, BOTSWANA, BRUNEI DARUSSALAM, COLOMBIA, CÔTE D'IVOIRE, DJIBOUTI, DUBAI, EGYPT, ETHIOPIA, GHANA, GUYANA, INDONESIA, JORDAN, KENYA, KUWAIT, LIBYA, MALAYSIA, MAURITANIA, MEXICO, MOROCCO, MYANMAR, NIGERIA, OMAN, PAPUA NEW GUINEA, PERU, QATAR, SAUDI ARABIA, SENEGAL, **SHARJAH**, SOUTH AFRICA, SRI LANKA, TANZANIA, THAILAND, THE PHILIPPINES, TRINIDAD & TOBAGO, TUNISIA

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Moving ahead with the framework, in February 2023 the government of Sharjah – via the SFD – issued a \$1bn, 6.5% sustainable note, due November 2032. This was the GCC's first sustainable sovereign bond. Further issuances are also likely, as Sharjah finances the energy transition, as well as the financial legacy of its Covid-19 pandemic budgetary expansion (see Economy chapter).

**SECTOR PLAYERS:** In the UAE as a whole, at the end of the second quarter of 2023 there were 22 locally incorporated banks functioning through some 493 branches. The UAE banking sector also has six GCC banks, operating through six branches, and 22 other foreign banks, operating through a further 66 branches.

While many of these local and foreign banks maintain branches and provide online services across the country, Sharjah itself is dominated by two major lenders – SIB and Bank of Sharjah. As of the second quarter of 2023 SIB was the only Sharjah-headquartered bank among the top-10 UAE banks by asset size. The two are complemented by two other listed Sharjah-based banks, Invest Bank and United Arab Bank (UAB).

According to its September 2023 interim financial statements, SIB had total assets of Dh63.4bn (\$17.3bn) at that time, while Bank of Sharjah reported total assets of Dh39.5bn (\$10.8bn) for the first half of 2023. UAB reported Dh14.7bn (\$4bn) for the third quarter of 2023, while Invest Bank's most recent preliminary results, for 2022, showed total assets of Dh8.8bn (\$2.4bn). All four banks are listed on the ADX.

SIB was first established back in 1975 as the National Bank of Sharjah and turned to sharia-compliant banking in 2002. SIB has three fully owned subsidiaries – ASAS Real Estate, Sharjah National Hotels and Sharjah Islamic Financial Services. The bank also has two special-purpose vehicles established for its sukuk issuance programme, SIB Sukuk Company III and SIB Tier 1 Sukuk Company. As of September 2023, the bank had 32 branches, down from 34 in 2022.

The largest proportion of SIB's investment in Islamic financing is in the form of *ijara* (leasing). The bank's interim financial statements shows this product responsible for Dh18bn (\$4.9bn) out of the bank's Dh31.9bn (\$8.7bn) in total net investments in Islamic financing. *Murabaha* (cost-plus financing) products, then accounted for a further Dh13.1bn (\$3.6bn), with *istisna'a* (deferred delivery), *qard hasan* (interest-free lending) and credit card receivables making up the balance. Government departments and authorities were SIB's largest customers for Islamic financing investment products, with 37.6% of the total; followed by real estate entities, with 28.1%; and individuals, with 12.1%.

SIB's largest shareholder is Sharjah Asset Management, with 28.5%; followed by Kuwait Finance House, with 18.2%; and Sharjah Social Security Fund, with 9.1%. Around 44% of the company's shares were free float at year-end 2022. The bank also increased the upper limit for foreign shareholdings from 25% to 40% in February 2022. The bank was given a "BBB+" long-term issuer default rating grade with a stable outlook by credit ratings agency Fitch Ratings in April 2023 in recognition of the bank's solid governmental support and systemic



As of the end of the second quarter of 2023 there were 22 locally incorporated banks across the country

importance to the emirate. Fitch calculated that the bank accounted for around 1.6% of the UAE banking system's total assets at the end of 2022.

**LOCAL BANKS:** Bank of Sharjah was established in 1973 when it was one of only five banks in the UAE. The bank has a number of subsidiaries, including Emirates Lebanon Bank and BOS Real Estate Egypt, based in Lebanon and Egypt, respectively. The bank has 100% ownership of UAE free zone companies BOS Real Estate, BOS Capital and EL Capital, while it is also the sole owner of Cayman Islands-based BOS Funding, BOS Repos and BOS Derivatives. Other 100% ownerships include Borealis Gulf and Polyco General Trading, along with several holding companies. It owns 90% of Muwaileh Capital.

The bank has eight branches located in Abu Dhabi, Al Ain, Dubai and Sharjah. Bank of Sharjah has two major shareholders – Sharjah Asset Management, which holds a 39.25% stake, and the Abu Dhabi-based United Al Saqer Group, which holds 9.27%. The remaining holdings are free float or minor shareholders.

In May 2023 Fitch gave Bank of Sharjah a long-term issuer default rating of "BBB+". This reflected the bank's strong support from the emirate and from the UAE as a whole, with this to some extent counterbalancing the bank's exposure to economic and political volatility in Lebanon via Emirates Lebanon Bank. Indeed, some 16% of Bank of Sharjah's consolidated assets at the end of 2022 were in its Lebanese subsidiary. With the Sharjah bank subject to International Accounting Standard (IAS) 21 and IAS 29, which deal with hyperinflation and transactions in foreign currencies, Emirates Lebanon Bank's position in the hyperinflationary Lebanese economy has had a negative impact on Bank of Sharjah's overall balance sheet for the last three years. Fitch noted, however, that Bank of Sharjah continued to benefit from a stable customer base in the emirate and the UAE, with good liquidity and a high capital adequacy ratio.

UAB was incorporated in 1975 as a joint venture between Emirati investors and French bank Société

In February 2023 the government of Sharjah – via the Sharjah Finance Department – issued a \$1bn, 6.5% sustainable note, due November 2032. It was the GCC's first sustainable sovereign bond.



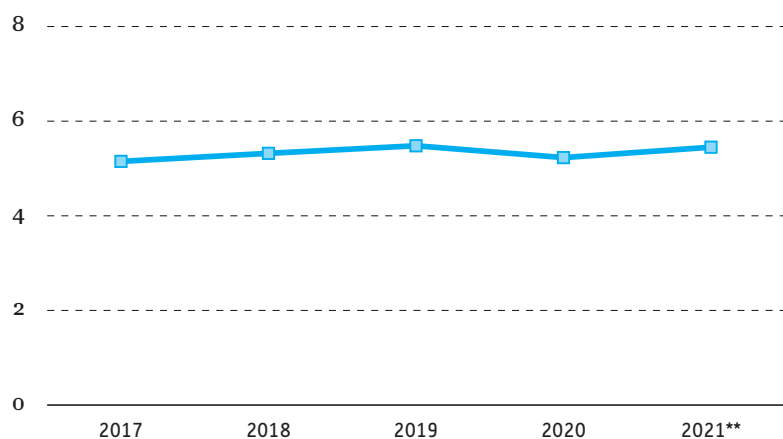
The UAE insurance sector has a target of 30% Emiratisation by 2026

Banks across the UAE have seen a recent, strong hike in interest income. This has helped balance sheets impacted by the economic downturn resulting from Covid-19, as has a return to more normal levels of economic activity overall.

Générale. It carries out both conventional and Islamic banking operations, the latter through a dedicated Islamic window. The bank has six branches around the UAE, and has a strategic alliance with Qatar's Commercial Bank, which owns 40% of UAB. Other major shareholders include Sheikh Faisal Sultan Salem Al Qassimi, with an 11.13% stake; Al Majid Investment, with 10.79%; Sheikh Sultan Saqr Sultan Salem Al Qassimi, with 5.2%; and Al Wathba National Insurance, with 5%. Since May 2019 UAB has also had a "BBB+" long-term issuer default rating from Fitch, which was most recently affirmed in April 2023.

Invest Bank was also incorporated in 1975 and has two branches in Sharjah, and one each in Dubai and Abu Dhabi. It also had a branch in Lebanon, which it began liquidating in 2022 due to that country's ongoing financial crisis. Invest Bank also has a fully owned free zone subsidiary, Alfa Financial Services, located at the Sharjah Airport International Free Zone. The principle

#### Financial and insurance activities contribution to GDP, 2017-21 (Dh bn)



Source: DSCD

\*\*Preliminary

– and majority – shareholder is the government of Sharjah, which holds a 50.07% stake, while the other significant shareholding belongs to International Private Group, with 7.75%. In November 2022, with CBUAE approval, the bank management began finalising legal moves to address financial malpractices at the bank that had taken place prior to 2019. This should lead to a strengthening of the bank as the consequences of these actions are dealt with and redress granted.

**PERFORMANCE:** With the CBUAE obliged to follow the US Federal Reserve and hike interest rates in recent years as part of global efforts to deal with inflation following both the pandemic and the post-Russian conflict with Ukraine, banks across the UAE have seen a recent, corresponding rise in interest income. This has helped balance sheets impacted by the downturn resulting from the pandemic, as has a return to more normal levels of economic activity overall. Indeed, the UAE has experienced strong GDP growth in recent years, with CBUAE figures showing real GDP expanded by 7.9% in 2022. Preliminary results from Sharjah's Department of Statistics and Community Development show that the emirate's GDP grew by 5.2% that year.

In contrast with many of its neighbours, Sharjah's economy is also heavily non-oil based. Indeed, some 96% of the emirate's GDP comes from non-oil and gas sources. Financing manufacturing, industry, retail and hospitality is therefore a critical part of the banking sector's business in Sharjah. The emirate is home to more than 35% of the UAE's total manufacturing industry and around 60,000 small and medium-sized enterprises (SMEs), according to Invest in Sharjah, a government investment promotion agency.

**ASSET GROWTH:** For SIB, the 2022-23 period was one of strong asset and deposit growth. At the end of 2022 total assets stood at Dh59.1bn (\$16.1bn) and by September 2023 grew by 7.3% to reach Dh63.4bn (\$17.3bn). Investment securities grew 81.9% over the same period, to Dh8.4bn (\$2.3bn), while investment in Islamic financing grew 3.9%. Customers' deposits were up 14.4% over the nine months, while net operating income, before impairment charges, was up 28.7%. The bottom line saw a 34.9% rise in net profit for the period, from Dh568.6m (\$154.8m) to Dh767.3m (\$208.9m).

As for Bank of Sharjah, results for the first half of 2023 showed assets had grown since the end of 2022, from Dh37.4bn (\$10.2bn) to Dh39.5bn (\$10.8bn). On an annualised basis, net operating income rose slightly, from Dh221.7m (\$60.3m) in June 2022 to Dh226.9m (\$61.8m) in June 2023. Net interest income, however, shrank from Dh226.3m (\$61.6m) to Dh99.2m (\$27m) over the same period, with a major decline in income on investment largely responsible for this.

The bank also spent much effort over the period dealing with the fallout from its subsidiary Emirates Lebanon Bank's exposure to Lebanon's economic crisis. With the support of the CBUAE and Lebanon's central bank, Banque du Liban, Emirates Lebanon Bank was recategorised as "held for sale" as part of Bank of Sharjah's strategic effort to delink and deconsolidate. In June 2023 Bank of Sharjah's board of directors



approved the delinking, which should positively impact the bank's overall 2023 financial results. In 2022 the bank achieved an overall net profit of Dh245m (\$66.7m), up from Dh224.9m (\$61.2m) the previous year.

UAB saw its assets grow, from Dh14.1bn (\$3.8bn) at the end of 2022 to Dh14.7bn (\$4bn) in the first nine months of 2023. The bank's interest income nearly doubled over that period, from Dh349.6m (\$95.2m) to Dh615.7m (\$167.6m), along with net profit, which went from Dh119.1m (\$32.4m) to Dh209m (\$56.9m). Income from the bank's Islamic financing products also increased over the nine months, from Dh45.7m (\$12.4m) to Dh50.2m (\$13.7m). Bank officials put the robust performance down to lower-than-expected credit losses and improved operating performance.

For Invest Bank, recent years have seen sustained efforts to reduce the bank's losses – these stood at Dh129.4m (\$35.2m) at the end of 2022 – and build its liquidity and capital base. In the third quarter of 2021 a team of advisers and experts came together with the bank's board and the majority shareholder, the government of Sharjah, to put together a capital plan. The framework was approved in April 2023 and involves a five-year strategy for de-risking the balance sheet. This includes a government of Sharjah guarantee of Dh3bn (\$816.6m), the bank's accumulated losses being written off and a Dh2.6bn (\$707.7m) rights issue. The bank is also reorganising as a digital bank, more closely tied to the government and government-related enterprises.

**INSURANCE:** The CBUAE has had authority over the insurance and *takaful* (Islamic insurance) sectors since 2021. Prior to this, the Insurance Authority was responsible, but the authority was merged with the CBUAE following Federal Decree Law No. 25 of 2020. In November 2023 a new law took effect that codified the transfer of oversight to the central bank and established a new unit for resolving complaints brought against insurance companies. The CBUAE now has the task of developing the sector and ensuring adherence to strict solvency guidelines. These were initially set by the Insurance Authority's Financial Regulations for Insurance Companies and Takaful Insurance Companies in 2014. The laws established a minimum guarantee fund, solvency margins, solvency capital requirements and certain data transparency obligations. All insurers in Sharjah and elsewhere in the UAE are also required to adhere to the Insurance Core Principles of the International Association of Insurance Supervisors.

The Insurance Authority's merger with the CBUAE also led to the issuance of a new *takaful* regulation in 2022. The stipulations established the HSA as the body responsible for issuing standards of sharia compliance in the insurance sector, as well as general rules for *takaful* companies that have operations in the UAE.

In addition to national regulations, insurers are required to adopt International Financial Reporting Standard (IFRS) 17. The standards increase financial reporting obligations and move away from previous accountancy practices in favour of enhanced risk mitigation. Its implementation has had a short-term impact on insurers' performance indicators across the GCC,



For the citizens of the UAE, the government provides health care and medical services free of charge

where the transition to IFRS 17 is being widely implemented. Yet, while the region saw a 3% y-o-y decrease in revenue of its listed insurers in the second quarter of 2023 as an impact of the IFRS 17 transition, in the UAE total revenue for insurers jumped some 15% y-o-y, to Dh3.8bn (\$1bn), in the first half of 2023.

The insurance and *takaful* sector is also subject to Emiratisation rules. The UAE insurance sector has a target of 30% Emirati employees and employers by 2026, as well as a target of 1500 new jobs overall for UAE nationals. In 2020 the figure was 12.7%, with 1183 nationals working in the sector. For citizens of the UAE, the government provides health and medical services free of charge, with this the case for public sector employees, including the Sharjah Police, their parents, and people aged 55 and over at University Hospital Sharjah. In addition, under Federal Decree Law No. 13 of 2022, a compulsory unemployment insurance scheme has been introduced across the UAE that applies to both citizens and residents, and for the public and private sectors. Insurance is obtained via a central website and provided by a pool of national and foreign companies.

**INSURANCE PROVIDERS:** In 2022 the UAE insurance sector had 50 conventional insurance companies and 12 *takaful* players. The majority of these were headquartered in Dubai or Abu Dhabi, with Abu Dhabi National Insurance Company (ADNIC) the largest Emirati insurer, reporting total assets of Dh7.1bn (\$1.9bn) in the first half of 2023. As individual emirates have their own national insurance companies, in Sharjah that entity is Sharjah Insurance Company (SICO). Established in 1970 by royal decree, it was the first such company to be established in the emirate. Listed on the ADX, it reported total assets of Dh287.8m (\$78.3m) in the second quarter of 2023. SICO has its headquarters in Sharjah, as well as companies in Dubai and Ajman.

In terms of insurance services revenue, SICO's largest line of business is motor and engineering, accounting for Dh4.6m (\$1.24m) in the first half of 2023. This figure

All insurers in Sharjah and elsewhere in the UAE are required to adhere to the Insurance Core Principles of the International Association of Insurance Supervisors.

In 2022 there were  
**50**  
conventional insurers in the UAE



Banks and insurers will benefit from the UAE's overall economic surge, as new projects draw new business

was followed closely by fire, with Dh4.3m (\$1.18m), then marine, with Dh517,534 (\$141,000). Other lines of business accounted for Dh1m (\$274,000) in revenue during the same period. SICO also offers group life insurance and personal accident insurance, but these remain more marginal lines of business as citizens enjoy the benefits of a national health insurance system.

Another Sharjah-headquartered life and general insurer is Al Buhaira National Insurance (ABNIC). The entity is also listed on the ADX and reported total assets of Dh1.4bn (\$381.1m) as of June 2023. The company was established in May 1978 and has branches in Abu Dhabi, Dubai, Al Ain, Fujairah, Ajman and Khorfakkan. ABNIC's main line of business is medical, with revenue from the line amounting to Dh392.1m (\$106.7m) in the first half of 2023. This was followed by motor, with Dh98.7m (\$26.9m); fire and general accident, with Dh52.9m (\$14.4m); marine, with Dh15.6m (\$4.3m); and life, which totalled Dh7.3m (\$2m).

In addition to these players, Sharjah is home to the branches of both other Emirati and foreign insurers and takaful companies. Among these are Orient Insurance, National General Insurance, Sukoon Insurance (formerly Oman Insurance), GIG Gulf (previously AXA Insurance UAE), Abu Dhabi National Insurance Company, Al Dhafra Insurance, Al Dawliyah Insurance Services, Al Ain Ahlia Insurance, Alliance Insurance, and Dubai Islamic Insurance and Reinsurance. A wide range of brokers and other insurance services are also available locally.

**INSURANCE PERFORMANCE:** The year 2023 was challenging for insurers. SICO saw its assets and revenue shrink slightly over the six months to June 30. Total assets went from Dh296.8m (\$80.8m) at the end of 2022 to Dh287.8m (\$78.3m) and insurance revenue fell from Dh10.9m (\$3m) in the first half of 2022 to Dh10.4m (\$2.8m) in the first half of 2023. Profit fell from Dh15.6m (\$4.2m) to Dh8.6m (\$2.3m) over the same period. To some extent, the results show the application of IFRS 17, which was used for the first time from January 2023.

ABNIC saw a similar contraction in total assets, which were down from Dh1.5bn (\$399.4m) at the end of 2022 to Dh1.4bn (\$385.5m) at the end of the first half of 2023. However, the Sharjah-based insurer saw its insurance revenue up, from Dh460.7m (\$125.4m) in the first half of 2022 to Dh566.7m (\$154.2m) in the first half of 2023. While investment and other income grew, from Dh14.3m (\$3.9m) to Dh19.6m (\$5.3m) over the two six-month periods, higher insurance service expenses and net reinsurance service expenses gave the company an overall loss of Dh35.9m (\$9.8m) in the first half of 2023. Again, the accounting results were calculated under the new IFRS 17 regime.

**FINTECH FUTURE:** Helping Sharjah's financial institutions cut operations costs and streamline business models, fintech has been embraced by the local sector. It has also been welcomed by the UAE federal authorities and the CBUAE, which announced the Financial Infrastructure Transformation programme in February 2023. The framework consists of nine initiatives, including plans for a new central bank digital currency, the adoption of advanced supervisory technologies by the CBUAE, electronic know-your-customer schemes and the creation of a fintech innovation hub. In January 2023 the CBUAE issued new guidelines for all licensed financial institutions regarding the digital identification systems used to address due diligence obligations.

In August 2023 an agreement was signed between the Sharjah Entrepreneurship Centre and Abu Dhabi's digital Wio Bank to create a programme under which start-ups at the former receive 90 days of free financial services from the latter. Since 2021 Sharjah Research Technology and Innovation Park has been working with Deep Knowledge Analytics on the longevity industry, which sits at the crossroads of biotech, fintech and insurance technology. Elsewhere, the American University of Sharjah is collaborating with Network International, a leading MENA digital commerce enabler, on the FiEx Fintech Youth Hub to nurture young fintech talent. Sharjah Media City, known as Shams, meanwhile, is partnering with Beehive, a peer-to-peer lending platform to provide cheaper funding to SMEs.

**OUTLOOK:** Sharjah's financial services sector exists in a competitive region, with both GCC and UAE having established banking and insurance industries. In this context, Sharjah's banks and insurers have carved out a dependable and secure local base with the support of the emirate's government. Sharjah's economy also offers attractive opportunities for banking and insurance, with its large manufacturing and retail sectors. With many SMEs active in these areas, finding ways to attract more customers is key. This has often been a challenge, however, given the often family nature of businesses and their traditional funding mechanisms outside the formal sector. Sharjah's banks and insurers will benefit from the UAE's overall economic growth, with new projects and investments drawing new business. Sharjah also offers a lower-cost solution than Dubai or Abu Dhabi for businesses looking for a footprint in the UAE and is working to attract investors – and thus new customers for its financial services sector.

In January 2023 regulators issued new guidelines for all licensed financial institutions regarding the digital identification systems used to address due diligence obligations.





Khaled Mohamed Balama

# Technological breakthroughs

Khaled Mohamed Balama, Governor, Central Bank of the UAE (CBUAE), on the importance of innovation in finance

**To what extent can the regulatory landscape help banks benefit from disruptive technologies?**

**BALAMA:** The regulatory landscape in the UAE is under continuous review to ensure that it develops in line with the changes seen in financial technology. As such, we are constantly updating regulations to enable the responsible use of emerging technologies, such as artificial intelligence, blockchain and financial cloud, while at the same time ensuring consumer protection, fair market practices and financial stability. Furthermore, through ongoing consultations with industry figures, as well as creating financial education programmes and testing environments for innovative technologies, we remain up to date with key developments in the global market to ensure that the regulatory environment encourages innovation, while maintaining our compliance with international standards and best practices.

**How might developments in distributed ledger technology benefit the country?**

**BALAMA:** Since completing its integration in April 2021, SWIFT gpi has increased the efficiency of cross-border payments, as well as the transparency and speed of remittances. The UAE implemented this system through an integration of the gpi tracker and the country's funds transfer scheme, enabling financial institutions to track their payment flows end to end in real time. This in turn provides maximum visibility on ongoing cross-border transactions.

Nevertheless, the country aspires to explore the newest technologies and their applicability in different business areas. In this context, since 2019 the UAE has been engaged in various blockchain-related proofs-of-concept for cross-border payments, such as mBridge project, which is run with the Hong Kong Monetary Authority, the Bank of Thailand, the Digital Currency Institute of the People's Bank of China and the Bank for International Settlements. The objective of these programmes is to safely experiment with the issuance,

circulation and use of the central bank digital currency (CBDC), alongside exploring the opportunities provided by distributed ledger technology, or blockchain. This will potentially result in advances in the exchange, processing and settlement of transactions, helping overcome the inefficiencies in traditional cross-border payments.

In this context, the CBUAE is exploring the use of blockchain technology for instant cross-border payments versus those for CBDC and other types of international transactions. Using CBDC and central bank money can help ease counter-party credit risk, improve efficiencies and the user experience, lower costs, and increase transparency for consumers and businesses.

**Which steps must be taken to ensure sustainable growth while accounting for changes in oil prices?**

**BALAMA:** Sustainable growth can be realised through further diversification, gradually moving away from oil and stimulating expansion across non-oil sectors. One approach is to maintain ongoing trade policies in goods and services, as well as strategies for investment promotion, green projects and the enhancement of human capital. Trade policies helped to increase non-oil goods exports and re-exports. Looking ahead, exploring new markets and engaging in cooperation negotiations aim to consolidate and advance these achievements.

Service industries have been a strong engine for diversification. These areas have seen sustained rates of growth, mainly led by travel and transport services, as the UAE is an international hub for these activities.

In terms of investment promotion, the emirate has succeeded in attracting foreign direct investment (FDI). The country will continue its efforts to further increase its FDI attractiveness, particularly in knowledge-intensive sectors. Another theme running through all policies and strategies is human capital. Developing and retaining talent – and increasing the participation rate of Emiratis in the labour market – will help the UAE in its goal of becoming a leading knowledge-based economy.



Mohamed Khadiri

# Future equipped

Mohamed Khadiri, CEO, Bank of Sharjah, on the evolving importance of banks amid sector changes

**What role do you see banks playing in Sharjah's long-term economic development and diversification?**

**KHADIRI:** Banks in the emirate play a crucial role in providing financial services, capital and investment opportunities to businesses and individuals. They support economic growth by providing loans, facilitating trade, and promoting saving and investment among individuals. Additionally, banks contribute to the diversification of the economy by financing projects in sectors such as infrastructure, manufacturing, tourism and technology, thereby reducing dependence on oil revenue.

**To what extent are banks in the emirate aligning their investment strategies with environmental, social and governance (ESG) considerations?**

**KHADIRI:** Banks are in the process of integrating ESG criteria into their decision-making processes, recognising the global emphasis on sustainable practices. This ensures their financing activities promote environmentally friendly practices, social responsibility and good corporate governance. Such alignment benefits the environment, mitigates risks and enhances the long-term viability of investment projects.

**In what ways is digitalisation affecting the evolving relationship between financial technology (fintech) companies and traditional banks?**

**KHADIRI:** Digitalisation is significantly impacting the emirate's banking sector. It has enhanced efficiency and the customer experience, and resulted in innovative services, including online account opening and personalised financial management tools. Fintech companies are collaborating with traditional banks to leverage their technological expertise and bring new financial solutions to customers. This evolving relationship between fintech companies and traditional banks is characterised by partnerships, acquisitions or investment, leveraging the strengths of both parties to drive innovation and meet the demands of customers.

**How do you see the role of cross-border partnerships in shaping the future of the sector?**

**KHADIRI:** Sharjah has witnessed a substantial surge in the renewal of industrial licences, solidifying its appeal as a favoured destination for ongoing operations and future expansion. This growth spans diverse industries, including petrochemicals, plastics, textiles and automotive components, making the emirate a key investment destination, contributing 16.7% to Sharjah's GDP.

The banking sector serves as a gateway for international investors seeking access to the UAE's economy. Collaboration with global partners enables the transfer of advanced financial technologies, fosters knowledge exchange and best practice adoption, and develops tailored services for international clients. International connectivity not only streamlines cross-border transactions but also stimulates trade and attracts foreign investment, thereby enhancing the sector's efficiency, growth and competitiveness in Sharjah.

**Where do you identify the need for regulatory changes to adapt to the evolving payments landscape and ensure customer security?**

**KHADIRI:** The evolving payments landscape requires regulatory changes to ensure the stability and security of the banking sector. Banks must adapt to technological innovations while addressing potential risks associated with using cryptocurrencies. Regulatory and policy changes should focus on establishing clear guidelines for cryptocurrency transactions, combatting fraud and money laundering, and enhancing customer security in the digital space. Banks can play a crucial role in ensuring customer security by implementing security measures, providing financial education and awareness, and leveraging technologies such as encryption and biometrics to protect customer information and transactions. The UAE is at the forefront of deploying technology in all aspects of business activities, especially in the areas of cryptocurrencies and virtual assets.





In 2022 the UAE ranked sixth in proceeds from initial public offerings

# On the up

## The macroeconomic climate is set to boost public offerings

The GCC saw a rise in initial public offerings (IPOs) in 2022 despite volatility in secondary markets, surpassing the previous year's record high. The total number of IPOs in the region increased from 20 in 2021 to 48 in 2022, marking a 140% rise, and proceeds from GCC issuers increased by 211% from \$7.5bn to almost \$23bn over the same period.

The growing number of successful IPOs in the region has resulted in greater interest from investors. Following an uptick in activity in the UAE and Saudi Arabia, in 2022 the two countries ranked third and sixth, respectively, in terms of full-year IPO proceeds in global markets. Much of the activity observed that year was the result of government initiatives, such as Vision 2030 in Saudi Arabia and the UAE's national blueprint, We the UAE 2031. Although the first nine months of 2023 saw a decline in the value of IPOs in the region amid difficult global conditions, the UAE emerged as the clear market leader in terms of proceeds from new offerings.

**SUCCESS AMID TURBULENCE:** Despite fluctuations in secondary markets, such as the MSCI GCC Countries Combined Index, IPO activity remained robust in the GCC in 2022. The index saw a modest increase of 1.2% in the first half of the year, followed by a decrease of 7.5% in the second half. The index's performance was affected by oil prices, which rose by 55.1% in the first half of 2022 only to drop by 30.9% in the second half of the year. The resilience was largely due to the confidence shown by regional issuers in the business fundamentals of their companies and their effective communication with the market, which helped generate a high level of investor appetite. Additionally, the strong performance of certain sectors in the region – such as technology and renewable energy – contributed to durability in the face of challenging global conditions.

The GCC has yet to experience the IPO volume downturn that has affected many markets around

the world, with the first nine months of 2023 seeing 29 IPOs in the region, compared to 30 during the corresponding period the previous year. Global financial volatility has resulted in a drop in IPO activity outside the region, which has helped GCC companies sell equity at high valuations. In 2022-23 capital markets around the globe struggled due to various factors, including the impact of the Covid-19 pandemic, inflationary pressures, geopolitical tensions and tighter monetary policies. As a result, the frequency of equity issuance declined. Some countries even saw a halt in issuances, making 2022 a difficult year for IPOs. Compared to 2021, global IPO proceeds fell by over 70%, with IPO earnings in US markets down 90%, and markets in the UK and Europe seeing a significant downturn. In 2022 IPOs generated \$173bn in proceeds through 1154 IPOs, compared to \$618bn via 2682 offerings in 2021.

**REGIONAL GROWTH:** GCC countries are a prime target for investors seeking to profit from high oil prices and other factors. The UAE, Kuwait, Qatar and Saudi Arabia collectively accounted for over 7% of the MSCI Emerging Markets Index as of December 2022, a marked improvement on the GCC-wide share of 1.2% in 2017, according to a report from financial services firm EFG Hermes. The region's weight is expected to experience significant growth in the coming years due to its efforts to invest heavily in infrastructure, promote economic diversification and open up to foreign investment.

In 2022 Saudi Arabia remained the leader in IPO issuance in the GCC region with 38 IPOs. This included 19 that debuted on the Main Market and 19 on the Nomu – Parallel Market, an alternative market with less strict listing requirements. This demonstrated that despite global headwinds, investors were still being drawn to the country's market.

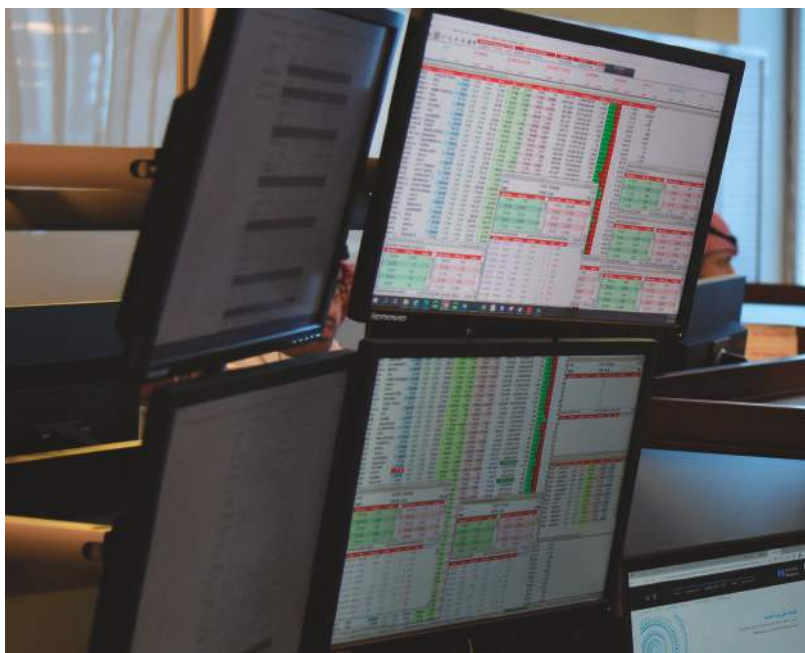
The UAE was top in terms of IPO earnings, receiving nearly 59.7% of issuance proceeds, or around

Proceeds from GCC issuers rose by

**211%**

in 2022

Kuwait, Qatar, Saudi Arabia and the UAE collectively accounted for over 7% of the MSCI Emerging Markets Index as of December 2022, a marked improvement on the GCC-wide share of 1.2% in 2017.



As of February 2023 GCC markets were trading at a premium compared to their emerging market peers

The UAE was top in terms of initial public offering earnings within the GCC, receiving nearly 59.7% of issuance proceeds, or around \$14bn, from its 11 issuances in 2022.

\$14bn, from its 11 issuances in 2022. The UAE was home to the two largest IPOs in the region that year, with the Dubai Electricity and Water Authority (DEWA) raising \$6.1bn from its listing on the Dubai Financial Market in April and polyolefins manufacturer Borouge raising \$2bn on the Abu Dhabi Securities Exchange (ADX) in May, highlighting the attractiveness of such offerings. In addition, the joint Abu Dhabi-Riyadh listing of Americana, a MENA food franchisee, raised \$1.8bn in late 2022. The company had previously been listed on Boursa Kuwait but was privatised in 2017 for \$3.5bn. The organisation's new owners valued the company at \$6.2bn. The IPO was the first dual listing on the Saudi and Abu Dhabi exchanges, and it highlighted the progress that GCC markets have made, including in terms of inter-exchange cooperation. This progress showed that the GCC has the potential to become a major player in international capital markets.

In 2023 the UAE accounted for 58% of all GCC IPO proceeds in the first nine months of the year. The listing of ADNOC Gas – a division of the Abu Dhabi National Oil Company – on the ADX in early March 2023 raised \$2.5bn alone, making it the largest listing ever in Abu Dhabi and the most valuable global listing in the first quarter of the year. Abu Dhabi and Dubai are the favoured listing destinations for the UAE's other emirates, including Sharjah, which is home to numerous major companies operating in various industries. Abu Dhabi-listed Sharjah Islamic Bank (SIB), for example, was the UAE's 30th-largest company by market capitalisation in December 2023, while Abu Dhabi-listed Dana Gas – the Sharjah-based regional gas player – was the UAE's 33rd-largest company by market capitalisation that same month. Beyond being listed in Abu Dhabi, in September 2023 SIB announced a partnership with the ADX to enhance access to IPOs by simplifying the process for creating a national investor number

The MSCI GCC Countries Combined Index's price-to-earnings ratio was 13.77 in 2023, compared to the MSCI Emerging Market Index's ratio of 11.96, underscoring continued investor confidence in the region.

for the bank's clients, enabling them to subscribe to IPOs through ADX's e-IPO service.

**SUCCESSFUL LISTINGS:** Dubai's IPO pipeline was notably robust in 2022. The March 2022 listing of DEWA was the largest IPO in the GCC that year, raising \$6.1bn at a time when global investors were looking for profitable opportunities amid general uncertainty. The offering size increased substantially, with 8.5bn shares sold at Dh2.48 (\$6.45) each, up from an initial 3.3bn shares. As of early 2023 DEWA was the largest company by market capitalisation on the Dubai exchange. DEWA drew the interest of investors due to its consistent cash flow and potential for dividends. These factors were also evident in other major Dubai listings in 2022, when Salik, Empower and TECOM Group – all of which are majority government-owned entities – raised a collective \$2.2bn between them.

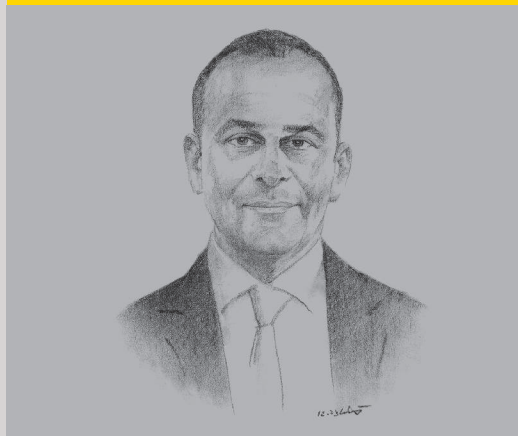
Several important consumer-focused organisations were also listed in 2022. For example, Jeddah-based Nahdi Medical Company raised \$1.4bn through an IPO in March 2022, while in October 2022 health care operator Burjeel Holdings listed on the Abu Dhabi market, raising \$300m in the process. In addition, Taaleem, an educational company based in Dubai, raised \$205m in a November 2022 listing on the emirate's exchange, highlighting the wider UAE's economic diversity. These listings demonstrate that smaller organisations that operate using innovative business models are increasingly sharing space in capital markets with larger, government-related companies.

**PROSPECTS:** Despite the potential risks posed by interest rate hikes, geopolitics, and the volatility in secondary stock markets and oil prices, 2022 saw strong IPO activity, and this trend continued into 2023. As of May 2023 the GCC IPO pipeline looked promising, with an estimated 20 to 40 companies involved in both announced and possible IPO issuance. In the first quarter of 2023 alone companies raised \$3.5bn through IPOs, and the region continues to attract strong interest from international investors driven by high oil prices.

The pipeline is likely to be strengthened in the coming years by efforts to privatise government-owned assets as part of the GCC's broader economic diversification and private sector development plans. For example, Oman is aiming to privatise more than 30 government-owned firms over 2021-25. The Oman Investment Authority, the sultanate's sovereign wealth fund, plans to exit eight investments, raising \$1.3bn in the process.

The GCC is experiencing a favourable climate for IPO issuance, and all indications point to this trend continuing in the near future. As of February 2023 GCC markets were trading at a premium to their emerging market peers. The MSCI GCC Countries Combined Index's price-to-earnings ratio was 13.77 in 2023, compared to the MSCI Emerging Market Index's ratio of 11.96, underscoring the confidence that investors have shown in the region.





Ahmad Abu Eideh

# Keeping pace

## Ahmad Abu Eideh, CEO, Invest Bank, on the response of financial institutions to international economic trends

### What has been the banking sector's response to recent shifts in the global economic landscape?

**ABU EIDEH:** The banking sector has witnessed a multifaceted response to the current global economic landscape. Lenders have been navigating a high-interest rate environment, which is challenging for legacy institutions that have historically offered premium rates in order to attract deposits. To adapt, banks have been conducting repricing exercises, balancing the need to attract depositors with efforts to manage the expenditure of their loan portfolios.

Furthermore, Sharjah's banks have shown resilience during post-Covid-19 pandemic operational shifts. They have resumed business as usual, successfully adapting to the new normal. Even as some firms faced difficulties due to structural issues exacerbated by the pandemic, the supportive policies of the Central Bank of the UAE (CBUAE) have facilitated a strong recovery in the sector.

Lenders have also had to contend with global disruptions, such as various supply chain-related challenges. Local banks have managed these effectively, leveraging the UAE's strategic position as a regional centre for trade. This adaptability is a testament to banks' strategic planning and responsiveness.

### In what ways is the banking sector adapting its services and operations to remain competitive in light of ongoing technological advancements?

**ABU EIDEH:** Banks are embracing a comprehensive digital transformation that involves a fundamental shift by transitioning to cloud-based platforms. This paves the way for increased operational efficiency, and ensures greater agility in product and service delivery. By moving operations to the cloud, banks can scale their services up or down based on the level of demand, thereby managing resources effectively and ensuring they can respond to market changes faster.

Integrating artificial intelligence (AI) into banking operations is another component of this digital shift.

AI is being used to enhance customer interactions, personalise financial advice, and improve risk management through more sophisticated and predictive analytics. It also plays a crucial role in combatting fraud and strengthening cybersecurity.

Furthermore, banks are keenly aware of the importance of serving digital-savvy younger generations and are redesigning the user experience to be more intuitive and engaging, as well as accessible through mobile devices. This includes developing apps that offer a broad range of services, from conducting basic account management to complex financial transactions, all with a few taps on a smartphone.

### How do you assess the relationship between banks and financial technology (fintech) companies?

**ABU EIDEH:** The banking sector considers fintech companies to be essential partners that drive innovation. This collaborative stance is anchored in the recognition that fintechs bring agility and creativity that can enhance banks' capabilities to provide advanced financial services. The connection between the traditional banking sector's experience and the innovative drive of fintech companies is thus able to create a dynamic and responsive financial ecosystem.

This partnership is particularly relevant as banks look to serve new generations entering the workforce, who expect seamless, digital-first banking experiences. In Sharjah, where there is a confluence of culture, education and technology, banks are tapping into fintechs' expertise to develop financial products that resonate with customers' digital-native preferences.

The CBUAE's supportive stance towards this collaborative environment suggests a regulatory framework that understands the necessity for banks to incorporate emerging technologies in their work to stay competitive. By fostering this relationship, the CBUAE helps lenders harness fintech innovation, while also ensuring financial stability and consumer protection.



Cryptocurrencies can help limit exposure to macroeconomic pressures

# Crypto rush

Decentralised financing could play an important role in GCC countries' efforts to diversify their economies

The global decentralised finance market is forecast to exceed

**\$232bn**

by 2030

As GCC countries look to harness new forms of financial technology (fintech), expand services and improve financial inclusion, governments are embracing decentralised finance (DeFi) and attracting cryptocurrency companies. DeFi – peer-to-peer financial services with no central authority or intermediary involved in trading, lending and investing – is seen by GCC countries as an opportunity to diversify their economies and embrace Web3 technologies, such as blockchain, the internet of things and artificial intelligence. The global DeFi market is forecast to grow at a compound annual growth rate of 42.6% from 2022 to 2030, with its value exceeding \$232bn by 2030, according to a January 2023 report by economic consultancy Zion Market Research.

**REGULATORY PROGRESS:** Developing the DeFi sector will require transparent regulations to attract foreign companies. In April 2023 the UAE's Securities and Commodities Authority started accepting licensing applications for companies to provide cryptocurrency services after crafting a mandatory licensing regime that mirrored the regulatory framework published by Dubai's Virtual Assets Regulatory Authority in February 2023. In November 2023 the Registration Authority of Abu Dhabi Global Market (ADGM) formally released a legislative framework for distributed ledger technology that targets disclosures, insolvency and governance structures. Prior to these developments, in November 2022 ADGM launched the Middle East, Africa and Asia Crypto and Blockchain Association, which is working in partnership with major global cryptocurrency exchanges, such as Binance and Crypto.com, to address the various challenges facing the sector, while simultaneously promoting the integration of cryptocurrencies into the global economy.

Bahrain hopes to develop an ecosystem for cryptocurrency companies, having implemented crypto-asset regulations for licensing. This allowed for cryptocurrency exchange Binance to officially launch its first platform in the GCC in the kingdom in January 2023.

**EASE OF TRANSACTIONS:** With high interest rates in the US and inflation weakening many fiat currencies, cryptocurrencies and the decentralised exchanges on which they are traded allow users in emerging markets to limit their exposure to macroeconomic pressures and ease transaction flows. DeFi offers significant advantages, as it lowers fees due to the lack of intermediaries, enhances transparency and security with blockchain technology, and creates seamless transactions among accounts and entities with no centralised entity.

Cryptocurrencies as an asset class have seen a significant decline since the second half of 2021, prompting banks and financial institutions to question their sustainability. This was seen most prominently after the collapse of the cryptocurrency exchange FTX in November 2022. Western markets remain skittish, not least after international media reported in May 2023 that Binance had commingled customer funds with company revenue in 2020 and 2021.

Six of the top-10 countries driving cryptocurrency adoption in 2023 were located in the Central/Southern Asia and Oceania region, which made up 19.3% of the cryptocurrency market, according to blockchain data platform Chainalysis's "2023 Geography of Cryptocurrency Report". The region ranked second in the study, after North America (24.4%). The MENA region had the sixth-largest cryptocurrency economy of any region studied, with an estimated \$390bn in on-chain value received between July 2022 and June 2023.

Within the MENA region, Turkey ranked fourth globally in raw transaction volume in 2023. Saudi Arabia led in year-on-year transaction growth with a 12.0% increase in July of that year. Other countries have also seen increased cryptocurrency adoption, with Morocco and Iran ranking 20th and 28th, respectively. The UAE is also emerging as a centre for cryptocurrency with significant activity in DeFi protocols, due to its innovation-friendly regulatory frameworks, and attracts businesses and entrepreneurs from around the world.

In November 2023 Abu Dhabi Global Market formally released a legislative framework for distributed ledger technology that targets disclosures, insolvency and governance structures.



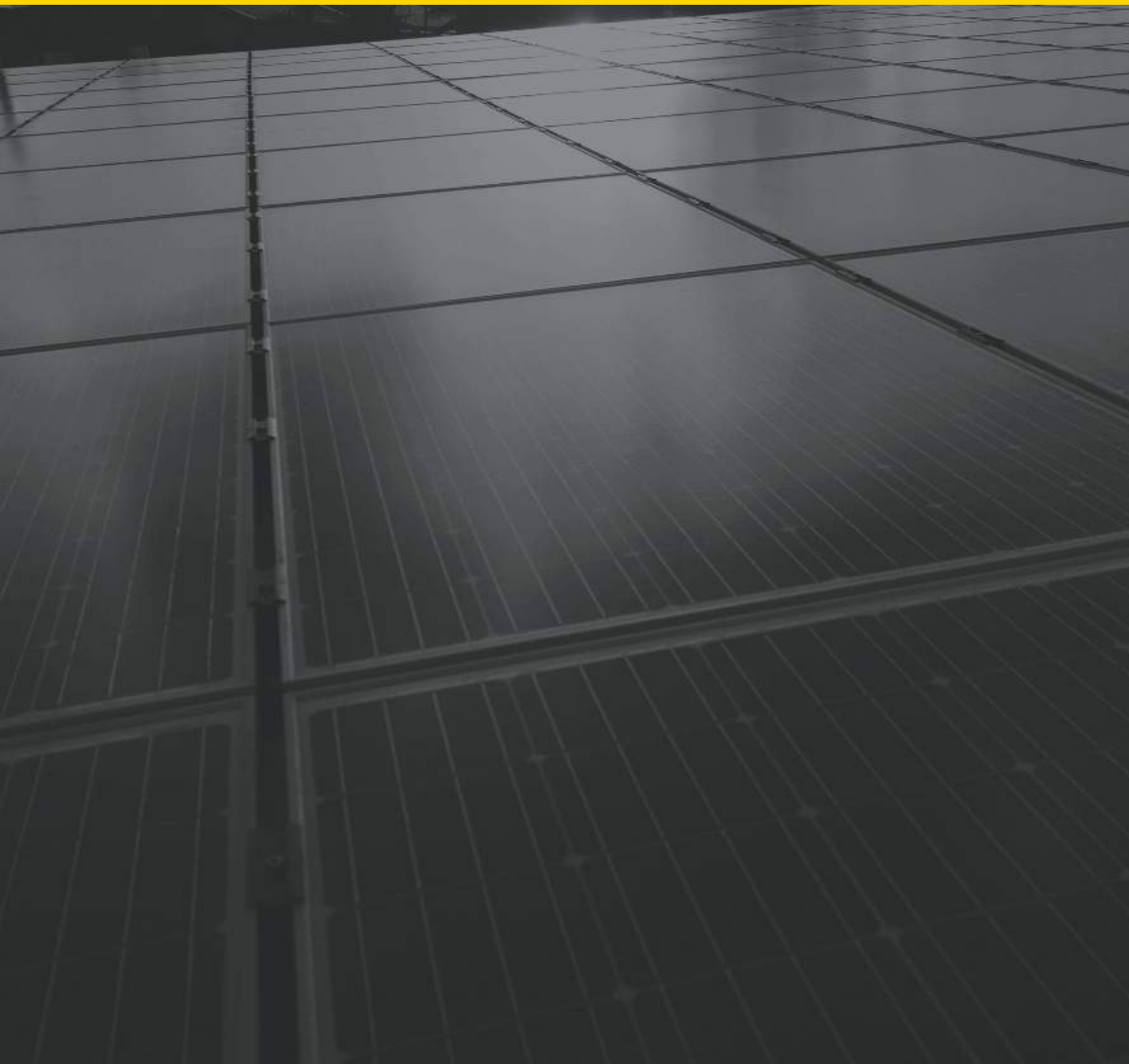
# Energy & Green Economy

New technologies to develop and produce renewables

Significant progress towards net-zero targets

Favourable financing for sustainable projects

Infrastructure development to leverage resources





Sharjah is playing a leading role in the UAE's drive to achieve net zero

## Sustainable changes

Various initiatives are helping the emirate become a global centre for the production of renewable energy sources

Sharjah is working to develop a green economy through projects such as Sharjah Sustainable City and schemes to ensure the emirate's food security.

Sharjah's energy sector is undergoing a period of dynamic change as the emirate develops its existing resources, and transitions towards clean and renewable energy sources. In pursuing its goals along with those of the wider UAE, Sharjah is well positioned to leverage its strategic location as a gateway to the Northern Emirates, making it a key centre for power transmission, gas pipelines and gas storage.

At the same time, the emirate continues to play a leading role in the UAE's drive to reach net-zero carbon emissions, which the country plans to achieve by 2050. Sharjah is emphasising carbon capture and storage (CCS), solar and other sources of renewable energy, waste-to-energy initiatives and environmental protections. The emirate has also launched a sustainable finance framework to ensure that green bonds and *sukuk* (Islamic bonds) finance its renewable energy projects. The emirate is developing a green economy through initiatives such as Sharjah Sustainable City and schemes to ensure food security. Meanwhile, the emirate's long-standing role in education, training and research is being maximised to accelerate the energy transition.

**STRUCTURE & OVERSIGHT:** As one of the UAE's seven emirates, Sharjah is subject to federal laws and programmes, with the federal-level Ministry of Energy and Infrastructure (MoEI) acting as the central supervisory authority for the country's energy sector. The MoEI also develops and implements the UAE's strategic programmes. In this regard, there are a series of annual plans and long-term objectives, such as the UAE Energy Strategy 2050. Launched in 2017 and updated in July 2023, the framework is the first unified plan for the country as a whole, aiming to create 50,000 new jobs, save Dh100bn (\$27.2bn), generate as much as Dh200bn (\$54.4bn) in investment and increase the share of clean energy sources in the country's total power generation to 32% by 2030. It also upgrades the 2050 target

from reducing greenhouse gas emissions by 70% to net zero, as well as intends to triple the country's renewable energy capacity by 2030.

In addition, the strategy pays particular attention to energy and water efficiency. Both are highly integrated in the UAE, as most water for domestic and industrial use is the product of desalination plants that are powered by domestic energy sources. Indeed, as there are no natural bodies of surface water in the UAE, the country is projected to be one of the most highly water-stressed in the world by 2040, according to the World Resources Institute. The UAE's energy strategy recognises this power-water nexus and sets interconnected targets of reducing energy consumption by 40% in energy-intensive sectors, and water consumption by 51% in the building and agriculture sectors by 2050.

**GREEN TARGETS:** Some 50% of construction waste is set to be recycled by 2050, and the UAE aims to improve its air quality by 95% by the same year. A projected reduction of 166m tonnes of CO<sub>2</sub> emissions is also set under the national strategy, which estimates that improving water and energy efficiency will save the country Dh226bn (\$61.5bn) by 2050.

The UAE also targets the development of significant hydrogen production facilities. The goals for 2031 are a hydrogen research and development (R&D) centre, two hydrogen oases and 1.4m tonnes per annum (tpa) in the country, with these numbers rising to five oases and 15m tpa by 2050. These efforts dovetail with the UAE's Nationally Determined Contributions (NDCs), the country's pledges made under the 2015 Paris Agreement. The UAE's June 2023 update on its second NDC – "accelerating action towards a green, inclusive and resilient economy" – set a target of reducing greenhouse gas emissions by 19% by 2030 relative to 2019, with the update reporting that the UAE believed that its emissions had peaked between 2019 and 2022.

By 2050 the UAE targets a 40% reduction in energy consumption in energy-intensive sectors, as well as a 51% reduction in water usage in the building and agriculture sectors.

In 2023 the UAE hosted and acted as president of the COP28 UN Conference on Climate Change in November and December of that year. The government also declared 2023 the Year of Sustainability.

**OIL & GAS:** Oil and gas has a long history in Sharjah. The first test well in the emirate was drilled in 1940, although the first commercial quantities of oil did not begin export until 1974. Gas was discovered offshore in 1980, with gas and light oil first pumped from the Sajaa field to onshore processing facilities at Hamriyah in 1982. In 1984 the emirate established the Sharjah Liquefied Petroleum Gas Company (SHALCO), which made its first export shipment in 1986. That year also saw gas supplied by pipeline to neighbouring Dubai for the first time.

While each emirate is expected to coordinate its energy transition policies with the national strategy and the MoEI, oil and gas resources are left to the administration of the individual emirates, which retain all rights to the hydrocarbons located on their territories, according to the UAE's constitution. Oil resources in the emirate fall under the remit of Sharjah's Petroleum Council, which assumed the responsibilities of the previous Department of Petroleum and Minerals in October 1999. The council is responsible for devising policies, regulating and monitoring sector activity, and supervising the activities of companies granted concessions in Sharjah. In October 2010 Sharjah National Oil Corporation (SNOC) was established, and in February 2014 SHALCO was merged with SNOC. The entity is owned by the emirate and falls under the umbrella of the Petroleum Council, although with financial and administrative independence. SNOC is also the emirate's primary gas supplier.

SNOC is key to the sector, serving as Sharjah's executive arm. The company is a highly integrated company, as its activities range from exploration and production, processing and refining, to the storage and transport of hydrocarbons. The company also runs Sajaa, which consists of four gas fields; a gas processing complex 35 km from Sharjah City with a capacity of 700m standard cu feet per day; a liquefied petroleum gas (LPG) blending plant; LPG and condensate storage and export terminals; underground gas storage; and pipelines and flow lines.

In January 2019 Sheikh Sultan bin Muhammad Al Qasimi, the ruler of Sharjah, signed an agreement granting Italian energy company Eni a 30-year licence to explore three onshore concessions. This agreement led to the January 2020 discovery of the onshore Mahani gas and condensate field in Area B, in which Eni and SNOC hold equal shares, but is operated by the latter. Production from the Mahani-1 well began in January 2021. Production at the field is expected to peak in 2025 before gradually falling over the next two decades, with Mahani-1 expected to reach its economic limit in 2045.

**DOWNSTREAM:** Hamriyah Free Zone is expanding in the downstream segment. In June 2023 India's Infinite Energy signed a deal with the Hamriyah Free



The Sharjah Electricity, Water and Gas Authority is responsible for the emirate's power and water sectors

Zone Authority to double its investment in the zone and establish a multifunctional oil refinery there. The refinery is projected to have a daily production capacity of 10,000 barrels and an annual capacity of up to 3.6m barrels. In addition to overseeing pipeline gas supply contracts with ADNOC, SNOC has become a key part of the natural gas network in the neighbouring emirate of Ras Al Khaimah. In October 2023 SNOC signed a gas storage service agreement with Ras Al Khaimah Gas, under which the latter will use SNOC's storage facilities to manage fluctuations in supply and demand to mitigate any potential shortages in Ras Al Khaimah.

SNOC is undertaking a series of long-term development plans, the most recent of which being a 10-year strategic vision launched in 2022. This plan places the reduction of greenhouse gas emissions, portfolio diversification and sustainable development at the forefront of the entity's efforts. SNOC has set its own target of achieving net zero by 2032. As part of this initiative, in July 2023 SNOC and Japanese trading company Sumitomo's Middle East subsidiary agreed to conduct a feasibility study on Sharjah's CCS value chain. The results of this initiative are expected to assess the possibility of a future small-to-large scale CCS project in Sharjah close to major CO<sub>2</sub> resources, such as power plants and other high-emission facilities.

**ELECTRICITY:** As with oil and gas, oversight over the operation and development of Sharjah's power and water sectors is the responsibility of the emirate. The Sharjah Electricity, Water and Gas Authority (SEWA) is the primary entity in this regard, bearing responsibility for the generation, transmission and distribution of power and water in the emirate. SEWA, along with three other entities – Abu Dhabi's Department of Energy, the Dubai Electricity and Water Authority, and Etihad Water and Electricity, which is responsible for the Northern Emirates

Sharjah's Petroleum Council is responsible for devising policies, regulating and monitoring sector activity, and supervising the activities of companies granted concessions.





Each emirate is responsible for overseeing their oil and gas resources

The National Grid project aims to bring together four authorities in an interconnected system, leading to savings, stronger capacity and the commercial transfer of electricity between the participating entities.

– provide power coverage for the country as part of the UAE’s National Grid project. This initiative aims to bring the four authorities together in an interconnected system, leading to savings, stronger capacity and the commercial transfer of electricity between the participating entities.

SEWA operates seven power stations in the emirate: five in Sharjah City, and one each in Khorfakkan and Kalba. According to the authority’s most recent statistics from 2021, total installed capacity was more than 2.5 GW for the capital district, 152 MW for Khorfakkan and 116 MW for Kalba. Gas turbines and steam turbines accounted for most capacity, although there were diesel units at Wasit, Hamriyah, Seir BuNeir, Abu Mussa and Khorfakkan.

The 2021 figures showed that SEWA had a total installed capacity of more than 2.8 GW and an available capacity of nearly 2 GW from 54 different units spread throughout its power plants. The maximum

load was nearly 2.5 GW, with 2.3 GW in Sharjah City, 110 MW in Khorfakkan and 108 MW in Kalba. In 2021 Sharjah imported more than 6.6bn kWh of electricity from the National Grid, accounting for more than half of the emirate’s electrical power generated and up from 5.7bn kWh the previous year.

One major development in the expansion of the emirate’s energy capacity is the natural gas-fired Al Layyah combined cycle power plant. The facility, the expansion of which was completed in November 2023, represents a major energy efficiency upgrade for Sharjah, delivering more than 1 GW, or 20% of electricity needs. Meanwhile, Hamriyah has become home to Sharjah’s first independent power plant. In May 2019 investment arm Sharjah Asset Management, US-based GE Energy Financial Services, and Japan’s Sumitomo and Shikoku Electric Power created Sharjah Hamriyah Independent Power to build and operate the plant for 25 years. All three blocks of the high-efficiency plant came on-line in October 2023, generating 1.8 GW in total and accounting for around 40% of Sharjah City’s required electricity.

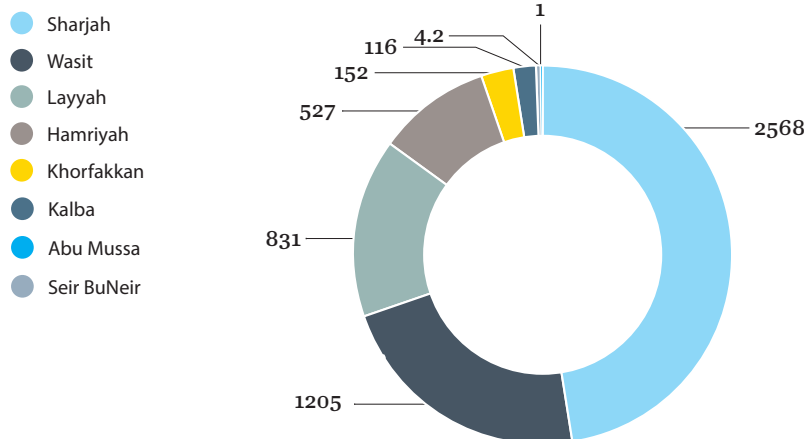
The Kalba gas power plant serves Sharjah’s east coast and its industrial area with a capacity of 116 MW, while the plant located in the port city of Khorfakkan is a fuel oil and natural gas plant with a capacity of 150 MW. A modernisation plan for the Khorfakkan plant, and its transmission and distribution network has been undertaken in recent years, with new generators installed in 2022.

**WATER SECURITY:** SEWA operates 10 desalinated water plants, several of which are integrated with power production. The 2021 SEWA figures show the Al Layyah plant as the largest by installed capacity, coming in at 59m gallons per day (gpd), followed by the Hamriyah plant, with 20m gpd. The Rahmaniya plant added 5.5m gpd, while plants at Khorfakkan and Kalba added 5m gpd and 7.2m gpd to total capacity, respectively. Sharjah also had access to desalinated water from the Emirates Water and Electricity Company, with a capacity of 17.5m gpd, and 25m gpd from private water utility UTICO in the Al Hamra Industrial Zone in Ras Al Khaimah. There are smaller desalination plants at Tahel, Mohathab, Nazwa, Seir BuNeir and Abu Mussa.

As with electricity, there have been some notable developments in water in recent years. The Hamriyah seawater reverse osmosis plant, a facility in the Hamriyah Free Zone that became operational in June 2014, is projected to reach an eventual capacity of 120m gpd via reverse osmosis and another 48m gpd via multiple effect distillation. In April 2023 SEWA announced a request for proposal to pre-qualified bidders for a new, independent water plant in Hamriyah with a capacity of 90m gpd, with commissioning expected in the third quarter of 2026.

**RENEWABLES:** A significant development has been Sharjah’s progress in the waste-to-energy (W2E) segment. In 2017 the emirate’s public-private waste company BEEAH Group and Abu Dhabi clean energy company Masdar came together to establish the

Power station installed capacity, 2021 (MW)



Source: SEWA



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Emirates W2E Company, with its inaugural project being a \$200m plant in Sharjah that was commissioned in May 2022. The Sharjah Waste to Energy plant has a capacity of 300,000 tonnes of landfill waste per year, from which it is capable of generating up to 30 MW of electricity, which is enough to power up to 28,000 homes. The plant is the first of its kind in the Middle East, aligning with a number of Sharjah's policy priorities, ranging from environmental protection, to net zero and recycling. At full capacity, the plant is expected to reduce CO<sub>2</sub> emissions by 450,000 tonnes annually.

Sharjah has also been pursuing a major expansion of its solar photovoltaic (PV) capacity. The UAE is particularly well endowed with solar potential, with 350 sunny days per year and 10 hours of sunlight per day. Depending on the location and time of year, that works out to 6.5 kWh of solar energy per square metre per day, or 4-6 kWh of direct solar irradiation per square metre per day throughout the country.

Recent years have seen a gradual build-up in solar installations in Sharjah, from 50 such facilities with a total capacity of 20 MW in 2016, to 200 facilities with a total capacity of 100 MW as of 2020, accounting for 3% of electricity demand on the SEWA grid. In October 2023 SNOG signed an agreement with Emerge, a joint venture (JV) between Masdar and France's EDF Group, to build Sharjah's largest solar PV plant. The facility, which is set to be built under a build-own-operate-transfer agreement and have a capacity of 60 MW, is expected to be operational by the end of 2024. Located at SNOG's Sajaa Gas Complex, the plant will supply the Sharjah-based company with its own needs and dispatch any surplus to SEWA's grid during the day, with SEWA supplying the facility with power at night.

The project is particularly valuable for Sharjah's efforts to meet its climate and green energy goals, and switching to renewable energy sources is expected to significantly reduce emissions and help SNOG move closer towards reaching its 2032 decarbonisation and net-zero targets.

**SUSTAINABILITY:** Another notable initiative is Sharjah Sustainable City. Illustrating how the energy transition can make consumers into producers, the 1250-villa, 7.2m-sq foot development is set to generate much of its own power from rooftop solar panels, as well as treat its wastewater for reuse. Working in collaboration with SEWA, the city's developer is a JV between Dubai-based real estate company Diamond Developers, and the Sharjah Investment and Development Authority. Phase one of the project was completed in 2022, with 280 of the expected 1250 villas built during that period. The remainder are set to be completed over three more phases.

Wind has also been highlighted in the UAE's overall plans for the energy transition as a potential source of energy, with further wind farms projected to be launched following Masdar's initiation of a four-site, 103.5-MW project in October 2023. According to Masdar, the wind farm is anticipated to power more



Solar panels are being used in new developments in Sharjah to generate electricity and treat wastewater

than 23,000 homes and generate an amount of clean energy that is equivalent to removing 26,000 cars from the country's roads. Sharjah made significant progress with wind power between 2016 and 2020, increasing installed capacity from 10 MW spread across five installations in 2016 to 30 MW across 15 installations in 2020, increasing its contribution to grid demand from 0.2% to 1%.

The emirate is a centre for education, training and R&D in the renewable energy segment, with the University of Sharjah, American University of Sharjah, and Sharjah Research Technology and Innovation Park conducting projects in the field. Many smaller renewable energy companies are also based in the emirate, which has productive manufacturing and industry sectors. Among these entities are energy storage solutions provider Soleil Power, solar equipment supplier ELSY Industrial Systems and solar solutions company Kaltech Energy.

**GREEN ECONOMY:** The energy transition is projected to have a significant impact on Sharjah. Emissions reductions and net-zero targets for a country in which non-oil and gas activities account for more than 70% of GDP bring significant focus to other sectors, such as construction, transport, manufacturing, real estate and finance. Agriculture is also an area in which Sharjah is moving ahead with green technologies. Food security is a priority for the emirate, along with energy security, with the two often interlinked. Sharjah Sustainable City, for example, includes hydroponic and aquaponic techniques in its goal of providing fresh food throughout the year to residents. The project also aims to use 100% of wastewater to irrigate green spaces.

The Sharjah Department of Agriculture and Livestock (SDAL), which was established in March 2022, coordinates the emirate's food security, as well as efforts to ensure the efficiency of irrigation and water consumption. One of its first major projects

Recent years saw a build-up in solar installations in Sharjah, from 50 such facilities with a capacity of 20 MW in 2016, to 200 facilities with a capacity of 100 MW in 2020.



The Department of Agriculture and Livestock helps ensure the efficiency of irrigation and water consumption

The new Mleiha wheat farm will utilise artificial intelligence for irrigation, enabling smart monitoring and responses to variations in weather and soil.

was the Mleiha wheat farm, which aims to play a significant role in the emirate's domestic food production. As Sharjah imports 330,000 tonnes of wheat per year, the emirate's government is keen to reduce that dependency, as well as move towards self-sufficiency in grains. Mleiha intends to make a major contribution to that objective via a multi-phase rollout. In phase one, which launched in November 2022, 400 hectares were planted; phase two, which was officially announced in September 2023, is expected to cover 1500 hectares. For the second phase, the SDAL is working with Elite Agro, which is part of the Abu Dhabi-based Emirates Advance Investment Group. The farm will utilise artificial intelligence for its irrigation system, enabling smart monitoring and responses to variations in weather and soil. In addition, in October 2023 the SDAL started the second stage of the Wheat Seeds Distribution Project, which aims to enhance the emirate's food security and self-sufficiency by distributing seeds to local farmers. The SDAL is also undertaking various projects to encourage private and public sector participation in dairy and the production of other animal products.

Efforts to grow the green economy have also focused on financing. Sharjah's Sovereign Sustainable Financing Framework established structures for the issuance of green bonds and sukuk, and the provision of financing for green economy projects in line with international standards. The framework published in February 2023 enabled the issuing of a \$1bn green bond by the emirate that same month.

Sharjah has played an active role in reducing emissions in the construction, industry and transport sectors. As part of the emirate's efforts to make construction projects more environmentally friendly, green buildings are set to occupy a central role in Sharjah Sustainable City and a wide variety of projects located around the emirate, such as

The emirate's Sovereign Sustainable Financing Framework establishes structures for enabling green and Islamic bonds to be issued, and to finance green economy projects that are in line with international standards.

Sharjah Healthcare City, which relies on solar PV as its primary energy source, while smart sensors regulate air conditioning and lighting.

**ENTREPRENEURS:** In the industry sector, Sharjah has been supporting "sustainpreneurship" – new businesses and start-ups that are focused on sustainability. Examples include companies that work in upcycling food waste, use machine learning platforms to understand temperature changes and develop methods for converting petroleum vehicles to electric vehicles (EVs). The adoption of EVs is being supported at the federal and emirate level, as demand for EVs in the country is projected to grow at a compound annual growth rate of 30% from 2022 to 2028. The MoEI has ambitions to roll out a countrywide network of fast charging stations for EVs, with ADNOC Distribution and the Abu Dhabi National Energy Company targeting a total of 70,000 charging points in place by 2030. By 2050 the aim is for 50% of the UAE's car fleet to be EVs, along with 70% of buses. This poses a challenge for infrastructure and grid development across the UAE. In the emirate, the Sharjah Roads and Transport Authority (SRTA) has begun a green transition, with a taxi fleet of more than 750 EVs deployed. In July 2023 the SRTA announced the launch of 10 electric taxis and two electric buses. In addition, Sharjah Sustainable City is planning to install 80 EV charging stations.

SEWA has also been implementing an initiative to supply free electricity and water-saving devices to homes in the emirate. In November 2023 SEWA approved an investment of Dh20m (\$5.4m) to install 30,000 water-saving and 80,000 electricity-conserving tools in around 6000 homes. The authority has also been promoting energy efficiency and conservation through educational programmes conducted online, as well as at schools and universities.

**OUTLOOK:** The next few years are likely to be crucial in the energy transition, as COP28 highlighted many of the challenges that the global energy sector faces and the progress still to be made. For Sharjah, a framework of policies and strategies is in place for the emirate to play its part in addressing these challenges. From emissions reduction to CCS, Sharjah is making efforts to achieve the emirate's and the UAE's targets, and provide a healthier, more sustainable environment for its residents. The years ahead will see the expansion of projects such as Sharjah Sustainable City, along with strategies to boost energy and food security, in addition to new and more efficient systems and technologies in energy generation, transmission and distribution.

The transport, construction and industry sectors have experienced increased pressure to integrate more energy-efficient methods into their practices and projects, while the EV rollout is set to accelerate dramatically in the years up to 2030. At the same time, Sharjah is expected to continue to remain at the centre of the energy transition due to its institutions of higher learning, as research and innovation are key components in the global green transition.





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Sharjah has undertaken efforts to show its commitment to sustainability

# Waste management

Advanced technologies are helping create new renewable energy sources to further support the green transition

Between May 2022 and May 2023 Sharjah reduced its waste sent to landfills by

**25%**

Sharjah is actively contributing to the global energy transition through its advancements in waste-to-energy technology and investment in innovative solutions. These efforts demonstrate the emirate's commitment to creating a sustainable future.

**GREEN POWER:** Sharjah's BEEAH Group has made significant strides in exploring the intersection between waste management and power generation through its waste-to-energy plant. Formed through a joint venture with Abu Dhabi's Masdar, and operated and managed by France's Veolia, the \$200m plant is set to help lower greenhouse gas emissions in the UAE, as about 60% of such gases are attributed to decomposing waste. In its first year after launching in May 2022 the plant processed more than 100,000 tonnes of waste, equivalent to that produced by 180,000 people. Instead of ending up in landfills, this waste was transformed into clean energy, powering up to 2000 homes and reducing the amount of waste Sharjah sent to landfills by 25%, achieving a total landfill diversion rate of 90%. Future plans for the plant include expanding to produce 30 MW of power annually and process 300,000 tonnes of waste per year, leading to a displacement of almost 450,000 tonnes of greenhouse gas emissions annually, as well as the preservation of the equivalent of 45m cu metres of natural gas.

The performance of Sharjah's waste-to-energy plant has led to greater interest in the advancement of other facets of the waste management sector. In December 2022 BEEAH Group signed a memorandum of understanding with Japanese gas conglomerate Air Water and UK waste-to-fuel technology firm Chinook Sciences to establish the UAE's first waste-to-hydrogen power plant. The plant will convert waste wood and plastic into fuel cell grade hydrogen, effectively turning waste materials into a valuable energy source. The planned facility in Sharjah is also set to feature a fuelling station for

vehicles, highlighting the more practical aspects of this sustainable source of energy.

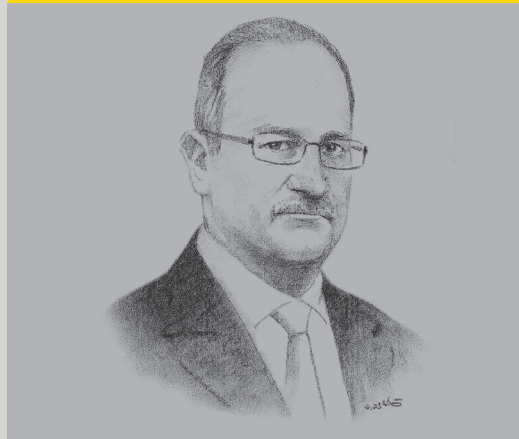
Alongside its waste-to-energy initiatives, the emirate is ramping up its efforts to reduce carbon intensity in electricity generation. In October 2023 a new 1.8-GW gas power plant operated by the Sharjah Electricity, Water and Gas Authority, Sharjah Hamriyah Independent Power and GE subsidiary GE Vernova began commercial operations, providing 40% of Sharjah City's power. In addition, the plant is projected to emit 4m fewer tonnes of CO<sub>2</sub> annually when compared to legacy technologies that generate similar amounts of energy.

**ENTREPRENEURSHIP:** Sharjah Research Technology and Innovation Park (SRTIP), in collaboration with the American University of Sharjah, is a key player in fostering innovation in green energy and associated technologies in the emirate, providing both non-financial and financial support to entrepreneurs in the field. In terms of non-financial support, SRTIP hosts Civil Twin, a Spanish company that produces solar panels. Civil Twin plans to test advanced renewable energy technologies in SRTIP's complex through a pilot photovoltaic factory, which will act as a research and testing centre, as well as a reference point for regional research.

SRTIP's financial support is chiefly seen in the Sharjah Advanced Industry Accelerator programme (SAIA), which provides funding for innovative projects. The SAIA received more than 3500 applications from 40 countries for the 2023 edition of the programme. UAE-based company Rebooz Technology, which presented innovative hydrogen solutions for combustion energy rejuvenation, won the top prize in 2022. Energy technology continued to be a key theme in the 2023 edition of the competition, which offered a prize of \$50,000 and a chance to engage with potential partners during the COP28 UN Conference on Climate Change in the UAE that year.

Sharjah is set to be home to the first waste-to-hydrogen power plant in the UAE, which will convert waste wood and plastic into fuel cell grade hydrogen, effectively turning waste materials into energy.





Hatem Al Mosa

## On target

Hatem Al Mosa, CEO, Sharjah National Oil Corporation (SNOC), on efforts to achieve sustainable aims and the importance of cybersecurity as digitalisation picks up pace

**What opportunities and challenges do you identify for the oil and gas sector in terms of achieving net-zero emissions goals?**

**AL MOSA:** While SNOC is a national oil company, it has set its own net-zero target for operations by 2032. Although this places SNOC ahead of the UAE's 2050 target, our aspirations are fully aligned. There is a need for sustainability to coexist with energy security and affordability. As such, investing in sustainable hydrocarbons while ensuring the local market receives cost-effective and dependable energy is a priority. This holistic approach aims to prevent the kind of instability observed in 2008 when demand outpaced supply, causing a spike in oil prices.

To achieve these targets, we are pursuing two major directions. First, we have signed an agreement with Emerge Company – the joint venture between French multinational EDF and Abu Dhabi-based Masdar – to convert 100% of power to solar at the Sajaa gas complex. The creation of a 60-MW solar power plant marks a significant stride towards the objective of achieving a 50% reduction in carbon emissions from operations. Electricity demand is expected to represent 25-45% of the solar power plant's capacity, with the surplus generating carbon credits. As part of the arrangement, surplus solar power will be supplied to the Sharjah Electricity, Water and Gas Authority (SEWA) during the day. In return, SEWA will provide the electricity required for SNOC's operations at night, ensuring a continuous supply. In addition, a study is under way with engineering contractors to convert gas turbine compressors to electric motors. This move could cut emissions by 50%.

At the same time, carbon storage is a top priority. A depleted reservoir near the Sajaa gas complex has been identified as having vast capacity for storage of captured CO<sub>2</sub>. The area within a 100-km radius of the complex accounts for over 50% of the UAE's emissions, including power plants in Dubai, Sharjah

and the Northern Emirates, as well as ceramics and industrial plants. Carbon capture becomes a critical reality given the substantial emissions in this region. Looking ahead, carbon storage holds the potential to contribute to the production of blue hydrogen.

**In what ways can the oil and gas sector and educational and research institutions collaborate concerning sustainability and innovation?**

**AL MOSA:** Achieving sustainability targets requires widespread awareness and understanding among the general population of concepts like net zero and the urgency of addressing global warming. SNOC's strategic focus centres around educational initiatives, starting with engaging with employees' families to foster an understanding of sustainability and climate change. Efforts extend to lectures and events at local educational institutions and leadership programmes. The aim is to encourage individuals across society to become advocates for sustainability, and for younger generations to become focused on meaningful actions and solutions.

**How are oil firms handling rising cyber-threats in the face of increased digitalisation?**

**AL MOSA:** Digitalisation should be viewed as a tool, not an end goal. Nearly all data at SNOC has been digitised, including engineering and subsurface libraries. While the oil and gas sector has historically focused on physical security, cybersecurity has become as critical as general safety as the digitalisation process accelerates and new threats emerge. We encounter phishing emails seeking information and attacks to critical infrastructure on a daily basis. To counter this, strengthening the internal human firewall is crucial. The importance of cybersecurity cannot be understated, considering the potential losses from phishing or hacking. Companies today can incur significant financial losses if they are unprepared.



Khaled Al Huraimel

# Sustainable path

Khaled Al Huraimel, Group CEO and Vice-Chairman, BEEAH, on opportunities for growth in green finance

**In what ways can waste-to-energy innovations help meet objectives related to long-term energy security and environmental sustainability?**

**AL HURAIMEL:** The region has seen significant advancements in the waste-to-energy segment in recent years, with various opportunities for energy recovery from waste being identified and pursued. These innovations have made a considerable impact in Sharjah, contributing to the UAE's long-term energy security and environmental sustainability objectives.

One notable example is the Sharjah Waste to Energy plant, a first in the region. The facility generates enough electricity to supply tens of thousands of homes. Such infrastructure is part of an integrated approach to waste management, where recoverable waste is maximised and the remainder is used to generate energy, thereby reducing landfill use. This approach has led to high rates of landfill waste diversion, which is a significant achievement in the region.

**How can the sustainability ecosystem capitalise on opportunities in the green economy?**

**AL HURAIMEL:** There are emerging business opportunities in areas such as integrated waste management, waste-to-energy, green mobility and green architecture. Sharjah, with its focus on sustainability, is well positioned to capitalise on these opportunities. Advancing green mobility is essential for achieving net-zero emissions. This includes the development of electric vehicle (EV) charging networks, hydrogen fuelling stations and the introduction of more zero-emissions vehicles. There is a trend in the region towards the development of infrastructure to support this shift through cross-sector collaboration. For example, our firm recently began collaborating with companies to repurpose end-of-life vehicles into EVs and test hydrogen-fuelled vehicles.

Sustainable and smart infrastructure is another critical area of focus. The region has seen the development of iconic structures that integrate smart technology,

including our headquarters, a LEED Platinum-certified building with an on-site solar farm. These innovative buildings not only enhance the workplace but also showcase the potential for net-zero communities.

The UAE, and Sharjah in particular, has established itself as a favourable environment for doing business, especially in sectors aligned with sustainability and green development. The leadership in Sharjah is committed to being a leader in sustainability, diversifying its economy and leveraging its development goals to create a wide array of business opportunities across various sectors in the green economy.

**What more can be done to encourage entrepreneurs and skilled graduates to seek opportunities in the sustainable economy?**

**AL HURAIMEL:** Various sustainability education initiatives in Sharjah and throughout the country are engaging a wide audience. At BEEAH, we are emphasising the importance of every action towards sustainability. Community engagement initiatives encourage individuals to participate in waste segregation at the source and foster learning about the importance of sustainability, shaping them into future sustainability ambassadors or professionals in the sector.

Sharjah has launched programmes to recognise and reward innovative efforts in sustainability. These include awards for start-ups, students and organisations making significant contributions to a sustainable future to encourage entrepreneurship and attract skilled graduates to the green economy.

Programmes designed for younger students provide a foundation in green principles, and prepare them for future careers or studies in this field. Greater collaboration, especially between the public and private sectors, will further enhance these educational initiatives. This approach is crucial in unifying efforts to educate the youth, encourage entrepreneurial innovation in sustainability and drive progress towards sustainability targets.





Hydrogen is a cleaner fuel that can be generated from hydrocarbons

# Decarbonisation solutions

## The Gulf looks to carbon capture and hydrogen to drive the transition to clean energy production and net-zero emissions

As hydrocarbons producers reap sustained revenue from high global prices, national oil companies (NOCs) in the Gulf are accelerating investment in carbon capture, utilisation and storage (CCUS); hydrogen; and cleaner sources of energy to make their activities less carbon-intensive and support the energy transition.

Gulf NOCs' low-cost production advantages and massive hydrocarbons resources mean that CCUS can reduce emissions for the coming decades as the world continues to rely on oil and gas amid the energy transition. Moreover, with the cheapest solar energy in the world, an abundance of wind energy and ample land on which to build green energy generation projects, Gulf NOCs could establish an early-mover advantage in green hydrogen production and export, potentially bringing in \$200bn in revenue by 2050, according to a report published in June 2021 by consultancy Roland Berger and Dii Desert Energy, a public-private network focused on the energy transition.

**CARBON CAPTURE:** CCUS allows hydrocarbons companies to remove carbon from production processes, which can either be stored, redeployed in enhanced oil recovery techniques or transformed into other consumer goods. The segment is gaining momentum as user end-markets demand cleaner energy sources and carbon-trading markets. As of March 2023 there were 569 CCUS projects in various stages of development around the world, with 47 operational and 364 due to be running by 2030. However, these initiatives fall short of affecting global climate goals. A July 2023 analysis by the International Energy Agency found that 1.2bn tonnes per annum (tpa) of CCUS capacity is needed by 2030 to reach net-zero emissions goals by 2050.

Since many of these ventures are being undertaken by Gulf NOCs, they present a test case for the global uptake of CCUS technology. According to Mitsubishi Heavy Industries, which is involved in numerous power generation projects in the region, the Middle East could generate 50m tpa by 2030 – forecasts for the global

total in 2030 vary from 80m to 89m tpa. According to the Global CCS Institute, Qatar, the UAE and Saudi Arabia captured 3.7m tpa of carbon in 2022, or 10% of the global total, and the think tank estimated that the GCC could reach 60m tpa by 2035.

In a boost to the uptake of CCUS, in September 2021 Saudi Arabia launched a platform for MENA nations to trade carbon offsets and credits. These ambitions aside, there is concern from international stakeholders about the overreliance on CCUS to meet its net-zero plans due to the need for major technological advancements in this area and because CCUS potentially provides cover for the continued production of oil rather than encouraging the shift to clean energy sources.

**HYDROGEN:** Gulf NOCs are also investing in hydrogen, a cleaner fuel and energy source that can be generated from hydrocarbons or green energy resources and used locally or exported. Like CCUS, hydrogen has gained significant momentum in recent years. Saudi Arabia already has functioning hydrogen projects as well as ambitious plans for expansion. In March 2022 it started construction on the \$5bn wind- and solar-powered hydrogen plant at its NEOM mega-project, which will be the largest hydrogen plant in the world upon completion, producing 650 tonnes per day. In October 2021 Saudi Arabia announced its aim to become the world's largest hydrogen producer and is targeting 2.9m tpa by 2030 and 4m tpa by 2035. Other Gulf countries, such as the UAE, Kuwait and Oman, are developing national hydrogen strategies, though Qatar does not plan to produce hydrogen itself, as its gas will be used to power electrolyzers abroad. In May 2022 Abu Dhabi National Oil Company (ADNOC) announced a new energy partnership with UK oil and gas major BP to develop hydrogen facilities in both the UAE and the UK. ADNOC is set to acquire a stake in BP's H2Teesside hydrogen project, while the former will invest in ADNOC's green hydrogen plant at Abu Dhabi's Masdar. ADNOC is also looking at developing a green hydrogen supply chain with Japan.

Gulf oil companies could establish an early-mover advantage in the export and production of green hydrogen, potentially bringing in \$200bn in revenue by 2050.

As of March 2023 there were 569 carbon capture, utilisation and storage projects in various stages of development globally, with 47 operational and 364 due to be running by 2030.

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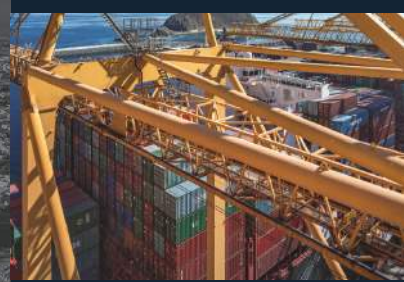
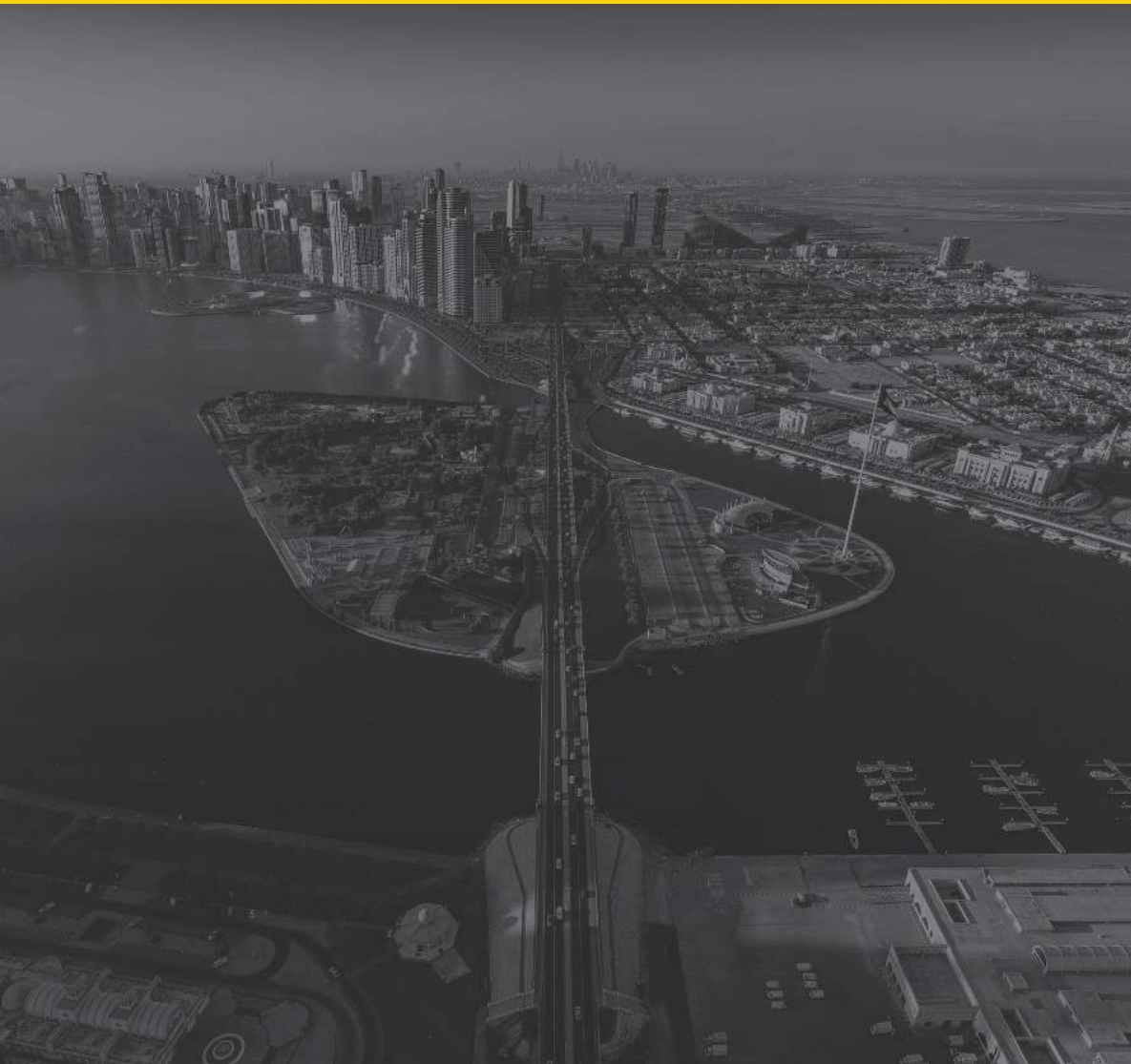
# Industry

Incentives strengthen the appeal of free zones

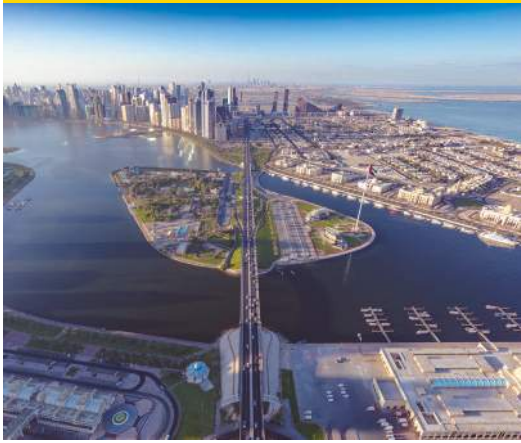
Efforts under way to boost entrepreneurship

Shift towards sustainability amid net-zero goals

Industrialist Programme supports national talent







New regulations seek to align with the UAE's net-zero emissions goals

# Eye on innovation

## Focus on modernisation, investment and advanced technologies positions Sharjah as a key player in diversification efforts

The sector's players seek to align with the UAE's target of net-zero carbon emissions by 2050, ensuring growth is environmentally and socially sustainable.

With Sharjah's economy dominated by non-oil and gas activities, the industry sector is a major part of the business fabric in the UAE's third-largest emirate. While small and medium-sized enterprises (SMEs) make up the lion's share of Sharjah's industrial employers, larger enterprises are also present, with Sharjah offering considerable incentives to manufacturers and other industrial outfits that are located within its borders.

In cooperation and coordination with the UAE federal authorities, the emirate is rolling out ambitious plans to attract more investment in industry. Regulation is also being strengthened, as the sector's players seek to align their operations with the country's target of net-zero carbon emissions by 2050, and ensure growth is environmentally and socially sustainable.

**STRUCTURE & OVERSIGHT:** As one of the UAE's seven emirates, Sharjah is subject to both federal laws and regulations, and its own legal and administrative rules. The Ministry of Industry and Advanced Technology (MIAT), established in July 2020, is a key institution at the federal level. It unites the previous Ministry of Advanced Technology, the Emirates Authority for Standardisation and Metrology, and the industrial sector team from the federal Ministry of Energy and Infrastructure. The MIAT is tasked with developing the UAE's industry sector across the emirates. It has various units under its umbrella, including the Ministry of State for Public Education and Advanced Technology. The entity comprises departments for advanced science and technology, along with dedicated teams promoting the adoption of new breakthroughs by the private and public sectors.

In addition, the MIAT has an industrial growth arm, comprising the Department for Industrial Policies and Legislation and the Department of National Added Value. There is also an industrial accelerators arm, whose investment office aims to bring fresh investment into the sector. In conformity services, meanwhile, the ministry prepares and updates legislation, manuals and specifications of the metrology assessment system, as

well as monitors and implements sectoral standards. These standards are issued by the standards and legislation body of the ministry, which works through a number of technical committees and specialised working groups. This group also oversees the UAE's conformity with World Trade Organisation (WTO) standards, submitting new benchmarks to the WTO for evaluation.

The federal Ministry of Economy (MoE) works to develop the UAE's non-oil sector. The MoE's objective is to increase the contribution and size of the country's SMEs, as well as boost foreign direct investment (FDI) in future-oriented sectors such as ICT. The MoE is also tasked with developing the UAE's position in the global entrepreneurship and innovation rankings.

The Ministry of Human Resources and Emiratisation (MoHRE) sets many federal labour regulations, including the Emiratisation policy, which requires each industry employ a set percentage of UAE nationals, both overall and within specific employment grades. In this regard, in March 2023 the MoHRE and MIAT, along with the Emirati Talent Competitiveness Council, launched the Industrialist Programme to support the industry sector in recruiting more UAE national talent. As of January 2023 the Emiratisation rate for companies outside free zones with more than 50 workers was 2% of their in-country workforce. This rate is set to increase by 2% annually from 2023 to 2026, when 10% of the workforce must be Emirati under the current plans. Starting in 2024 companies in the manufacturing sector and have 20-50 workers will be required to hire at least one UAE citizen, increasing to two citizens from 2025.

**LOCAL LANDSCAPE:** While the MoE and the MIAT set overall policy and objectives for the country, within the emirate the Sharjah Economic Development Department (SEDD) is the key body for the sector. This government entity contains agencies covering areas such as economic planning and studies, industrial and commercial affairs, consumer control and protection. SEDD collaborates with federal agencies and institutions to

As of 2024 companies that conduct business in the manufacturing sector and have 20-50 workers will be required to hire at least one UAE citizen, increasing to two citizens from 2025.

implement nationwide policies in the industrial area and to raise local business awareness of the most recent developments in UAE regulations.

SEDD has a number of affiliated agencies working with the sector, including the Sharjah Foundation to Support Pioneering Entrepreneurs, known as RUWAD. RUWAD encourages local business start-ups, and SMEs in particular, offering grants and incentives for projects across the economy. These incentives are organised via programmes like the Itqan initiative to commercialise university projects, the Business Stars Programme to encourage entrepreneurship in schools, and a mini-masters and diploma in industrial entrepreneurship – the first such programme in the Arab world.

RUWAD helps businesses obtain licences in areas it wishes to develop. Examples include Middle East Precision Equipment IND, which manufactures high-precision computer numerical control systems; Hawa Industrial, which manufactures kitchens, wardrobes, counters, and TV units; and Al Bayader International, which manufactures food packaging solutions. All are members of RUWAD and have benefitted from its support. Further agencies include the Sharjah Entrepreneurship Centre, known as Sheraa, which provides support for start-ups and innovators; the Sharjah Investment and Development Authority, or Shurooq, which supports a range of projects in the emirate; and the Sharjah FDI office, Invest in Sharjah, which, along with the Sharjah Investors Services Centre, or SAEED, provides assistance to investors looking to grow their business in the emirate.

**SUPPORT:** Private and public sectors are brought together by the Sharjah Chamber of Commerce and Industry (SCCI), a body with numerous sector-specific business groups like the Industries Sector Business Group, and the Foodstuff Trade and Industry Sector Business Group. Business councils under the SCCI umbrella include one for businesses and professionals from India, and one for Chinese investment and promotion. Indeed, Sharjah hosts 1225 Chinese companies, with 245 based in the emirate's free zones.

The SCCI supports the Sharjah Exports Development Centre, designed to promote and assist locally based firms with GCC and international export marketing and financial capacity building. The latter can include assistance with financing access from UAE banks. These lenders include Emirates Development Bank, which has recently focused on SME support, lending some Dh1.8bn (\$489.9m) to SMEs in 2022 alone – up 387% from 2021. Promotion and trade for industries is also the business of Expo Centre Sharjah, the emirate's major exhibitions and networking facility.

Other agencies that are important for manufacturers and industrialists include the urban planning, road and transport departments; local municipal authorities; and the Environment and Protected Areas Authority, which works in cooperation with the UAE's Ministry of Climate Change and Environment.

**IN THE ZONE:** There are several free zone authorities, and Sharjah prides itself on the variety of these duty-free areas in the emirate. The zones have proven popular with industry players, and include the Sharjah



Sharjah Advanced Industry Accelerator's 2023 round attracted over 3500 applications from 40 countries

Airport International Free Zone (SAIF Zone); the Hamriyah Free Zone; Sharjah Media City, known as Shams; University City; Publishing City, or SPC, the Sharjah Research Technology and Innovation Park (SRTIP); and Sharjah Healthcare City. Each zone has its own authority, along with the governmental Sharjah Ports, Customs and Free Zones Authority. Free zones offer benefits to firms that set up businesses at the complexes, including the possibility of 100% foreign ownership, complete exemption from corporate and personal income taxes, 100% exemption of duties on imports and exports, and a one-stop shop for licensing and registering.

Changes to the federal commercial companies law in 2020 and 2021 allow 100% foreign ownership of some companies outside the free zones. The companies must be engaged in certain non-proscribed activities to benefit from this change. A list of proscribed activities – including most financial services, for example – is maintained by the SEDD and the federal authorities.

The majority of Sharjah's 33 free zones are in the Sharjah City municipal area, where most of the emirate's inhabitants live. The area includes Sharjah International Airport; Sharjah's main maritime gateway, Port Khalid; and its main industrial area, mostly located on either side of the Maliha Road. Some 18 sub-zones are located in this area, with other industrial neighbourhoods stretching along the Dubai-Sharjah border and in the Muwailih neighbourhood, east of the E311 motorway.

The port and airport serve the emirate's Central Region, which has a total of five industrial areas. The airport and port are easily accessed from the Arabian Sea coastal regions of Khorfakkan, Kalba and Dibba Al Hisn. Khorfakkan has two industrial areas – Zubarah and Al Haray – along with the Port of Khorfakkan, one of the world's top-10 most productive ports. Kalba, meanwhile, has two industrial areas and Dibba Al Hisn has the Al Raq Industrial Area.

From an industrial standpoint, the SAIF Zone and Hamriyah are the most popular free zones. Al Saja'a

Changes to the federal commercial companies law in 2020 and 2021 allow 100% foreign ownership of some companies outside the country's free zones.





In 2022, 263 licences were issued to industry players nationwide

In 2022 industry's contribution to GDP was

**\$51.2bn**

Industrial Oasis, also known as Emirates Industrial City, a project by the emirate's investment arm Sharjah Asset Management, is now a destination site for the sector. It has 353 plots for industrial businesses. SRTIP is also a leading area for high-tech and innovative industries, with the park's Sharjah Advanced Industry Accelerator (SAIA) programme in its fourth year in 2023. The programme offers \$50,000 to selected start-ups, along with advisory services from established businesses and access to the park's advanced manufacturing facility for fast prototyping. The SAIA's 2023 round of applications attracted over 3500 applications from 40 countries.

Meanwhile, the authorities are channelling industry sub-sectors to municipalities where facilities are most appropriate. Hamriyah is the focus for petrochemical, petroleum and natural gas industries, while Sharjah City has a re-export and private sector free zone theme. On the Arabian Sea coast, Khorfakkan and Kalba have a focus on the re-export of aggregate industries, while Al

Dhaid, Al Batayeh, Mleiha and Dibba Al Hisn are centres for food and agricultural industries.

**PLANS & PROGRAMMES:** At the federal level, the UAE follows the UAE Centennial 2071 plan's long-term vision. It sets out four pillars on which the country's other development programmes rest: a future-focused government; excellent education; a diversified knowledge economy; and a happy and cohesive society.

A variety of strategies and plans have been developed for the medium and short term. Operation 300bn, launched in 2021, aims to boost the sector's contribution to the UAE's GDP from Dh133bn (\$36.2bn) to Dh300bn (\$81.7bn) by 2031. The plan has five elements: to develop the country's industry sector; increase its in-country value (ICV); establish the UAE as a global centre for future industries; build the reputation of the UAE's industrial products through export promotion; and create quality job opportunities in the sector.

From those goals, 17 initiatives have been established, ranging from developing the Made in the Emirates brand to advancing digital transformation, and from catalysing Fourth Industrial Revolution adoption to establishing an integrated research and development ecosystem. In addition, the initiatives target increased productivity, job creation and economic contribution from the industrial sector. Several industries are targeted for support under the programme: pharmaceuticals, electrical equipment and electronics; rubber and plastics; medical and space technology; and machinery.

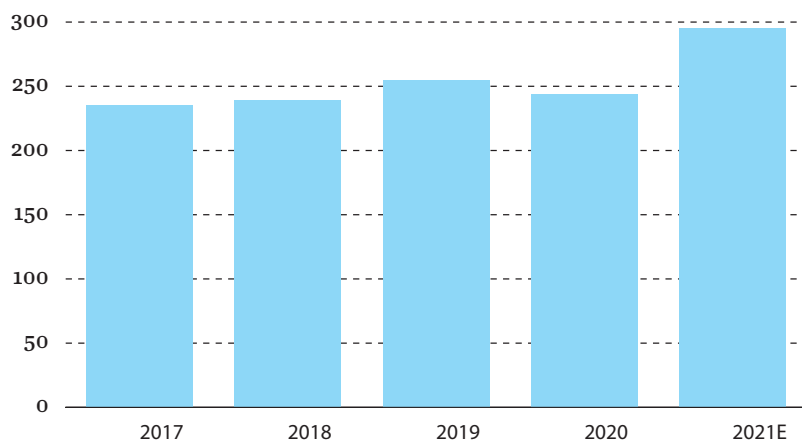
**RESULTS:** Operation 300bn has seen notable successes. In 2022 the MIAT issued 263 industrial licences nationwide, up 20% from 2021. The ICV programme saw Dh53bn (\$14.4bn) redirected into the UAE economy, up 25% from the previous year. According to the UN Industrial Development Organisation, the sector's 2022 contribution to GDP stood at Dh188bn (\$51.2bn).

In February 2023 the MIAT announced that according to the Make it in the Emirates campaign – part of Operation 300bn – some 300 new products could be manufactured within the UAE over the following decade if Dh110bn (\$29.9bn) was invested across 11 segments. By February 2023 industrial companies had signed some 19 letters of intent to invest around Dh3.1bn (\$843.8m) in new, locally manufactured products.

The Entrepreneurial Nation 2.0 initiative is another UAE-wide programme relevant to many Sharjah-based industries. The initiative, launched by the federal government in November 2022, has a target of developing more than 8000 SMEs and start-ups by 2030. It follows Entrepreneurial Nation 1.0, established in 2021, which saw contributions of approximately Dh20m (\$5.4m) from the private sector, funding 10 new programmes for SME and start-up support.

In Sharjah, the SEDD is implementing its 2022-24 strategic plan. Aligned with federal plans, it aims to develop a more competitive, diversified and sustainable economy that is welcoming to national and international businesses. Sharjah plans to do so in part by boosting its high-tech and advanced industries, using robotics, artificial intelligence and 3D printing to enhance its specialist and precision engineering sub-sectors.

#### Gross-fixed capital formation, 2017-21E, (Dh bn)



Source: DSCD

Within this framework, the Sharjah Industrial Guide, a unified electronic platform for industrial companies that includes licensing procedures and services, was launched. In addition, the emirate now offers small-space industrial lands for SMEs and incentives for industry sector players, such as up to 50% discounts on fees for issuing industrial licences. The SEDD also has its own localisation campaign, Made in Sharjah with Pride, to promote local companies' products.

**PERFORMANCE:** The latest developments build on a long tradition of support for industry. Indeed, the UAE's first industrial estates in the 1970s were located in the emirate. As of late 2023 Sharjah had 33 industrial zones, including Hamriyah and the Al Saja'a Industrial Oasis. According to Invest in Sharjah, the emirate is responsible for one-third of the UAE's manufacturing output, although it accounts for 19.1% of the UAE's population. Demonstrating industry's importance to the emirate, over 150,000 of Sharjah's 1.8m total populace work in the Al Saja'a Industrial Oasis alone.

According to the SEDD, the manufacturing sector contributed an annual average of 16% to the emirate's GDP between 2001 and 2022, amounting to Dh22bn (\$6bn) in 2021 and Dh22.9bn (\$6.2bn) in 2022. At the same time, the industry sector represents some 25% of total exports by volume, reaching Dh54bn (\$14.7bn) in 2021, the most recent year for which data is available. This makes industry the emirate's largest exporting sector. Industrial production in 2021 was Dh60.3bn (\$16.4bn), demonstrating the importance of exports to the sector. Industrial production grew at 6.2% and 5.1% in 2020 and 2021, respectively.

According to the SEDD, in 2022 the top-three industrial segments were the manufacture of shaped metal products, accounting for 26.5% of sector activity; the manufacture of non-metallic products, with 10.4%; and other manufactured products, with 8.1%.

**INVESTMENT:** The year 2021 saw capital investment in industry grow by 21% to Dh3bn (\$816.6m), with the share of investment in total fixed capital formation reaching about 7%. Provisional data from the Sharjah

Department of Statistics and Community Development show that in 2021 manufacturing contributed Dh22.2bn (\$6bn) to the emirate's Dh130.5bn (\$35.5bn) total GDP, or around 17%. This was up approximately 4.5% on the D21.2bn (\$5.8bn) contribution recorded in 2020 when manufacturing accounted for a similar 17% of total GDP. In both years manufacturing was the second-largest sector in the economy in terms of its overall contribution to GDP; after wholesale and retail, repair of motor vehicles, and motorcycles. The latter sector depends to a significant extent on the local manufacturing sector for the supply of metallic and non-metallic products, as do other established major contributors to the economy, such as real estate, construction, transport and storage, and mining and quarrying.

In 2022 Sharjah began implementing a four-day work week for public sector employees. According to government surveys, it has led to an 88% increase in productivity and a 46% decrease in sick leave. Because of such efforts, the emirate may be poised to become a global leader in addressing work-life balance.

**OUTLOOK:** As the UAE's leading manufacturing and light industrial zone, Sharjah will continue to play a key role in the country's diversification strategies for years to come. It will also benefit both from its own focus on innovation, investment and advanced technologies, and the federal government's suite of industrial investment-boosting programmes.

Furthermore, Sharjah possesses a comprehensive supply chain of human resources, boasting high-level universities and research labs alongside a wealth of experienced entrepreneurs, SME leaders and larger businesses. At the same time, while uncertainty in the global economy remains and the impact of climate change grows, it will be important for Sharjah to remain nimble in its response to international economic trends. Nevertheless, Sharjah possesses a depth of talent when it comes to responding to and planning for changes. After all, the emirate was the UAE's first destination for manufacturing and industry — a pedigree that gives it a distinct edge for future growth and development.

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Badr Jafar

# Crucial changes

Badr Jafar, CEO, Crescent Enterprises, on fostering investment in green technology and responsible business practices

**What initiatives are positioning Sharjah as a leader in manufacturing, logistics and green technology?**

**JAFAR:** Sharjah's industrial infrastructure serves as a solid foundation for manufacturing, logistics and green technology. This is complemented by the emirate's commitment to nurturing a knowledgeable and skilled workforce, which is essential to driving innovation and sustaining growth in these areas. Furthermore, academic institutions like the American University of Sharjah and the University of Sharjah are a pivotal element in enabling a culture of innovation and entrepreneurship. These educational centres support the development of innovative solutions, particularly in sustainability and technology. The synergy between academia and industry fosters research and development, leading to advancements in key strategic sectors.

Additionally, public-private partnerships in Sharjah have facilitated infrastructure improvements, particularly in port facilities, which are essential for manufacturing and logistics. These collaborations have helped mobilise resources, mitigate risks and enhance efficiencies in large-scale projects. Sharjah's investment in free trade zones has also attracted investors by offering favourable business conditions, such as tax exemptions, quality facilities and streamlined procedures.

**How can businesses and investors contribute to adopting sustainable and green technologies?**

**JAFAR:** Businesses and investors in Sharjah actively spearhead innovative initiatives that align with environmental sustainability. This includes investing in renewable energy projects, supporting sustainable agricultural practices and developing green manufacturing processes. Such actions set a precedent for corporate responsibility in environmental stewardship.

The need to strengthen green infrastructure is evident in areas like renewable energy production, sustainable transportation and eco-friendly construction. Collaboration between the public and private sectors

is key, with government policies incentivising green investment and private entities enhancing innovation.

The COP28 UN Conference on Climate Change, held in the UAE in late 2023, is important in this context. As a global summit, the inaugural COP28 Business & Philanthropy Climate Forum provided a unique opportunity for Sharjah's businesses and investors to engage with their international counterparts. The platform facilitated knowledge transfer, introduced new green technologies and provided access to global best practices.

**In what ways can socially responsible business practices and philanthropy influence investment?**

**JAFAR:** When businesses adopt environmental, social and governance (ESG) practices, they gain access to a broader range of investment opportunities, especially as investors become increasingly conscious of their societal and environmental impact. This reflects a growing recognition that financial returns are not the sole metric of business success; social value and environmental impact are also important.

The adoption of ESG practices represents both a moral imperative and a strategic business decision. Companies that align with these practices will experience enhanced brand reputation, increased customer loyalty and improved employee engagement. This alignment appeals to socially conscious consumers and attracts talent who want to work for firms that reflect their values. The perceived conflict between ESG priorities, philanthropy and profit-maximising responsibilities is diminishing as long-term value creation aligns financial returns with social and environmental imperatives.

Philanthropy is complementary to socially responsible business practices, and plays an important role in shaping investment opportunities. Strategic philanthropy involves investing in initiatives that yield social and environmental dividends and support the development of innovative solutions to societal problems, which, in turn, can open new markets and investment opportunities.

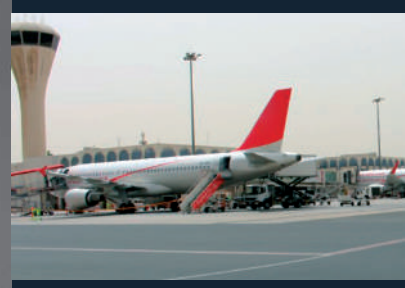
# Transport

Greater public spending to facilitate sector growth

Efforts under way to boost number of electric vehicles

Airport expansion to increase passenger capacity

Using new technologies to reduce traffic and emissions







Sharjah is the only emirate bordering the Gulf and the Gulf of Oman

## Making space

Infrastructure development and service expansion are helping meet increased demand as the emirate continues to grow

The Sharjah Roads and Transport Authority has invested heavily in rolling out sustainable public transport and ride-hailing networks in recent years.

Sharjah is the only emirate of the seven in the UAE that borders both the Gulf and the Gulf of Oman – as well as all six other emirates – making it strategically important for transport and trade. It is home to the country's first international airport, as well as three major ports. The Sharjah Roads and Transport Authority (SRTA) has invested heavily in rolling out sustainable public transport and ride-hailing networks in recent years, in line with broader national targets for sustainable development. The proposed development of the innovative SkyWay hanging railway system in the Sharjah Research Technology and Innovation Park (SRTIP) could provide a blueprint for smart transport networks across the other emirates.

**STRUCTURE & OVERSIGHT:** The transport sector in Sharjah is managed by several government agencies that oversee the operation of its roads, ports, rail network and airport. The SRTA, the primary entity managing the sector, is responsible for creating short- and long-term strategic plans to develop the transport system, as well as for establishing policies, and determining standards and regulations.

The Department of Civil Aviation (DCA) is the local regulatory authority overseeing the development of Sharjah's aviation industry. Its responsibilities include granting landing permission, and issuing air freight licences, free zone licences for aviation-related activities and no-objection certificates. In November 2022 the DCA and Dubai Air Navigation Services, which provides air navigation services and air traffic control for Dubai and the northern emirates, signed a memorandum of understanding (MoU) to share information and data with one another. The MoU aims to improve operational efficiency as passenger numbers rise to pre-Covid-19 pandemic levels, as well as enhance the safety and efficiency of air travel. The Sharjah Seaports, Customs and Free Zones Authority (SSCFZA) oversees the emirate's maritime industry, which comprises seaports, Customs and border crossings, as well

as the Hamriyah Free Zone and its port and the Sharjah Airport International Free Zone.

The Federal Transport Authority (FTA) manages motorways at the national level, and the entity regulates certain aspects of the maritime sector. The authority develops policies, laws and regulations for land and sea transport, and ensures compliance with international standards through coordination with the local authorities. The FTA also manages access points to other countries from Sharjah and the UAE.

**POLICY & STRATEGY:** We the UAE 2031, a decade-long national plan to support the country's development, was introduced in November 2022. Under this strategy, the government hopes to position the UAE as a global partner, and an attractive and influential economic centre. The overarching aim of the plan is to link people, goods and services by developing an advanced physical and digital infrastructure.

Sharjah has established various policies in support of We the UAE 2031, particularly through the development of sustainable and innovative transport options, such as electric buses, electric car charging stations and the SkyWay hanging railway system. The SRTA is also carrying out a wide range of road projects to enhance connectivity between Sharjah and other emirates, such as an expansion of the Sharjah Ring Road linking with Sheikh Mohammed Bin Zayed Road that runs from Abu Dhabi to Ras Al Khaimah. These efforts focus on ensuring the safety and sustainability of roads to reduce the amount of traffic in the emirate.

**BUDGET & EXPENDITURE:** In October 2022 the UAE government approved a general budget for 2023-26, with an estimated total expenditure of more than Dh252bn (\$68.6bn). For 2023 and 2024 the UAE government approved total spending of nearly Dh63.1bn (17.2bn) and Dh64.1bn (\$17.4bn), respectively, with approximately 4% of both to be allocated to infrastructure and economic resources. In Sharjah, public spending is set to be spread across several projects,

Public spending is set to be spread across several projects, including new roads, the expansion of its airport, port modernisation and the SkyWay hanging railway system.

including new roads, the expansion of its airport, port modernisation and the SkyWay project.

**SKYWAY:** As part of efforts to develop innovative transport options for both passengers and goods, in October 2019 Sharjah began trials on the SkyWay system, a hanging railway that moves passengers in pods along a suspended line. The system has been undergoing trial phases at the uSky Test & Certification Centre located at the SRTIP. The SkyWay system consists of high-speed electric sky pods, known as uCars, which can transport passengers at speeds of between 150 km and 500 km per hour. In addition, the emirate intends to shift away from traditional fossil fuel-powered trucks by using the customised pods to deliver freight. This in turn is expected to reduce the burden on Sharjah's road networks.

In March 2023 uSky presented four potential route options for development in the emirate. The first is a 38-km ring connecting the Aljada mixed-use community in the Al Zahia district of New Sharjah, the airport, the Sharjah Mosque and the University of Sharjah, with an estimated time of 30 minutes to complete the route. The second is a 45-km route connecting Aljada and Sharjah Safari via the airport and Al Rahmaniya that could be extended by an additional 9 km to reach the coast. The third option is the longest and most complex, connecting the two seacoasts of Sharjah through the mountains along a 106-km line between Tilal City and Kalba, a route that could be extended by another 26 km to reach Sharjah Bus Station. The fourth option is a 45-km passenger and freight route running from Hamriyah Port through the Hamriyah Free Zone and Emirates Industrial City and further to the Sharjah Inland Container Facility.

The development of SkyWay reflects an ambition to create sustainable public transport and reduce traffic. However, while the costs of operating the SkyWay are expected to be relatively low, building the track is set to be an expensive undertaking, costing up to \$15m per km. Nevertheless, it offers a greener alternative to the thousands of heavy goods vehicles and passenger cars, and it could set an example for other emirates.

**PUBLIC TRANSPORT:** Due to the absence of a metro system, Sharjah relies heavily on its fleet of buses. An estimated 38m passengers used public transport services in Sharjah in 2022, which include inter-city buses, taxis and airport vehicles. The form of transport with the biggest proportion of passengers was taxis, which transported around 29m people.

In April 2023 the SRTA launched a free internet service on inter-city buses and in bus stations, and in July 2023 the SRTA added two electric buses to its fleet, in line with the emirate's aim to develop a fully hybrid bus and taxi fleet. Sharjah's inter-city buses operate numerous daily trips along 15 routes, mainly managed by the SRTA's Mowasalat Buses. Customers can use Sayer or Mowasalat cards to pay for rides.

As the third-most populous of the UAE's seven emirates, with a population of 1.8m registered in late 2023, Sharjah tends to experience high volumes of traffic during rush hour, as many people commute



Several global ride-hailing companies have entered the market, while a local option was launched in 2020

between cities and neighbouring emirates. In addition to buses, the Sharjah government is investing in the development of a range of alternative transport options, including ride-hailing services with electric taxis and the SkyWay project to improve mobility. Also offering a way around traffic, in July 2023 UAE-based start-up Sulmi released the first e-motorcycle designed and manufactured in STRIP.

**TAXIS:** The UAE's National Electric Vehicles (EVs) Policy aims to foster collaboration with federal and local partners, as well as the private sector, to install a network of EV chargers across the country. The government aims to reduce energy consumption in the transport sector by 20%, a goal supported by the target of having EVs comprise 50% of total vehicles on UAE roads by 2050. The UAE declared 2023 the Year of Sustainability, and the government hopes the emergence of sustainable cities, such as Sharjah Sustainable City, promote mindful and responsible living. The UAE also hosted the COP28 UN Conference on Climate Change in November-December 2023.

The SRTA aims to switch its extensive taxi fleet to hybrid vehicles and EVs. In August 2022 Sharjah Taxi – a part of Osool Transport Solutions, which itself is a subsidiary of Sharjah Asset Management, the emirate's investment arm – launched a smart taxi pilot project that uses artificial intelligence to boost safety and efficiency. The vehicles feature sensors, cameras, a mobile data unit and other devices connected to an integrated system. In the first half of 2023 Sharjah Taxi transported more than 2.7m passengers, or 15,000 people a day. In June 2023 the company began testing EVs at Sharjah International Airport produced by Chinese EV manufacturer Skywell.

Several international ride-hailing companies have also entered the market, including Uber in August 2020 and Careem in January 2021. The SRTA's own application, Sharjah RTA, offers users the option to book taxis, as well as check bus schedules and file complaints. In

SkyWay reflects Sharjah's aim to develop sustainable public transport and reduce traffic, offering a greener alternative to heavy goods and passenger services.

In 2022 public transport services carried

**38m**  
passengers





More than 40 airlines operate flights to and from the emirate's airport

Aircraft movement in Sharjah was up nearly 52% from 57,700 in 2021 to 87,500 in 2022, and the international airport handled more than 170,000 tonnes of freight in 2022, up 21% from 2021.

September 2020 Buraq, a partnership between Sharjah Asset Management and OWS Automotive, launched a ride-hailing service. The pandemic supported the rise in ride-hailing, as more people began to use courier services when movement was restricted.

**ROADS & BRIDGES:** The SRTA has been working on improving Sharjah's road network in recent years to accommodate the emirate's accelerated growth. In May 2023 the authority completed a project on Sheikh Zayed Road to ease congestion and cut commuting times. In December 2022 the SRTA also finished paving internal roads in the Al Quoz suburb of Sharjah as part of efforts to improve road conditions.

In July 2023 a \$102m project to alleviate traffic between Sharjah and Dubai was announced, the goal of which is to reduce the commute between the two emirates from 20 minutes to 12 minutes. The money for the Garn Al Sabkha Street Sheikh Mohammed Bin Zayed Road Intersection Improvement Project will

cover the construction of four bridges that will span 3 km and be capable of carrying 17,600 vehicles per hour. The project is part of a larger effort to improve the Garn Al Sabkha Street that connects the Sheikh Zayed and Sheikh Mohammed bin Zayed Roads.

**RAIL:** The UAE Railway Programme was launched as part of Projects of the 50, a series of developmental and economic initiatives oriented around accelerating the country's development and enhancing competitiveness in all business sectors. Under the initiative, the federal government allocated Dh50bn (13.6bn) for the development of a railway network across all seven emirates to facilitate movement and enhance trade links. Through the development of the railway, the government aims to develop Dh200bn (\$54.4bn) in economic opportunities, create 9000 jobs by 2030 and reduce carbon emissions by between 70% and 80% over the next 50 years.

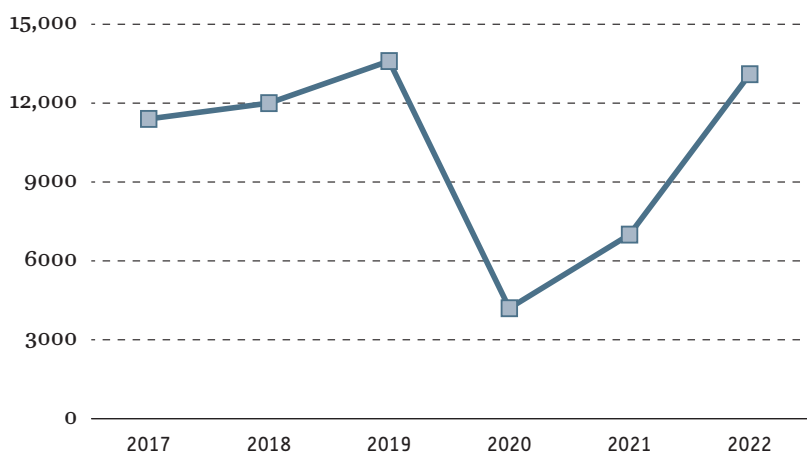
In February 2023 the UAE announced the completion of the National Rail Network, which links the seven emirates via Abu Dhabi, the Khalifa Industrial Zone, Khalifa Port, Jebel Ali Port, Dubai, Sharjah's Sharjah International Airport and Khorfakkan Port, Ras Al Khaimah and Fujairah. In May 2023 Etihad Rail, the national railway company, as part of its efforts to enhance connectivity with neighbouring countries, signed seven agreements during the 17th edition of the Middle East Rail conference. The agreements were concluded with German freight service DHL Global Forwarding; Italian luxury hospitality company Arsenale; UAE-based integrated logistics provider MICCO; Morocco's national railway operator ONCF; ride-hailing service Uber; UAE-based drone cargo specialist SkyGo; and the Fujairah Natural Resources Corporation (FNRC) to develop its freight and passenger services.

In February 2023 Etihad Rail signed a \$3bn deal with Oman Rail and Mubadala Investment Company, Abu Dhabi's private investment vehicle, to develop and operate a 300-km railway linking Oman's Sohar Port to the UAE's rail network. This followed the October 2022 completion of tracklaying works on the main line connecting Sharjah to Ras Al Khaimah. The increased connectivity is set to boost trade in Sharjah.

**AVIATION:** Sharjah International Airport was the UAE's first international airport when it opened in 1932. It is located 10 km from the Sharjah City centre, which itself is around 12 km away from Dubai International Airport. More than 40 airlines fly out of Sharjah International Airport, and it is the home of low-cost carrier Air Arabia, which alone links to over 120 destinations. In 2022 the airport welcomed 13.1m passengers, marking a growth rate of almost 85% on 2021 and achieving close to pre-pandemic levels of passenger traffic. This recovery continued into 2023, as Sharjah International Airport received over 7m passengers in the first half of the year, up 24.4% compared to the corresponding period in 2022. The third quarter of the year saw 4m passengers, up 12% on the same quarter in 2022.

Aircraft movement witnessed an increase of nearly 52% between 2021 and 2022, from nearly 57,700 flights in 2021 to just short of 87,500 flights the following

Passengers handled by Sharjah International Airport, 2017-22 (000)



Source: Sharjah International Airport, Gulf Business

year. Its airport handled more than 170,000 tonnes of freight in 2022, up 21% from 140,000 tonnes in 2021. In the first half of 2023 the airport recorded 46,900 flights, a 14% increase from the first half of 2022, and more than 70,000 tonnes of freight. This traffic remained fairly consistent through the third quarter of 2023, as air and cargo traffic reached 26,000 flights and 35,000 tonnes, respectively. Sharjah International Airport also announced six new destinations in 2023 – Kuala Lumpur in Malaysia, Ufa and Samara in Russia, Lar in Iran, Indore in India and Bangkok in Thailand – as well as three new cargo destinations, specifically Houston in the US, Kigali in Rwanda and Nashik in western India.

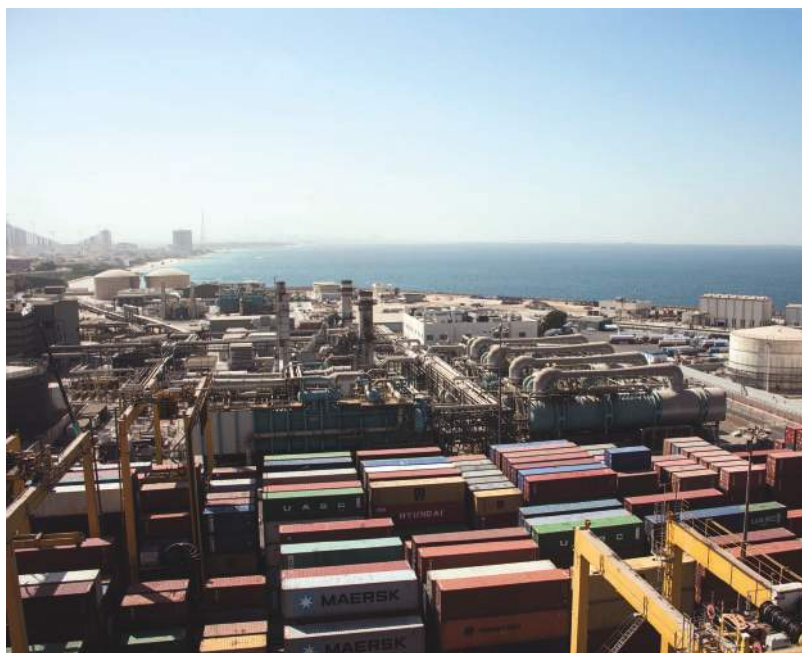
To facilitate the anticipated growth in passenger numbers and freight movement in the coming years, in July 2023 the Sharjah Airport Authority announced a Dh2.4bn (\$650m) expansion to be completed by 2026. The project is expected to increase the airport's passenger handling capacity from 8m to 20m, as well as enhance its cargo capacity. This project follows a maintenance programme in the passenger terminal to improve the customer experience.

**PORTS:** There are three deepwater ports located in Sharjah on both the east and west coasts that provide a wide range of maritime and cargo services. These ports account for approximately 20% of Sharjah's GDP and support more than 3000 jobs. More than 1000 ships and 5000 trucks pass through Sharjah's ports annually.

Port Khalid, on the emirate's west coast, is a multi-purpose port comprising 1 km of quay. It is equipped to manage a wide range of cargo, and it has its own dedicated container terminal. Khorfakkan Port on the Gulf of Oman is a major container trans-shipment centre. It receives trade mainly from the upper Gulf, the Red Sea region and East Africa, and it has 450,000 sq meters of storage capacity. The port is also linked to an inland container depot through which it serves the UAE market. Hamriyah Port, situated near the Strait of Hormuz, is next to the Hamriyah Free Zone and close to Sharjah's industrial areas, making it popular for trade. Recent investment in Sharjah's ports include the expansions of the north wharf at Port Khalid and the open yard storage at Hamriyah Port, as well as the construction of two new berths at Khorfakkan Port.

In March 2023 the Arab Academy for Science, Technology and Maritime Transport in Sharjah was officially renamed the Sharjah Maritime Academy (SMA). The emirate's government hopes to promote the academy as a regional institute for maritime programmes, and encourage academics to undertake research projects on maritime transport with national and international partners. The SMA hopes to establish a maritime centre of excellence to make the institution a hub for related education and research in the UAE, supporting the development of the emirate's maritime activities.

In August 2023 the SRTA resumed its Dubai-Sharjah ferry service after suspending it due to pandemic restrictions, providing an alternative connection between the emirates. The ferry completes a 35-minute journey between the Aquarium Marine Station in Sharjah and the Al Ghubaiba Marine Station in Dubai.



There are three deepwater ports located in Sharjah that provide a wide range of maritime and cargo services

**INVESTMENT:** Sharjah's economy has grown substantially in recent years, with GDP up 5.2% between 2021 and 2022, from Dh130.1bn (\$35.4bn) to Dh136.9bn (\$37.3bn). The non-oil sector experienced an increase of around 5.2% during this period, as Sharjah focused its efforts on diversifying its economic activities. The emirate's three ports and its various free zones contributed strongly to this economic performance. Between 2022 and 2023 Sharjah's logistics and distribution sector registered a rise of 46.2%, making it one of the emirate's best-performing industries. With the development of the National Rail Network, there is significant potential to increase freight transport via Sharjah's ports and airport, which could be further enhanced by the development of the SkyWay.

In September 2023 the Sharjah FDI Office, better known as Invest in Sharjah, participated in the Belt and Road Summit in Hong Kong to promote investment in the emirate. Sharjah hosts around 1225 Chinese companies, and trade between Sharjah and China has exceeded Dh47m (\$12.8m). The delegation from the emirate highlighted efforts to develop vital economic sectors, strengthen economic cooperation and enhance relationships in the areas of information technology, electronics, transport, storage, business services, and the green and circular economy.

**OUTLOOK:** Sharjah's extensive transport network continues to grow to keep pace with the emirate's rapid expansion. The SRTA has invested heavily in improvements to the road network in recent years, initiatives that have been further supported by federal-level investment in inter-city links. Efforts to expand Sharjah's three ports and its airport are in response to the increase in demand for freight and passenger transport. Innovative projects, such as the proposed SkyWay system, should help reduce traffic congestion and enhance cargo transport. Such initiatives support national goals for sustainable development and could provide a blueprint for the other emirates to follow.

In July 2023 the Sharjah Airport Authority announced a \$650m expansion. To be completed by 2026, the project is expected to increase passenger handling capacity from 8m to 20m.

Between 2022 and 2023 Sharjah's logistics and distribution sector registered a 46.2% growth rate, making it one of the best-performing industries.



Sharjah allocated 40% of its 2024 budget to infrastructure development

## Local movement

### Innovative transport solutions are making Sharjah's roads safer and enhancing the sector's overall efficiency

Of the roughly 38m passengers who used Sharjah's mass transport services in 2022, 29m used taxis, 5.3m rode public buses and 3.6m travelled on inter-city buses.

The government of Sharjah's decision to dedicate 40% of its \$11.1bn budget for 2024 to infrastructure underscores the emirate's commitment to development and sustainability. This allocation is expected to help improve the public transport and mobility sector. In 2022 the Sharjah Roads and Transport Authority (SRTA) reported that around 38m passengers benefitted from various mass transport services, with 29m passengers using taxi services, 5.3m riding public buses and approximately 3.6m travelling on inter-city bus services.

These figures indicate a robust and efficient public transport network, with potential for further improvement if backed by requisite funding. Recent developments indicate the likely direction and principles underpinning the sector's expansion, with green solutions and safety enhancements the most salient features. The emirate is also raising its profile as a test bed for introducing new technologies in overland transport. **SUSTAINABILITY & SAFETY:** The drive for sustainable, user-friendly public transport has seen significant progress. In July 2023 the SRTA introduced two electric buses and 10 electric taxis as part of an initiative that has already added more than 750 electric vehicles (EVs). This development is in addition to efforts to integrate Tesla EVs into the emirate's taxi fleet, with the SRTA adding 10 Tesla Model 3 EVs in March 2023. In April 2023 the SRTA showed its commitment to sustainability and user convenience by offering free internet on inter-city buses, demonstrating a desire to balance development with environmental responsibilities.

As for road safety, and reducing traffic congestion and vehicle usage, in August 2022 Sharjah City partnered with Austrian transport solutions firm Kapsch TrafficCom to develop an intelligent traffic management system that optimises vehicle flow and reduces travel times. This system, which employs controllers, cameras and proprietary software, is set to optimise traffic light cycles based on real-time volume data, reducing not just travel times, but also vehicle

emissions. Complementing this, in May 2023 the SRTA introduced smart speed limit signs that are equipped with a smart detection system, display the real-time speed of passing vehicles, and use colour coding and facial expressions to communicate with drivers. Such systems emphasise the emirate's endeavours to leverage technology in order to enhance the safety of its roads and promote sustainable transport options.

**INNOVATION:** In addition to traditional means of transport, high-tech, high-speed hanging pods designed for passengers and freight are being developed at the Sharjah Research Technology and Innovation Park (SRTIP). In June 2023 construction finished on a driverless, elevated line more than 2 km in length at the \$14m uSky Testing & Certification Centre located in the SRTIP. In March 2023 uSky presented four potential routes that would utilise the technology in Sharjah, ranging from a 38-km ring line to a 106-km route across the emirate. The Ucont track for freight is expected to move shipping containers at speeds of up to 120 km per hour once operational at a direct cost of \$20 per 100 km, offering a greener alternative to traditional overland transport if commercially viable. Also developed at the SRTIP were start-up Sulmi's e-motorcycles, the first locally designed and manufactured vehicles of their kind.

The pod project has been commended for its potential to revolutionise regional commuting. The system offers numerous advantages, one being that it is a power-saving solution with an electric motor that can partially operate on solar or wind energy. If commercially viable, the system could offer a greener alternative to traditional overland transport.

In May 2023 the UAE's Ministry of Energy and Infrastructure, and Swedish company Einride signed an agreement to deploy the company's freight mobility grid across a 550-km expanse in the UAE, with 2000 electric trucks, 200 autonomous trucks and eight charging stations with over 500 charging points. The ecosystem will include the emirates of Abu Dhabi, Dubai and Sharjah.

Sharjah's drive towards sustainable, user-friendly public transport has seen significant progress. In July 2023 the authorities introduced two electric buses and 10 electric taxis as part of an initiative that has already added more than 750 electric vehicles.





Ali Salim Al Midfa

## Key location

Ali Salim Al Midfa, Chairman, Sharjah Airport Authority, on infrastructure development projects and the impact of emerging technologies on operations

**How does Sharjah's geographic location influence the emirate's role in regional and international transport and logistics networks?**

**AL MIDFA:** The strategic position of the UAE, and Sharjah within it, plays a pivotal role in bridging east-west transport routes. Since 1932 Sharjah has been a critical centre in aviation corridors, with airlines traversing from Bahrain through Sharjah to Muscat, Amman and beyond. This geographic advantage facilitates connections between east and west and serves vital north-south linkages.

To maximise the benefits of this location, Sharjah has been continually enhancing standards to meet the diverse requirements of travellers and airlines from different regions. This presents key opportunities for airports and airlines to cater to varied needs. However, the vision in the UAE, and particularly in Sharjah, is focused on meeting and surpassing the expectations of visitors and investors. The emirate is committed to updating and upgrading infrastructure to align with these requirements. This commitment extends to enhancing our international and local prominence by highlighting Sharjah's advanced facilities, thereby meeting the standards and expectations of both passengers and airlines.

**What role does Sharjah International Airport play in regional air cargo and passenger transport?**

**AL MIDFA:** In terms of passenger traffic, Sharjah International Airport (SIA) has regained its pre-Covid-19 -pandemic levels, with a notable increase in the number of passengers. In 2023 it is anticipated that arrivals will surpass 14m, marking a significant jump from the previous year. The cargo segment has seen a roughly 21% rise, which is substantial, particularly as airlines shift from exclusive cargo services to integrating cargo in passenger airlines. This creates a unique niche where a considerable amount of cargo is transported in the belly of passenger aircraft.

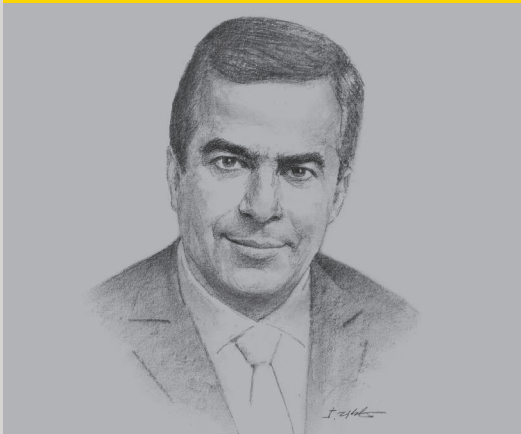
**To what extent do infrastructure investments and expansion projects contribute to growth in air cargo and passenger transport segments?**

**AL MIDFA:** Since the initiation of a multi-phase scheme in 2018, SIA has embarked on significant expansion and development projects to accommodate an increasing number of passengers each year. The initiative includes upgrading the terminal building and enhancing road network connectivity to facilitate easier access for passengers. Parking facilities are also being upgraded, and the terminal's capacity is being expanded. The ability to handle greater passenger throughput than the current capacity is a testament to effective collaboration with stakeholders, including airlines, immigration, police, Customs and handling companies.

**In what ways have technology and digitalisation impacted the efficiency and competitiveness of transport and logistics operations?**

**AL MIDFA:** Technology and digitalisation are no longer optional but essential for modern airports. At SIA, technological advancements are evaluated in order to ensure they are tailored to meet specific needs. From the outset of any development project, all relevant parties are involved in discussions to determine the technological requirements across various operations, including passenger, luggage and aircraft handling. The focus is on meeting security standards and airline specifications while also enhancing the passenger experience.

Adoption of smart technology includes paperless processes, online check-ins, self-service baggage drop and self-tagging systems. Smart gates at immigration facilitate efficient processing and reduce the need for human interaction. Consistently upgrading technology, including self-boarding systems, boosts efficiency and reduces staff workload, allowing them to concentrate on other critical areas of operations.



Adel Abdullah Ali

## Critical pillar

Adel Abdullah Ali, Group CEO, Air Arabia, on expanding route networks to meet evolving customer demands

**What are the growth projections for low-cost airlines in the region, and what are the main factors that are driving this trend?**

**ALI:** Prospects remain strong for the aviation industry in the MENA region, especially for the low-cost segment. The aviation sector is a critical pillar in strengthening the region's competitiveness. The Middle East is among the fastest-growing aviation markets in the world, with the regional fleet set to expand by 5.1% a year between 2023 and 2033, according to a report published in March 2023 by global consultancy Oliver Wyman. We are likewise seeking to grow our footprint by leveraging new aircraft and enhanced on-board experiences.

**To what extent are sustainability trends changing preferences and demands in the local and regional air travel industry?**

**ALI:** The industry remains committed to sustainable aviation and continues to take serious measures to support these ends. What is needed is more clarity on the regulatory framework beyond environmental taxation. Efficiency will drive sustainability in the long run, and airlines need to start adopting measures that enhance their operational efficiency.

**Which measures could low-cost airlines implement to gain a competitive advantage amid growing competition from other carriers?**

**ALI:** A few factors play a crucial role in airlines gaining a competitive edge. One is a rigid cost-control strategy that focuses on lowering costs and maximising operational efficiencies, and eventually allows the airline to offer value-added products and services at affordable prices. It is imperative to ensure that customers receive the best value for their money to sustain an advantage in the current market.

Low-cost carriers are committed to the mission of making air travel more accessible to everyone, which

is why they must continuously introduce new routes and penetrate new markets to cater to customers' demands. To that end, Air Arabia launched 24 new routes across the region in 2022.

**Where do you identify opportunities to expand route networks and increase passenger traffic between Sharjah, the MENA region and beyond?**

**ALI:** A comprehensive network of connections between Sharjah and other MENA destinations has been established, as well as a wide range of routes to international destinations. Our multi-hub airline serves more than 200 international and domestic routes from seven strategic locations in Sharjah, Abu Dhabi and Ras Al Khaimah in the UAE; Morocco; Egypt; Armenia; and Pakistan.

From Sharjah, the carrier continues to penetrate new markets and launches new destinations in the Middle East, North Africa, Europe, South Asia and Central Asia. Some of these include Bangkok, Kuala Lumpur, Milan and Phuket.

**How might low-cost airlines mitigate the impact of escalating fuel costs on their operations and increase profitability amid volatility in oil prices?**

**ALI:** Fuel is often the largest cost for an airline. We actively monitor global oil prices, and take proactive steps to mitigate their impact on our operations and increase profitability. One example of such a move is our fuel-hedging programme, whereby we purchase fuel at a fixed price for delivery later, helping to keep our ticket prices down.

In addition, it is important for airlines to focus on operational excellence and efficiency to ensure that their aircraft are used as effectively as possible to maximise fleet utilisation, in addition to reducing the weight of the aircraft. Low-cost carriers must decrease the operational cost to pass on the savings to passengers without compromising on quality.

# Construction & Real Estate

Competitive pricing encourages increased investment

Steel and green concrete support industrial activity

Mixed-use developments to attract new residents

Expanded transport links enable trade and commuting







The construction sector accounted for 9% of Sharjah's GDP in 2022

# Expanded offerings

## Mixed-use developments and upgraded transport links aim to draw both commuters and international firms

Competitive mortgage rates and low taxes are encouraging more expatriates to invest in Sharjah's real estate market, further supported by improved transport links with the rest of the UAE.

The construction and real estate sectors have supported Sharjah's economic development in recent years as the emirate's government pursues further economic diversification and sustainable growth. Real estate demand is dominated by mixed-use developments, which incorporate hospitality, leisure and cultural offerings. High prices in neighbouring northern emirates, coupled with Sharjah's competitive mortgage rates and low taxes, are encouraging more expatriates to invest in the real estate market, further supported by improved transport links with the rest of the UAE. In addition to real estate, the construction industry is supporting the government's growth strategy through the development of several industrial sites and the expansion of free zones.

**STRUCTURE & OVERSIGHT:** Several government bodies are responsible for managing the construction and real estate sectors at the emirate level. Established in 1998, the Sharjah Department of Town Planning and Survey prepares comprehensive plans for all districts within its jurisdiction; implements housing policy; allocates residential, industrial, commercial and agricultural land; carries out urban renewal projects and re-plans older cities; and conducts transport and traffic studies.

The Sharjah Directorate of Public Works, created in 2000, is charged with the design, development, management and maintenance of government projects and facilities. It focuses on sustainable development in line with national aims to improve sustainability across all industries in the UAE. The Sharjah Directorate of Housing, meanwhile, provides housing support for citizens. The body provides loans and grants; works to construct permanent housing; and offers short-term accommodation in the case of fire, natural disaster or other emergencies. The department leverages e-services to process housing requests from citizens and handle contractor requirements. Lastly, the Sharjah Real Estate

Registration Department (SRERD) is in charge of registering all developments in the emirate. The work of these entities is supported by the Sharjah Investment and Development Authority (Shurooq). As one of Sharjah's primary investment-promotion bodies, Shurooq facilitates partnerships and operates as a strategic partner in real estate projects, focusing on mixed-use developments.

**REGULATION & LEGISLATION:** In November 2022 the government of Sharjah amended a law to allow non-UAE or GCC nationals to own property on a freehold basis to encourage greater foreign investment in the emirate's real estate market. The law includes several exceptions whereby foreign nationals are entitled to freehold ownership of a property, including formal transfer by inheritance, assignment by the owner to first-degree relatives and ownership in projects of real estate development. This move is expected to encourage the greater uptake of properties in Sharjah by foreigners, including those who have been priced out of the Dubai market.

Local real estate developer Arada partly credited the change in law allowing foreign investors to purchase freehold properties in the emirate with boosting its annual performance. The company saw a total of Dh4.26bn (\$1.16bn) in sales in the first half of 2023, which translates to a 186% rise in its annual sales as a result of increased demand.

**BUDGET & PUBLIC SPENDING:** Approved in January 2024, the emirate's 2024 general budget provides \$11.1bn in funding. To this end, 40% of the budget is allocated to infrastructure and capital projects, 30% to economic development, 21% to social development and 9% to government administration.

In April 2023 the Sharjah government announced that it would invest in the removal of cladding identified as a fire hazard from 40 buildings at a cost of Dh100m (\$27.2m). This marked the first stage of a six-month project to remove such cladding from 203

A 2022 law includes several exceptions whereby foreign nationals are entitled to freehold ownership of a property, part of a broader move to support investment in the local real estate sector.

public- and privately owned residential towers and commercial buildings across the emirate. The cladding will be replaced with fire-resistant alternatives.

**SIZE & PERFORMANCE:** Construction and real estate contribute a significant amount to Sharjah's GDP each year, as the federal and local governments focus on diversifying the economy away from oil and gas. Real estate activities were the third-largest contributor to GDP in 2022, accounting for 9.7% of the total, followed by the construction sector, at 9%, as urban development continued to gather pace.

Sharjah's real estate industry generated over \$6.6bn in revenue in 2022, an increase of 15.3% over 2021. In the first half of 2023 the sector achieved a trading value of \$3.6bn, up 19.2% compared to the same period in 2022, according to a bi-annual report by the SRERD. A total of 40,843 transactions occurred in this period, with 4187 sales and a total mortgage value of Dh5.7bn (\$1.6bn) for 42m sq feet of traded area. The sector saw a high level of diversity in investment sources, with 88 different nationalities registered. Emirati investors were the largest group at 7033, followed by other Arab investors, with 1824.

The largest number of transactions took place in Sharjah City, standing at 3794, with a value of Dh5.4bn (\$1.5bn). The Muwaileh commercial area, Mezairah, Al Khan and Hoshi were the most popular areas in the city. The biggest number of sales took place in the residential real estate segment, at 3332, representing 79.6% of total sales, followed by industrial real estate, with 410, or 9.8%; and commercial real estate, with 373 transactions, or 8.9%.

At the national level, the UAE's construction industry is expected to expand by 3.3% in real terms in 2023, following growth of 2% in 2022. The sector is projected to achieve an average annual growth rate of 3.9% between 2024 and 2027, driven by investment in infrastructure, renewable energy, oil and gas, housing, industry and tourism projects. This aligns with the national strategy, We the UAE 2031, as the federal government carries out a range of projects aimed at doubling GDP between 2022 and 2031.

A 2022 real estate market report by UAE property website Bayut.com found that the most expensive areas in Sharjah in terms of apartment sales were Al Khan, Al Majaz and Al Nahda. In Al Khan, the average price for a one-bedroom apartment in 2022 was Dh522,000 (\$142,000), a two-bedroom property cost Dh754,000 (\$205,000) and a three-bedroom property was Dh1.1m (\$299,000), with the average price per sq foot in the area decreasing by 1.4% from 2021. Buyers were also interested in apartments in Muwaileh and Al Taawun. Al Nahda offered the best return on investment (ROI) for buy-to-let apartments, with a rental yield of 6.23%; followed by Al Taawun (6.16%); and Al Majaz (6.09%).

The most popular area for renting apartments was Muwaileh – situated close to industrial areas and one of the main highways to Dubai – where the average annual rental price was Dh16,000 (\$4360) for a studio, Dh22,000 (\$5990) for a one-bedroom



Expatriates contribute a significant amount of property demand, representing 1.6m of the emirate's population

flat and Dh30,000 (\$8170) for a two-bedroom flat. Other popular areas included Al Nahda and Al Majaz.

For villa sales, Hoshi, close to the Dubai-Sharjah border, was the most popular area. The average purchase price of a three-bedroom villa in Hoshi was Dh2.3m (\$626,000), marking an increase from Dh1.9m (\$517,000) in 2021. The average price was Dh2.4m (\$653,000) for a four-bedroom villa and Dh3.4m (\$925,000) for five bedrooms. Other popular areas for villa sales included Muwaileh, Al Tai, Sharqan, Al Ghafiya, Al Gharayen, Al Qadisiyah, Al Goaz, Al Yash and Al Jazzat. The areas achieving the highest ROI for buy-to-let villas were Al Qadisiya, at 6.8%; Al Jazzat, at 5.7%; and Al Ghafia, at 5.4%.

Expatriates contribute significantly to Sharjah's property demand, representing a large proportion of the emirate's population – around 1.6m of 1.8m, according to the 2022 census. The most popular areas for foreigners include Aljada, which is close to University City of Sharjah and the Sharjah Airport International Free Zone (SAIF Zone); the mixed-use neighbourhood of Al Mamsha; and Tilal City, which is popular among real estate investors. The growing number of expatriates in Sharjah has encouraged the construction of a range of mixed-use property developments across the emirate, with high levels of interest in both rental and for-sale properties.

**INVESTMENT OPPORTUNITIES:** Shurooq, Invest in Sharjah – a body also known as the Sharjah FDI Office – and the Chamber of Commerce and Industry (SCCI) promote investment opportunities in Sharjah and foster partnerships with real estate organisations across the Middle East. In August 2023 the SCCI met with Invest in Sharjah to discuss ways to strengthen mutual ties, promote lucrative real estate investment projects and invigorate the local real estate sector. Shurooq and the SCCI also promote the emirate's real estate market at the global level. In September 2023 the SCCI attended Cityscape Global 2023 in Saudi

The emirate's real estate industry generated more than \$6.6bn in revenue in 2022, an increase of around 15.3% compared to the previous year.

In 2022 residential real estate represented

**79.6%**

of total sales





Sharjah Sustainable City aims to promote circular-economy systems

A mix of local producers, manufacturers in neighbouring emirates, and importers through airports and seaports help provide the emirate with construction materials.

Arabia, which brought together representatives from over 85 countries and 350 exhibiting companies, attracting around 2000 investors.

**BUILDING MATERIALS:** A mix of local producers, manufacturers in neighbouring emirates, and importers through airports and seaports help provide Sharjah with construction materials. Two primary domestic producers are the Sharjah Steel Pipe Manufacturing Company (SSPMC) and Genco Steel. Established in 1982, the SSPMC operates at a capacity of 40,000 tonnes per annum (tpa) of welded line and pile pipes for the construction and petroleum sectors. Genco Steel was established in 1975 and is active in the design, fabrication and erection of steel structures, acting as a key supplier for the governments of Sharjah, Dubai and Abu Dhabi, as well as for the regional oil and gas industry.

Another large player is Sharjah Cement and Industrial Development, which owns Sharjah Cement

Factory, the Paper Sacks Factory, and Gulf Rope and Plastic Products (GRPP). Sharjah Cement Factory has a grinding capacity of 1.1m tpa, while the Paper Sacks Factory can produce 120m sacks per year that can be used to package cement, fertiliser and chemicals. The GRPP plant has the capacity to produce 10,000 tpa of synthetic rope, which is both used locally and exported to more than 25 countries.

The emirate also hosts the Steelfab conference, aimed at encouraging trade in the metalworking, metal manufacturing and steel fabrication segments. The 19th edition of the event is set to be held at the Expo Centre Sharjah in January 2024, with the previous iteration in January 2023 attracting 6000 shareholders in these segments from 42 countries.

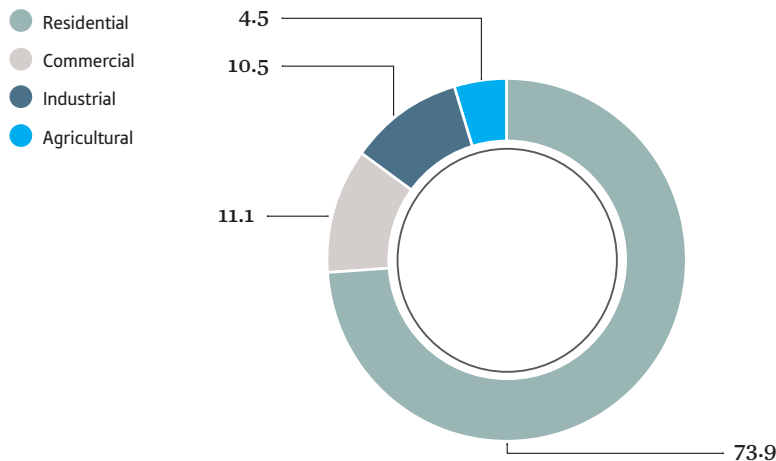
Cement decarbonisation remains a central objective of local stakeholders. In January 2023 BEEAH Recycling, the waste processing and material recovery business of BEEAH Group, was given the title of Green Partner to the Sharjah Cement Factory and Lafarge Emirates Cement for supporting green cement production by supplying lower-emission fuels. BEEAH Recycling produced 150,000 tonnes of alternative fuels in 2022 at a first-of-its-kind facility in the region. The company transforms municipal solid waste into high-quality, refuse-derived fuel (RDF) at its Solid Recovered Fuel facility. RDF has a lower moisture and chlorine content than traditional carbon fuels and can be injected into kilns for cement production. BEEAH provided 50,000 tonnes of its RDF to the Sharjah Cement Factory in 2022.

In line with national aims to foster sustainable development, in May 2023 the American University of Sharjah launched courses focused on green construction. The College of Engineering offers a Design of Sustainable Concrete course and promotes research in sustainable construction materials, such as lightweight and recycled aggregates.

Furthermore, Sharjah's Research, Technology, and Innovation Park (SRTIP) is investing in 3D printing to drive innovation, particularly in the manufacturing and construction sectors. The technology has the potential to reduce costs, simplify logistics and offer design flexibility as parts can be printed immediately.

**SHARJAH SUSTAINABLE CITY:** The UAE hosted the COP28 UN Conference on Climate Change in December 2023, with that year designated as the Year of Sustainability by the federal government. This is reflected in its national blueprint, We the UAE 2031, and has been supported by projects across various industries in Sharjah. The emirate's flagship sustainable real estate and construction project is Sharjah Sustainable City. Shurooq and Dubai-based Diamond Developers launched the project in March 2019 with an investment of Dh2bn (\$54.4m) to cover an area of 668,900 km. The mixed-use residential complex is set to include 1120 villas, a commercial space with retail and community facilities, green areas and educational institutions. Construction was split into four phases, with the final phase launched in May 2023 and completion scheduled for 2024.

Breakdown of real estate sales transactions in Sharjah, 2022 (%)



Source: SRERD



Sharjah Sustainable City offers an example of how to construct eco-friendly commercial and residential buildings, while reducing carbon emissions and encouraging renewable energy usage. The project promotes circular-economy systems and waste management. The city's wastewater is treated for landscape irrigation and there are extensive recycling systems in place. Further, there are plans to include a biogas plant to treat organic waste to generate electricity and be used as fertiliser.

The 604 villas constructed during the first two phases of the project were fully sold by the end of 2022, and the first set of properties had been handed over to homeowners. The handover of properties constructed in phases two and three were slated for 2023 and 2024, respectively.

**RESIDENTIAL:** Within a short driving distance of Dubai and sharing borders with all the other emirates, Sharjah offers lower-priced housing with the same luxury facilities and reputation for safety as its neighbours. Much of the residential market consists of mixed-use properties, with apartment buildings and housing complexes centred around a wide range of amenities, from sports grounds to supermarkets.

In March 2022 local real estate developer Alef announced plans to build an 8.7m-sq-foot residential estate at a cost of Dh3.5bn (\$950m), with construction beginning in September 2023. Known as Hayyan, the project is expected to be delivered in the second half of 2025. Alef also launched zone three of its \$436mn Al Mamsha Raseel project, a fully walkable mixed-use community, in June 2023, with the first building in the cluster completed in November 2023.

In December 2022 the Sharjah government approved a housing project in the Muhathab suburb. The Al Gitanah Residential Compound 1 will consist of 366 houses, with the project costing a projected Dh369m (\$100m). Housing support will be provided in the form of loans and grants for those eligible. Al Tunaiji, a major real estate developer, expects to launch similar projects in Al Gitanah 3 and 5 soon.

Elsewhere, Arada was awarded a contract in February 2022 to expand its offerings in Aljada, Sharjah's largest mixed-use destination. The company plans to build eight apartment buildings in the Naseej District of the development, at a total cost of Dh24bn (\$6.5bn). Additionally, in January 2023 Arada awarded a \$129m contract to Dubai-based developer Gulf Asia Contracting for the construction of its Vida Aljada hotel. Once completed, the hotel will consist of 175 rooms, 255 residences and 149 serviced apartments.

Arada had constructed three mixed-use developments in the UAE as of the end of 2023, including the Masaar residential project in Sharjah. The company continues to see robust growth in sales, selling 1616 homes in the first half of 2023, up 23% from the same period of 2022, with sales reaching Dh4.3bn (\$1.2bn).

In March 2023 Shurooq unveiled plans for an upscale, six-building, 184-unit residential development called Ajwan in Khorfakkan. The project promises a space inspired by nature and is expected



Sharjah offers cheaper housing with the same facilities and reputation for safety as neighbouring emirates

to help drive opportunities for tourism, culture and investment to the city, as well as the Eastern region.

**AFFORDABLE HOUSING:** The federal government's Sheikh Zayed Housing Programme provides loans and grants, and allocates land to eligible citizens who want to buy property in the UAE. Emiratis can apply for housing or residential lands through the Housing Allocation Committee at the Presidential Court. Applicants must hold UAE citizenship, as well as have a family book and an Emirates identity card.

On the emirate level, the Sharjah Housing Programme was established in 2010 with an aim to provide housing assistance to all Emirati families in the emirate. In the 2012-22 period, the programme provided 11,503 people with subsidies of over Dh10bn (\$2.7bn), which included 5914 grants and 5589 loans. Support ranges from financing to build or purchase a house to government-built housing for citizens. Meanwhile, in 2022 a law passed that allows expatriates of any nationality full property ownership.

Residential properties in Sharjah are exempt from value-added tax (VAT), while the VAT for commercial properties stands at the standard rate of 5%. Further, residential developments are charged 0% VAT for the first three years after their completion.

**LEISURE, RETAIL & COMMERCE:** Rental rates for office properties in Sharjah remain stable thanks to moderate supply and demand. As household spending continues to increase and the emirate attracts more tourists, the demand for retail and leisure complexes is projected to grow. However, this rise could be somewhat dampened by the influence of e-commerce, which is expected to shift demand towards warehouses and logistics supply chains instead of traditional brick-and-mortar stores.

A \$71m expansion of City Centre Sharjah was completed in July 2018, adding 13,700 sq feet of retail space to one of the emirate's largest shopping malls. In addition to dedicated shopping malls, Sharjah has

In the 2021-22 period the Sharjah Housing Programme provided 11,503 people with subsidies of over \$2.7bn, which included 5914 grants and 5589 loans.

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A road project aims to cut the commuting time between Sharjah and Dubai from 20 minutes to 12 minutes

A 4.3m-sq-foot business park under development will to host up to 20,000 professionals in 40 office blocks, with the aim to attract more international technology companies.

been adding retail offerings in multi-use developments. Alef aims to include a range of retail offerings in its Hayyan multi-use development. Meanwhile, the plan for Arada's completed Aljada development includes a 4.4-km retail boulevard.

In September 2022 Arada announced plans to develop a Dh6.3bn (\$1.7bn) business park as part of its Aljada development. The company is using 4.3m sq feet of leasable land to construct 40 office blocks with the goal of drawing more international technology companies to the emirate. The first eight blocks are expected to be completed by 2025. Dubbed the Arada Central Business District, this will be the first wholly centralised business centre in Sharjah.

**INDUSTRIAL:** Sharjah hosts six free zones located in or near major transport centres. The Hamriyah Free Zone (HFZ) is the UAE's second-largest industrial free zone, home to over 6500 businesses from 163 countries as of the end of 2023. International stakeholders have shown interest in Sharjah's free zones, with many investing in expansion projects in 2023.

In September 2022 Trend Industries FZC, a Sharjah-based metal construction company, announced plans to invest Dh25m (\$6.8m) in the construction of a new steel production facility in the HFZ. The expansion will increase the company's production capacity from 3600 tonnes to 8400 tonnes per year and bolster Sharjah's reputation for steel manufacturing. Similarly, in June 2023 the HFZ signed a deal with Indian company Infinite Energy to construct a multifunctional oil refinery at the free zone. The company plans to lease a 200,000-sq-foot plot of land for the project. A month later, Hong Kong-based Herald Holdings, a global logistics and shipping companies conglomerate, signed an investment agreement with the SAIF Zone, leasing 173,000 sq feet of land to develop a high-tech logistics facility. This brings the company's total footprint in the SAIF Zone to 227,000 sq feet and its total investment to Dh30m (\$8.2m).

Ongoing expansions of industrial infrastructure in the emirate's free zones by private companies include a steel factory, an oil refinery and a logistics facility.

The broadening of Sharjah's industrial zones will be supported by a \$653m expansion project at Sharjah International Airport. To respond to the rapid growth of the tourism and business sectors, the Sharjah Airport Authority is working on boosting the airport's passenger capacity from 8m to 20m, annually as well as increasing its freight capacity by 2027.

**ROAD INFRASTRUCTURE:** The construction of new and improved road and rail links across Sharjah is set to support the rapid growth of the emirate and provide enhanced connectivity with neighbouring emirates. The Sharjah Roads and Transport Authority is working with the Dubai Roads and Transport Authority to develop a major new link between the two emirates, aimed at cutting the commuting time from 20 minutes to 12 minutes. The Garn Al Sabkha Street Sheikh Mohammed Bin Zayed Road Intersection Improvement Project is expected to cost \$102m, which covers the construction of four bridges spanning 3 km and capable of carrying 17,600 vehicles per hour. While the project's expected completion date had not been announced as of the end of 2023, construction was 50% complete as of November of that year. This development will help promote Sharjah's reputation as commuter friendly, allowing residents working in other emirates to enjoy lower housing costs and living expenses.

**MORTGAGE & HOUSING FINANCE:** On the national level, several banks are encouraging greater investment in the real estate market by offering housing finance schemes that support the federal government's Golden Visa programme. Banks are vying with one another to provide competitive fixed-term mortgage rates – up to two percentage points lower than countries such as the UK and India – and to support the long-term residency visa process of applicants. Some banks are offering three-, four- or five-year fixed-term mortgage rates at 4.69%, which can fall to 4.44% for applicants who opt for a salary transfer.

Expatriates are required to pay a higher down payment to be eligible for a mortgage. UAE nationals must pay at least 20% of the property value for properties that cost Dh5m (\$1.4m) or less, while foreign investors pay 25%. This figure increases to 30% for nationals and 35% for expatriates for properties valued at over Dh5m (\$1.4m). Green mortgages are increasingly popular, with investors able to select this option when purchasing property in areas such as Sharjah Sustainable City to benefit from financial benefits, including loan processing discounts.

**OUTLOOK:** Sharjah's real estate and construction sectors have grown significantly in recent years as UAE residents look for affordable and attractive alternatives to neighbouring emirates. Several major mixed-use development projects are seeking to address this increase in demand and reduce the need for travel to other emirates for work or leisure activities. The construction of major industrial and office spaces has provided greater business opportunities, while improvements to the road network, the airport and free zones are set to enhance trade.



Yousef Al Mutawa

# Centre of change

Yousef Al Mutawa, CEO, Sharjah Sustainable City, on fostering innovation and sustainability alongside economic development

**In what ways is Sharjah addressing the challenge of balancing economic development and sustainability in its urban development policies?**

**AL MUTAWA:** Over the years Sharjah has transformed into a regional centre for arts, culture and industry. With a focus on both economic and social development, the emirate has cultivated an environment that is human-centric and infrastructure-driven. As urban development expands, environmentally friendly initiatives have been launched by both the local government and private sector to bolster sustainability efforts. The Sharjah Urban Planning Council (SUPC) reports a reduction in the emirate's ecological footprint, achieved through proactive energy-efficiency policies and collaborative responses to the challenges of climate change by government institutions and the community.

The cornerstone of sustainable urban planning and development lies in smart city infrastructure, including mobility, energy, water, communications and IT platforms, which are integral to strategic development. Within this framework, the SUPC aims to empower citizens and businesses to help shape communities that enhance people's lives. Striking a balance between new development, essential services, environmental protection and innovative change is a core focus.

**What role do renewable energy and energy efficiency play in sustainable urban planning?**

**AL MUTAWA:** In the global real estate sector, commercial and residential buildings account for more than one-third of energy use and related greenhouse gas emissions. Buildings contribute approximately 39% of global energy-related carbon emissions, comprising 28% from operational activities such as heating, cooling and power, and 11% from materials and construction processes. To mitigate this, it is imperative to unite key stakeholders in adopting sustainable construction and urban planning approaches, including the selection of building materials and lighting equipment, water

resource management and landscaping. In the UAE, which became the first country in the region to commit to net zero by 2050, clean energy solutions are central to reducing greenhouse gas emissions. The country aims to meet 50% of its energy needs through renewable resources by 2050, boasting some of the world's largest and most cost-effective solar plants, including the Noor Abu Dhabi solar park, the Shams solar project in Abu Dhabi and the Mohammed bin Rashid Al Maktoum Solar Park in Dubai.

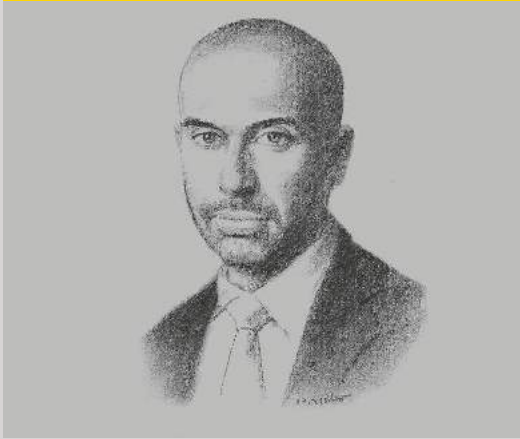
**Where do you see opportunities to leverage innovative technologies for sustainable living?**

**AL MUTAWA:** Sharjah stands out as a major leader for innovation and technology, which, in turn, enhances business prospects. The emirate has solidified its position as a global start-up centre, actively endorsing companies that provide innovative solutions for sustainable living. This is evidenced by its recognition as the top city for high-growth activation-phase ecosystems in the 2020 "Global Startup Ecosystem Report".

The emirate is home to key facilities, such as the Sharjah Research, Technology and Innovation Park (SRTIP), which is dedicated to developing and managing an ecosystem that fosters research and development while supporting enterprise activities and collaboration across industry, government and academia. In a similar vein, SRTIP's Sharjah Open Innovation Lab (SoiLAB) elevates technical innovation and entrepreneurship to international standards. Functioning as a collaborative workspace for learning, experimentation and innovation, SoiLAB is accessible to students, artists, entrepreneurs and tech enthusiasts.

To effectively leverage innovative technologies and design principles for promoting sustainable living in Sharjah, it is crucial to engage with all key stakeholders, including youth and women. By harnessing their potential, we can discover innovative and sustainable solutions to address the challenges the world faces.





Ahmed Alkhoshaibi

# Unlocking doors

Ahmed Alkhoshaibi, Group CEO, Arada, on initiatives to expand homeownership to younger generations and first-time buyers

**How are sustainable building practices influencing urban development and enhancing the attractiveness of real estate investment?**

**ALKHOSHAIBI:** Developers and other companies involved in construction and real estate are starting to understand that a sustainable approach is not just good for the environment, but also for customers and business outcomes. With the COP28 UN Conference on Climate Change hosted by the UAE in November 2023, it is a particularly relevant time to recognise that sustainable building practices and community management using the latest technology both make residents' and visitors' lives more convenient and save them money.

Living spaces with built-in smart home solutions are an important contribution to urban development standards. At a community level this extends to the provision of smart traffic management, smart solar power solutions and smart waste management. Green landscaping is a core feature of sustainable communities, and resource management helps to nurture the variety of flora present in green spaces and ensures effective water conservation. Master developers are also investing in new water technologies with an aim to make Sharjah a global leader in this industry. All these developments are not only beneficial to the environment, but also help to create lasting value for investors and end users alike.

**In what ways are real estate developers adjusting to demographic shifts in the emirate?**

**ALKHOSHAIBI:** Sharjah boasts a fast-growing population and a dynamic real estate market. It is the role of master developers to make sure that the products available on the market match the preferences and requirements of buyers and residents, regardless of their age or background.

When designing large planned communities, it is important to ensure that a selection of offerings

and amenities are available to all potential residents. For example, in line with Sharjah's focus on education, the provision of high-quality schooling in communities can be an important anchor for the development of certain social aspects of the community, drawing families and young adults. Student housing complexes can cater to university students, and structures developed in collaboration with universities have the potential to give architecture and design students hands-on experience with contemporary design principles. This approach can be complemented by additional features that attract the younger generation, such as sports facilities, a wide range of shops, cafes and restaurants, and high-speed internet infrastructure.

Lastly, it is important to provide products that are accessible to most budgets. In providing mixed-use, liveable spaces, developers have a responsibility to build a range of unit sizes and types that are suitable for younger people – particularly those who are still studying or have recently entered the job market – and price those homes accordingly.

**What has been done to expand homeownership, especially for first-time buyers?**

**ALKHOSHAIBI:** The government of Sharjah has already taken a number of steps to encourage homeownership for residents, including allowing all nationalities to own property in the emirate on a freehold basis, an important decision that was announced in 2022. That move has had a huge impact on the local property market, with a significantly elevated numbers of buyers from various nationalities choosing to invest in their first property in Sharjah. Recent data shows that many buyers have decided to relocate to Sharjah from neighbouring emirates as a result of the quality and amenities of the communities on offer, as well as the improvements to public and community infrastructure.

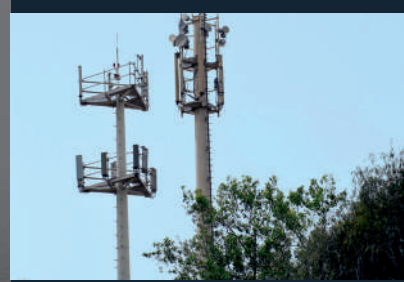
# ICT

Launch of generative artificial intelligence interface

Goal of becoming leading centre for 3D printing

National strategy to develop digital infrastructure

Training programmes to boost local capabilities





The Digital Sharjah app provides residents with government services

## Expansion plans

### Investment in digital infrastructure is helping position Sharjah at the forefront of the region's economic development

Sharjah has accelerated the digitalisation of its industrial sector in line with national aims, while advancing its sustainability practices by using new technologies such as artificial intelligence and machine learning.

Innovative digital transformation policies alongside sustained investment in related infrastructure have helped establish Sharjah as a digital centre within the UAE and the broader GCC region. Although telecommunications and internet provision are managed primarily at the federal level, the emirate has developed advanced digital services to improve the lives of its residents. Sharjah's mobile application and digital payment mechanism have helped the emirate streamline access to information and services.

In addition, Sharjah has accelerated the digitalisation of its industrial sector in line with national aims, while advancing its sustainability practices by using new technologies such as artificial intelligence (AI) and machine learning. Sharjah is now firmly established as a competitive ICT centre, offering a digitalised business environment, access to e-learning programmes and a wide range of digital services that signal the emirate's long-term competitiveness.

**OVERSIGHT:** Sharjah's ICT sector is governed primarily at the federal level by the Telecommunications and Digital Government Regulatory Authority (TDRA), which oversees ICT policy and the launch of digital technologies across the UAE's seven emirates. The TDRA has accelerated the implementation of 5G across the country, establishing one of the world's fastest-growing markets for the technology. These efforts are in line with the We the UAE 2031 national economic blueprint. In 2007 the TDRA established the ICT Fund to help develop the UAE's capabilities in the sector. The first fund of its kind in the GCC, it allocates financial resources to ICT-related scholarships, education institutions and national projects.

Digital government services have developed considerably over the past decade, and in July 2023 the TDRA launched a centralised interface for generative AI government services. At the emirate level, Digital Sharjah, a platform available as a website and smartphone app, provides residents with access

to local government services. It is operated by the Sharjah Digital Department (SDD), which replaced the Sharjah Digital Office in January 2024.

**POLICY & STRATEGY:** The federal government has focused on digitalising its services in line with We the UAE 2031, which aims to develop the country's related infrastructure. The strategy outlines several objectives, including placing the country at the forefront of the global digital economy and providing advanced government services.

Another important strategic enabler is the UAE Digital Government Strategy 2025, which was developed to create a cross-sectoral commitment to digital advancement in government capabilities and services. The UAE Digital Government roadmap comprises six pillars encompassing 64 national digital enablers aimed at achieving the UN Sustainable Development Goals. It is supported by several other ICT policies, including the Unified Digital Platform Policy, the UAE Strategy for Government Services, the National Policy for Quality of Digital Life, the UAE Future Foresight Strategy, the UAE Centennial Plan 2071, the UAE National Strategy for AI, the UAE's Fourth Industrial Revolution (4IR) Strategy, the Digital Customer and Digital Government Service Policy, the National Strategy for Advanced Innovation and the National Digital Participation Plan 2021-25.

The UAE has placed technology development at the centre of its national policies, and the National Programme to Transform Technology aims to boost the pace of technological transformation in the UAE's industrial sector. The programme aims to develop 1000 projects by 2031, nurture local talent across advanced technology projects and invest Dh11bn (\$3bn) in advanced technology while also contributing Dh110bn (\$29.9bn) to GDP.

Building upon this, Operation 300bn, a national strategy launched in March 2021, aims to raise the industrial sector's contribution to GDP from

In July 2023 the UAE's Telecommunications and Digital Government Regulatory Authority launched a centralised interface for generative artificial intelligence government services.



Dh133bn (\$36.2bn) to Dh300bn (\$81.7bn) by 2031, and position the UAE as a global industrial centre through digitalisation and the use of innovative 4IR-related technologies. In line with these objectives, in February 2023 the UAE's Ministry of Industry and Advanced Technology, and the Abu Dhabi Department of Economic Development launched the Industrial Technology Transformation Index, a comprehensive framework that increases awareness of 4IR technologies, improves competitiveness, accelerates innovation, and measures the sector's digital maturity and sustainability.

Sharjah is supporting the national strategy for a digitalised industrial sector in several ways, such as through the merger between Sharjah Research Technology and Innovation Park (SRTIP), and the Sharjah Oasis for Technology and Innovation to form an independent free zone authority housing 2000 companies and specialising in innovative technologies, with over \$100m invested in research. In December 2022 SRTIP announced that it was increasing its investment in 3D printing to become a leading centre for the technology and support the UAE's goal of becoming an international power in the field.

Furthermore, in April 2023 SRTIP launched the fourth edition of the Sharjah Advanced Industry Accelerator (SAIA) programme, which helps support local and regional entrepreneurs and start-ups. The SAIA focuses on clean and green technologies; agriculture technology (agri-tech); advanced technologies such as AI, robotics, the internet of things and smart cities; sustainable mobility; and space.

In February 2021 the Sharjah Entrepreneurship Centre (Sheraa) launched the Sharjah Start-up Studio (S3), the first government-backed start-up facility in the UAE. It is the first such location in the GCC to use a revenue-sharing model, allowing company founders to keep ownership of their business and providing them with \$30,000 in pre-seed funding. The studio supports Sharjah's digital transformation and the development of the non-oil economy by encouraging more start-ups to create products and services that meet the needs of the emirate's economy and can be scaled up for deployment elsewhere. Start-ups in S3 are eligible for business incorporation in SRTIP and can apply for further funds from Sheraa's investment partners after graduating from the studio.

**E-GOVERNMENT:** The SDD drives technological innovation in Sharjah's public services at the local level. Its Digital Sharjah mobile app offers a portfolio of 41 services across seven categories, including business, transport, utilities, social services, general, real estate and security. There are six payment methods available on the app, including credit card, Apple Pay and Google Pay. The SDD plans to develop the app further to include services from the private sector and non-profit organisations.

In October 2023 Sheikh Saud bin Sultan Al Qasimi, director of the SDD, told local media that the office was investing in human capital, with the goal of equipping the local workforce with the skills required



Operation 300bn aims to position the UAE as a worldwide industrial centre through digitalisation by 2031

for a technology-driven landscape through training programmes, workshops and courses to enhance digital literacy. Al Qasimi also highlighted the importance of collaboration between the public and private sectors – including technology companies and start-ups – in driving innovation.

**INVESTMENT:** From 2017 to 2022 the federal budget allocated an average of nearly Dh1.5bn (\$407m) annually, with private sector investment also contributing significantly to the sector. In 2017 the total federal budget for ICT was Dh1.3bn (\$359m). Its peak over the six-year period reached Dh1.9bn (\$505m) in 2019, before falling to Dh1.1bn (\$313m) in 2022. Some of the highest levels of investment were seen in enterprise resource planning programmes, computer maintenance and internet services. A September 2022 report published by Invest in Sharjah identified seven high-potential sectors as areas with high potential for greater foreign direct investment – including advanced manufacturing, green technology and agri-tech – supported by the emirate's burgeoning technology and innovation ecosystem, and the UAE Digital Government roadmap.

**TELECOMMUNICATIONS:** Telecommunications services in the UAE are provided by two state-owned companies: the Dubai-headquartered Emirates Integrated Telecommunications Company – known commercially as du – which is 50.1% owned by the UAE's sovereign wealth fund, Emirates Investment Authority (EIA); and Abu Dhabi-based etisalat by e& (formerly Etisalat), which is 60% owned by the EIA. Consumers can also choose Virgin Mobile UAE, which launched as the country's fully digital mobile service in 2017. Although operating under a different brand name, Virgin Mobile UAE is a wholly owned business unit within du. Other providers include Nedaa, which is licensed to provide publicly accessible mobile radio services; Thuraya Telecommunications Company, which provides mobile communications by satellite

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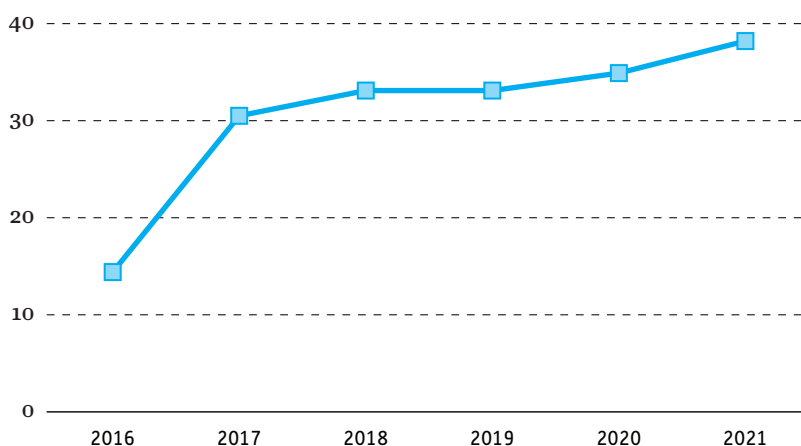
As of January 2023 the UAE had a mobile penetration rate of 200.9%

In 2023 there were an estimated 9.2m mobile internet users in the country who spent an average of four hours and 18 minutes online on their mobile devices each day.

in the UAE; and AI Yah Satellite Communications Company, also known as Yahsat, which offers satellite and broadcasting satellite across the country.

The number of fixed lines per capita in the UAE fell with the increased uptake of mobile phones, from 24 fixed lines per 100 inhabitants in 2012 to 21.6 in 2022, according to the TDRA. However, the total number of fixed lines rose from 1.97m in 2012 to 1.99m in 2022 as the population expanded. Both etisalat by e& and du offer interactive maps that allow customers to view their network coverage across the UAE, including mobile coverage, fibre coverage for fixed services, Wi-Fi locations, payment machines for telecommunications services and the location of service centres. The Hesabati government portal allows users with an Emirates ID to see their mobile and fixed-line phone numbers registered in the UAE. Meanwhile, the TDRA's Kashif feature displays the name of the caller to prevent anonymous calling.

#### Fixed broadband subscriptions, 2016-21 (per 100 people)



Source: TDRA

The TDRA established an integrated centre as part of its coverage initiative to assess the quality of mobile network coverage. Field surveys provide an analysis of the status of mobile operator networks to send reports to telecommunications providers about vulnerabilities and opportunities for improvement.

**MOBILE UPTAKE:** Mobile phone penetration in the UAE has risen significantly since 2012, driven by a young population with high levels of disposable income. The number of active mobile subscriptions rose from 13.8m in 2012 to more than 20m in 2022. As of January 2023 the UAE had a mobile penetration rate of 200.9%, according to mobile industry provider GSMA Intelligence. In recent years the UAE has been quick to roll out new smartphone technologies, as seen through its early adoption of 5G. Based on a study conducted from April to July 2022 by Swedish telecommunications company Ericsson's research arm ConsumerLab, almost half of customers in the UAE intended to take up 5G subscriptions by the end of 2023, while 20% already had a device equipped for 5G connectivity. In 2023 there were an estimated 9.2m mobile internet users in the country, spending an average of four hours and 18 minutes online on their mobile devices every day.

etisalat by e& and du both launched commercially available 5G services across the UAE in 2019, following the allocation of spectrum for 5G by the TDRA. Both etisalat by e& and du saw strong revenue growth in 2022, with revenue from etisalat by e&'s mobile segment increasing by 6% to reach Dh11.4bn (\$3.1bn) and du's revenue from the same segment growing by 8.4% to reach Dh5.7bn (\$1.6bn). The two operators continue to compete for network leadership, as both focus on converting pre-paid users to post-paid by introducing a range of new digital services. The rollout of 5G has reduced latency, allowing users to access broader services, such as online gaming and the cloud streaming of games.

During Mobile World Capital (MWC) Barcelona 2023 held in February-March of that year, etisalat by e& announced the commercial launch of its 5G standalone network in the UAE for fixed-wireless access customers. In October 2023 the company confirmed the commercial deployment and service readiness of 5G standalone for all mobile users, moving into the next stage of the technology's development. This advancement is expected to provide users with higher uplink speeds, improved device battery life and faster connectivity. Meanwhile, du signed a memorandum of understanding with Chinese technology company Huawei at MWC Barcelona 2023 to develop 5.5G, with the initiative centred around 5G-Advanced (5G-A) technological innovation. In October 2023 Huawei and du unveiled the world's first 5G-A demonstration villa, an archetype for future smart homes powered by a 10-Gbps network, with plans to roll out such residences across the UAE.

**INTERNET USE:** Internet penetration has risen rapidly since 2012 to give the UAE one of the highest levels of internet access worldwide. Broadband

subscriptions at the national level nearly quadrupled from 11.6 per 100 inhabitants in 2012 to 41 per 100 inhabitants in 2022. There were a registered 954,988 broadband subscriptions in 2012, with this number rising to 3.8m in 2022. Meanwhile, over the same 10-year period, internet subscriptions increased from around 958,000 to 3.8m.

In October 2023 the UAE had the fastest average mobile download speeds in the world at 269.4 Mbps, according to the Speedtest Global Index by US-based network intelligence firm Ookla. It also recorded the fourth-fastest average fixed broadband download speeds that same month at 235.7 Mbps, behind only Singapore, Hong Kong and Chile. Mobile phones were the most popular medium for web browsing in the country in 2023, accounting for 63.6% of web traffic, with 65.1% of people preferring to use mobile internet services and 34.6% using a laptop or desktop computer, according to UAE-based digital marketing company Global Media Insight. Google Chrome is the most widely used internet browser, attracting around 68.7% of web traffic in the UAE.

Active internet users constitute 99% of the total UAE population, one of the highest rates globally, according to the TDRA. Internet usage in the UAE is diverse, with consumers using internet services for social networking, work, information, education, entertainment and shopping, among other pursuits. There has been a surge in social media users in recent years, with 10m active accounts registered in the UAE in January 2023, with a penetration rate of 105.5% of the population. Users spent two hours and 50 minutes on social media daily. As of August 2023 app downloads in the UAE had reached 569m, while spending on app purchases had risen to Dh1.6bn (\$432m). In 2022 there were 30m visitors to the more than 46,000 websites on the u.ae domain.

At the emirate level, e-commerce activities are becoming an increasing driver of internet activity. The Sharjah Economic Development Department offers an etisalat by e& licence for home-based businesses and electronic businesses to run through social networks. The licence is available for UAE nationals 18 years of age and older who live in Sharjah. More businesses are being drawn to the emirate, as it offers many of the same economic benefits for establishing a business as Dubai, with the cost of an e-commerce licence in the UAE standing at around Dh5750 (\$1570). The emirate also provides a welcoming business environment with 0% tax on corporate and personal income, a low value-added tax of 5% and a Customs tax exemption.

**NETWORK UPGRADES:** In October 2022 etisalat by e& began a two-year expansion project with Ericsson to improve the energy efficiency of the UAE's telecommunications network with the deployment of the latest Ericsson Radio System portfolio. The initiative is in response to national aims to enhance sustainability in the sector. The first phase was successful in decreasing energy consumption, as carbon emissions were reduced by the equivalent of 7.6



Sharjah has several programmes aimed at educating people on technologies and equipping them for tech jobs

tonnes of CO<sub>2</sub> per site per year. The expansion is aimed at transitioning etisalat by e& towards using radio access network technology.

In October 2021 Abu Dhabi-based tech company G42 and etisalat by e& combined their data centre portfolios under Khazna Data Centres. As of September 2022 the group was operating eight data centres, with three more under construction and three in the pipeline, along with plans to develop a new centre in Sharjah. Through a joint venture with local sustainability company BEEAH Digital, Khazna Data Centres is building a 9 MW facility in Sharjah that uses solar power technology and wastewater recycling systems to improve its carbon footprint in line with national aims, potentially providing a new model for future data centres in the UAE.

**TECHNOLOGY DEVELOPMENT:** The UAE and Sharjah governments have focused strongly on developing the digital skills of Emiratis. There are several training programmes in Sharjah aimed at educating people in digital technologies to equip them for the growing number of tech jobs available and support a digitalised future. The average wage in Sharjah is more than Dh248,200 (\$67,600) for an AI engineer and Dh124,100 (\$33,800) for a data scientist, according to data from US-based job search portal Indeed.

Numerous schools are encouraging skills development in digital technologies. For example, the University of Sharjah operates the OpenUAE Research and Development Group to provide new opportunities related to the successful adoption of open-source software within the region. In June 2023 the American University of Sharjah partnered with Bybit, a global cryptocurrency exchange, to promote blockchain education in the UAE. Bybit is providing a scholarship fund worth Dh1m (\$272,000) to support 20 students who are pursuing studies and research in fin technology and blockchain, with a concentration on computer science and computer engineering.

In October 2023 the UAE had the fastest average mobile download speed in the world at nearly

**270 Mbps**

Active internet users constitute 99% of the UAE population, one of the highest rates globally. There has been a surge in social media users in recent years, with 10m active accounts registered in January 2023.





Network expansion plans and the adoption of new 5G services are expected to improve the user experience

**Access Sharjah Challenge**, an initiative developed by the Sharjah Entrepreneurship Centre, provides \$136,000 for start-ups that offer viable solutions to support net-zero and transformational waste management aims.

The metaverse – a virtual reality space in which users can interact with one another – is an additional area of interest for the development of Sharjah’s digital economy. In October 2022 Singapore-based Multiverse Labs, an AI company, developed Sharjahverse, the world’s first publicly available, government-backed metaverse city in collaboration with the Sharjah Commerce and Tourism Development Authority (SCTDA). Sharjahverse is a real city-scale metaverse covering 2590 sq km. Through this project, the SCTDA hopes to make Sharjah more accessible for tourists who are unable to visit the emirate in person, propelling the mass market tourism sector into the next generation in a sustainable manner.

On the green tech front, Sharjah Sustainable City, developed by the Sharjah Investment and Development Authority, better known as Shurooq, and Dubai-based Diamond Developers, is at the forefront of deploying environmentally friendly smart city technologies. The fourth and final phase of the project was launched in May 2023, following the completion of the first three phases and the construction and sale of 928 villas. The city provides residents with smart home and energy management solutions aimed at integrating digital technologies and sustainable practices into residential areas.

In terms of entrepreneurship, the Access Sharjah Challenge (ASC), an initiative developed by Sheraa, provides Dh500,000 (\$136,000) for start-ups that offer viable technology solutions to support net-zero and transformational waste management objectives. Sheraa uses the ASC to support the development of start-ups in line with UAE sustainability ambitions.

**CYBERSECURITY:** The ongoing digital transformation of the UAE and Sharjah is accompanied by growing cybersecurity risks, with increasing amounts of valuable data stored online. At the national level, actions are guided by the TDRA’s National Cybersecurity Strategy, which aims to bolster protection for

businesses, individuals and critical digital infrastructure, while also fostering a culture of entrepreneurship and innovation to enable the UAE to be at the forefront of technological developments.

In November 2020 the UAE Cabinet established the UAE Cybersecurity Council, tasked with creating robust national cybersecurity infrastructure. In September 2023 the council announced that it was developing a vision to safeguard the country for the next 50 years against rapidly evolving threats linked to AI and other innovations. Sharjah also operates its own Sharjah Cybersecurity Centre tasked with ensuring the resilience of the government’s digital platforms against online threats.

Other emirate-level entities are taking their own measures to enhance safeguards against potential cyberthreats. For example, in October 2017 the Sharjah Chamber of Commerce and Industry (SCCI) signed a protection agreement with etisalat by e& to improve its digital security, data flow and network readiness in order to tackle potential threats. The digitalisation of SCCI services aligns with several national digital economy initiatives.

**OUTLOOK:** National strategies for digitalisation go hand-in-hand with sustainability aims that encourage companies to reduce energy consumption while improving services. This has been strongly reflected at the local level through the construction of Sharjah Sustainable City and the incorporation of carbon-cutting technologies into industrial projects across the emirate. Plans for network expansion and the adoption of new 5G services are expected to improve the user experience in the coming years and position Sharjah and the UAE at the forefront of regional digital transformation. In addition, the ICT training schemes and research opportunities offered at several of Sharjah’s educational institutions are set to develop a cohort of trained graduates for work in the tech sector to support future innovation.



Sharjah is a digital centre within the UAE and the broader GCC region

In September 2023 the UAE Cybersecurity Council said it was developing a vision to protect the country against rapidly evolving threats linked to artificial intelligence and other innovative technologies.



Hussain Al Mahmoudi

# Innovative solutions

Hussain Al Mahmoudi, CEO, Sharjah Research Technology and Innovation Park (SRTIP), on how emerging technologies can increase efficiency and contribute to economic expansion

## How has the COP28 UN Conference on Climate Change impacted the local innovation ecosystem?

**AL MAHMOUDI:** COP28 was a pivotal event for the UAE because of its catalysing role across various sectors as a driver of innovation. Beyond being a global climate summit, the conference was a platform where entrepreneurs, companies and technologies could converge to discuss climate-related issues. This gathering of people and companies focused on positive change allowed for the kind of knowledge sharing and networking that generates new business and investment opportunities.

The contribution was multi-faceted for Sharjah. First, COP28 helped to bolster our ecosystem by attracting investment, forging global partnerships, sharing best practices and promoting our technological capabilities. Second, it was an opportunity for exposure as an emirate and investment destination. It was also an opportunity to showcase our innovations and establish new ventures with governmental and private institutions.

## What ongoing projects can increase technology output and boost its impact on the local economy?

**AL MAHMOUDI:** Sharjah is making strides in enhancing its technological landscape, having cultivated a focus on technologies with the potential to impact the local economy. Key among these are environmental and renewable energy projects. These are designed to meet the unique environmental challenges of our region, reflecting a deep understanding of local needs.

A dual approach has been adopted to propel Sharjah's technology sector forwards. First, technological innovations are being showcased at global platforms like COP28. This not only brings local firms into the global spotlight but also underlines Sharjah's growing role in the global tech community. Additionally, there is a commitment to forging collaborations with international tech leaders. This strategy is designed to import expertise, encourage technological exchanges and pave the way for local innovations to enter new markets.

Second, significant investment is being made in domestic research and technology infrastructure. These efforts aim to create a robust ecosystem supporting innovation and development in critical sectors. For instance, the establishment of specialised research centres and tech parks enhances research capabilities and attracts top talent and investors to Sharjah. This environment encourages a culture of innovation where research and development (R&D) activities can thrive.

Developments also include the integration of advanced technologies such as artificial intelligence (AI) and the internet of things in various industries. These technologies are being leveraged to optimise processes, boost efficiency and drive sustainable practices.

## Where do you see opportunities for technology implementation in the emirate's mobility ecosystem?

**AL MAHMOUDI:** Transforming mobility through technology is necessary to keep pace with global advancements. We are working to boost smart transport and mobility systems with innovative solutions. This involves introducing logistics systems that integrate emerging technologies including solar-powered and hydrogen-fuelled vehicles. Our efforts also include enhancing last-mile transport with options like e-scooters, along with efficient and accessible charging technologies.

Furthermore, we are exploring the use of drones for logistics and transport, a move that could streamline delivery systems and reduce road traffic. These initiatives are a testament to our commitment to improving the efficiency and reliability of mobility systems, and reducing their environmental footprint.

To bolster these efforts, there is a need for ongoing investment in the R&D of smart transport solutions. This includes the development of AI-driven traffic management systems that can optimise traffic flow and reduce congestion. The integration of internet of things in public transport also has the potential to provide real-time data to improve the commuter experience.



Najla Al Midfa

# Innovative drive

Najla Al Midfa, CEO, Sharjah Entrepreneurship Centre (Sheraa), on supporting new start-ups and female entrepreneurs

**How would you assess the environment of innovation and creativity for entrepreneurs?**

**AL MIDFA:** Our approach goes beyond funding, and encourages an entrepreneurial spirit and mindset. This is achieved in part through inspiring would-be entrepreneurs through events like the Sharjah Entrepreneurship Festival. At the same time, hands-on efforts to equip start-up founders with mentorship and the necessary skills to thrive is a key aspect of developing a strong entrepreneurial ecosystem.

Another crucial element in fostering this culture is the involvement of local corporates. These businesses are essential for supporting entrepreneurship and creativity, as they are often the first to take a risk on new, innovative solutions from start-ups. A prime example is the collaboration with businesses facing specific challenges. They approach us seeking innovative solutions from start-ups and we offer them a chance to implement their ideas as a proof of concept.

Looking forwards, Sharjah is expanding its focus. While we have concentrated on nurturing local talent, we are also attracting international start-ups, especially those aligned with our key industries. We aim to create a balanced ecosystem that supports local entrepreneurship while integrating global innovations.

**What role do incubators and accelerators play in the entrepreneurship ecosystem?**

**AL MIDFA:** Incubators and accelerators are crucial, particularly for first-time or young founders. Experienced entrepreneurs might already have the necessary resources and networks, but newcomers often lack both expertise in business building and connections to investors and customers. This is where Sheraa's role as a government entity becomes crucial. We provide mentorship and leverage our network, including prominent advisors and CEOs from leading firms, to open doors for these emerging entrepreneurs, as well as offer feedback to ensure start-ups are investment-ready.

While there has been significant growth in venture capital availability since 2016, it is essential to recognise that venture capital is not a one-size-fits-all solution. Traditional banks often require an extensive track record, which many start-ups and small and medium-sized enterprises (SMEs) do not have. Venture capitalists typically seek high-growth companies with the potential for quick scaling and a clear exit strategy. However, this leaves a substantial gap for SMEs that contribute significantly to the economy but do not fit the venture capital model. These companies require alternative financing options, where there is still room for improvement. Identifying and providing these alternative funding mechanisms is essential for supporting a broader range of businesses in our economy.

**In what ways does Sharjah enable a supportive environment for women to thrive in the business sector?**

**AL MIDFA:** Supporting female entrepreneurs has been a central aspect of Sharjah's strategy. Approximately 52% of the start-ups incubated to date are led by women. This achievement reflects our commitment to diversity and inclusiveness. Notably, Sheraa's chairperson and CEO are women, further underscoring our focus on gender equality. We have implemented this commitment in practical ways. For instance, we ensure that the judging panel is not exclusively male in our pitch competitions. This approach also extends to the Sharjah Entrepreneurship Festival, where we aim for a balanced representation of male and female speakers.

Recognising women's challenges in scaling their businesses, we plan to launch a new initiative focused on helping existing female entrepreneurs expand and gain greater access to capital. This is particularly important considering the global statistic that only 2% of venture capital funding is awarded to women-led ventures. Our goal is to address this disparity, acknowledging that traditional venture capital and banking models often do not align with the needs of female-led businesses.

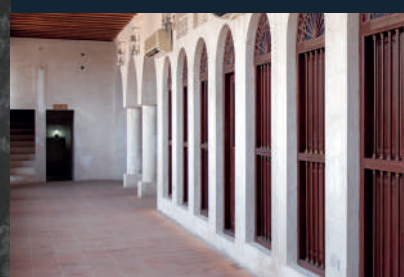


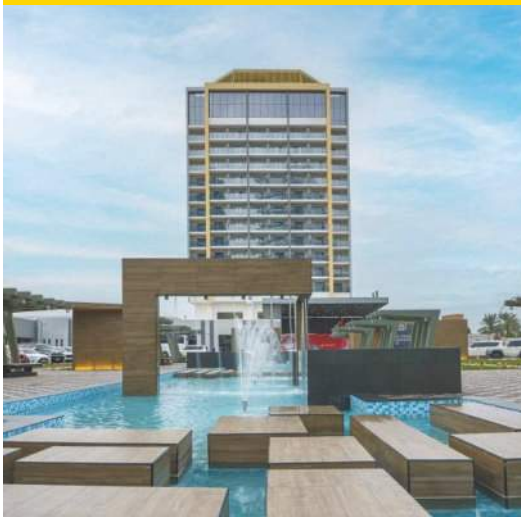
# The Guide

Hotel listing for both business and leisure travellers

Details on current visa requirements for tourists

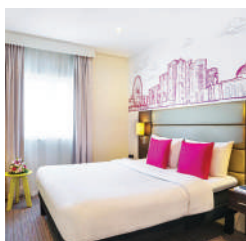
Etiquette and tips for new and returning visitors



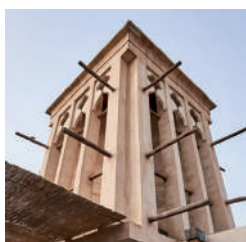


Hotel Holiday International

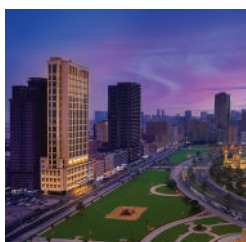
## Suite slumber



Ibis Styles Sharjah



XVA Art Gallery



DoubleTree by Hilton Sharjah Waterfront Hotel &amp; Residences

### HOTEL HOLIDAY INTERNATIONAL

Al Buhaira Corniche  
PO Box 5802  
T: +971 6 573 6666  
www.holidayinternational.com  
reservation@hhi.ae

**Rooms:** 249 rooms including four accessible rooms.  
**Business & Conference Facilities:** Multilingual staff in business centre with secretarial service and four multi-purpose event halls with poolside space to accommodate 3000 guests in outdoor events.  
**Health & Leisure Facilities:** Outdoor temperature-controlled swimming pool, children's pool, sauna, steam room, jacuzzi, gymnasium, two flood-lit tennis courts and children's playground.  
**Guest Services:** Concierge, 24-hour room service, laundry and dry-cleaning services, ladies' and gentlemen's salon, free parking, car rental desk, security, currency exchange, tour desk and shuttle service to Dubai and Sharjah City, transit visa with airport pick-up, babysitting services upon request, gift shop, on-call doctor, shoeshine and daily newspaper.  
**Dining:** Flavours (all-day dining, serving international cuisine), Sarab (Arab-Indian), Tea Garden (lobby cafe serving afternoon tea) and Breeze pool hut (poolside drinks and light food).

### IBIS STYLES SHARJAH

Blue Souq, King Faisal Street  
Al Majaz 1, Al Majaz  
T: +971 6 503 8800  
ibis.com  
HB046@accor.com

**Rooms:** 168 rooms consisting of 118 double rooms, 36 twin rooms, 12 family rooms and two accessible rooms. All rooms are equipped with tea and coffee-making facilities, mini-fridge and a safe.  
**Business & Conference Facilities:** Fully equipped meeting room with capacity for up to 40 people.

**Health & Leisure Facilities:** Separate male and female fitness centres.

**Guest Services:** Secured basement-level parking; complimentary Wi-Fi and web e-corner in the lobby.

**Dining:** Omniya (all-day dining) and Costa Coffee located at the lobby level.

### XVA ART HOTEL, GALLERY & CAFE

Al Fahidi, Bur Dubai  
PO Box 37304  
T: +971 4 353 5383  
www.xvahotel.com  
reservations@xvagallery.com

**Rooms:** 15 rooms.  
**Business & Conference Facilities:** The building and courtyards are available for meetings and events.  
**Health & Leisure Facilities:** Art gallery and three courtyards.  
**Guest Services:** Free Wi-Fi, minibar and in-room safe.  
**Dining:** XVA cafe for all-day dining.

### DOUBLETREE BY HILTON SHARJAH WATERFRONT HOTEL & RESIDENCES

Jamal AbdulNasser Street  
Al Majaz 2  
T: +971 6 511 1900  
www.doubletreesharjahwaterfront.com  
info\_dtsharjah@hilton.com

**Rooms:** 264 rooms (156 rooms and 108 furnished apartments).  
**Business & Conference Facilities:** Five meeting rooms and one pre-function area.  
**Health & Leisure Facilities:** Indoor swimming pool, separate male and female fitness centres, and steam and sauna rooms.  
**Guest Services:** Free Wi-Fi, concierge, room service, free parking and electric vehicle charging station.  
**Dining:** Majdolin Restaurant (all-day dining) and Banyan Café (tea, coffee and pastries).

**GOLDEN TULIP HOTEL APARTMENT**

Al Fardan Centre  
Corniche Centre, 72595, Sharjah  
T: +971 6 519 7777  
www.sharjah.goldentulip.com  
hotelinfo@goldentulipsharjah.com

Rooms: 264 rooms.

**Business & Conference Facilities:** Two meeting rooms and banquet hall.

**Health & Leisure Facilities:** Fitness centre with separate steam and sauna rooms for men and women.

**Guest Services:** High-speed Wi-Fi and free parking.

**Dining:** Tulip Restaurant, lobby cafe and 24-hr room service.

**NOVOTEL SHARJAH EXPO CENTRE**

Al Khan, Al Taawun Street  
Next to Sharjah Expo Centre, 72717, Sharjah  
T: +971 6 599 0500  
www.novotelsharjahexpocentre.com  
H9788-RE@accor.com

Rooms: 200 rooms.

**Business & Conference Facilities:** Two banquet meeting rooms.

**Health & Leisure Facilities:** Fitness centre, pool, sauna and steam rooms.

**Guest Services:** High-speed Wi-Fi, free outdoor parking and 24-hour room service.

**Dining:** Orient Restaurant (all-day dining), TAHI Restaurant (Moroccan), Orient Café in lobby and pool cafe.

**THE CHEDI AL BAIT**

Heart of Sharjah, Al Mareija  
PO Box 62727  
T: +971 6 502 5555  
www.ghmhotels.com/en/the-chedi-al-bait-sharjah  
reservations@chedialbaitsharjah.com

Rooms: 65 rooms.

**Business & Conference Facilities:** Business centre, library and museum with meeting and events space.

**Health & Leisure Facilities:** Separate spas for men and women, swimming pool, jacuzzi, sauna, steam room, hammam and fitness centre.

**Guest Services:** 24-hour guest services, laundry, free Wi-fi, hotel transport and valet parking.

**Dining:** The Restaurant (breakfast, dinner), The Café (lunch and afternoon tea) and Al Bareed (cafe).

**FOUR POINTS BY SHERATON SHARJAH**

King Faisal Street  
Al Qasimia, 61387  
T: +971 6 513 1000  
www.marriott.com/en-us/hotels/shjfp-four-points-sharjah/overview  
SHJFPFrontOffice@marriott.com

Rooms: 225 rooms.

**Business & Conference Facilities:** Six meeting rooms.

**Health & Leisure Facilities:** Fitness centre, sauna and steam rooms, outdoor pool, whirlpool and activities for kids.

**Guest Services:** Free Wi-Fi, laundry and dry-cleaning services, gift shop, 24-hr room service.

**Dining:** Cheeky Chan (pan-Asian), Yasmina (Mediterranean) and Library Café in lobby.

**AL BADAYER RETREAT BY SHARJAH COLLECTION**

Dubai-Hatta Road  
Al Madam, Sharjah  
T: +971 6 801 2000  
www.sharjahcollection.ae  
reservations@sharjahcollection.ae

Rooms: 31 deluxe and grand deluxe rooms, seven one-bedroom tents with private pool, three two-bedroom tents with private pool.

**Business & Conference Facilities:** Indoor meeting room can accommodate up to 25 guests. Outdoor amphitheatre for outdoor events.

**Health & Leisure Facilities:** Indoor gym, indoor and outdoor pools, outdoor children's pool and kids' club.

**Guest Services:** 24-hour room service and Wi-Fi.

**Dining:** Al Madam Restaurant (all-day dining serving international cuisine) and Shalimar Lounge.

**MOON RETREAT BY SHARJAH COLLECTION**

Al Shuwaib-Umm Al Quwain Road E55  
Mleiah, Sharjah  
T: +971 6 804 0404  
www.sharjahcollection.ae  
reservations@sharjahcollection.ae

Rooms: 10 domes with private pool, two one-bedroom tents, four two-bedroom tents with private pool.

**Business & Conference Facilities:** Outdoor area.

**Health & Leisure Facilities:** Glamping experience.

**Guest Services:** High-speed Wi-Fi.

**Dining:** Each tent equipped with barbecue station.

**CORAL BEACH RESORT SHARJAH**

Al Muntazah Street, Sharjah Corniche  
PO Box 5524  
T: +971 6 522 9999  
www.hmhhotelgroup.com/coralbeachresortsharjah  
info.coralsharjah@hmhhotelgroup.com

Rooms: 156 rooms.

**Business & Conference Facilities:** Indoor and outdoor event facilities for both small seminars and large gatherings that accommodate up to 400 people indoors and 800 people on the great lawn.

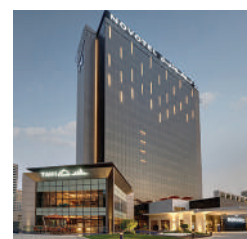
**Health & Leisure Facilities:** Spa, fitness centre, outdoor swimming pools, tennis court and private beach.

**Guest Services:** High-speed Wi-Fi, free outdoor parking and 24-hour room service.

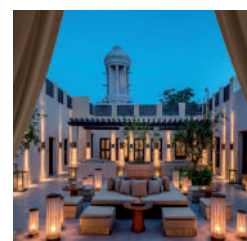
**Dining:** Côte Jardin Restaurant (international all-day dining), Casa Samak Restaurant (seafood), Al Dente Restaurant (Italian), Waves (pool and beach bar) and Rumours Café (patisserie and coffee lounge).



Golden Tulip Hotel Apartment



Novotel Sharjah, Expo Centre



The Chedi Al Bait



Coral Beach Resort Sharjah





# Facts for visitors

## Useful information for new arrivals

**VISA REQUIREMENTS:** GCC citizens do not require an entry visa to the UAE, but requirements for other nationalities vary. It is recommended to confer with your country's embassy prior to travel. Most UK, US and East Asian travellers can obtain a 30-day tourist visa on arrival, which can be extended at an immigration office. The EU signed a short-stay visa waiver agreement with the UAE, allowing its citizens to stay for a period of 90 days within any 180-day period. Regulatory changes were introduced to promote inbound tourism, allowing for Chinese and Russian tourists to obtain visa on arrival at any point of entry.

**COMMUNICATIONS:** The country code for the UAE is +971, followed by Sharjah's dialling code, 06. There are three local telecoms providers: du, Etisalat and Virgin Mobile. Pay as-you-go SIM cards for the three can be obtained at most shopping malls upon presentation of a valid passport.

**LANGUAGE:** Arabic is the official language of the emirate, but English is widely spoken, especially in business settings. Public signs are commonly in both Arabic and English. Other languages in public use include Hindi, Urdu, Tagalog, Farsi and Chinese.

**CURRENCY:** The UAE dirham (Dh) is pegged to the US dollar at \$1:Dh3.67. ATMs are widely available in the emirate and cash can be exchanged in most malls. Credit cards are widely accepted throughout hotels and retail outlets.

**ETIQUETTE & DRESS:** Hospitality plays a central role in Emirati culture and longer greetings are an important prelude before proceeding to other matters, be it in business or social interactions. Seeing as how Sharjah is a conservative and family-oriented emirate, modesty in dress is advised.

**DINING & DRINKING:** Reflecting its diverse population, Sharjah offers a wide variety of international cuisines, with nonetheless strong Middle Eastern and South Asian influences. The consumption of alcohol is strictly prohibited throughout the emirate.

**TIPPING:** There are no strict conventions concerning tipping, although restaurants often include a 10% service charge. In the absence of such a charge it would be advisable to tip 10-15%. Taxi drivers do not expect a tip, but it is often easier and more convenient to round up your fare. Hotel staff can be tipped between Dh5 (\$1.36) and Dh10 (\$2.72).

**HEALTH:** Sharjah's health services are good, and UAE nationals have access to full medical coverage provided by the government. Tourists who do not possess travel health insurance can visit private hospitals, where English-speaking staff can commonly be found and payment is expected upon treatment.

**ELECTRICITY:** The UAE uses the same square, three-pin sockets as the UK, although some outlets are compatible with europlugs. Adapters are widely available. The electricity supply is 220/240 V at 50Hz.

**TIME MANAGEMENT:** In the UAE, government offices are open from 7.30am to 3.30pm, Monday through Thursday and 7.30am to 12.00pm on Friday, with most private businesses following suit. Ramadan business hours are 9.00am to 2.30pm. However, in January 2022 Sharjah implemented a four-day work week with Friday, Saturday and Sunday forming the new weekend. The UAE National Day is on December 2, and the time difference is three or four hours ahead of GMT, depending on the season, since daylight saving time is not observed.

**TRANSPORT:** Taxis are generally the most reliable way to get around Sharjah and can be flagged down or booked by phone (600 52 5252). Trips within Sharjah cost between Dh12 (\$3.27) and Dh45 (\$12.25). Tourists with a driving licence from any of the 36 government-approved countries can drive without a local licence. Chauffeur-driven car services such as Careem and Uber can also be booked via smartphone apps. In addition Mowasalat operates nine bus routes around Sharjah city. A single fare costs Dh6 (\$1.63) and tickets can be purchased on board.



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[www.snoc.ae](http://www.snoc.ae)