

# Self issuances & Billers Project

Market Study 2025

SMART  
ISSUANCE  
TECHNOLOGY...

A TRUSTED FINTECH SOLUTION  
PROVIDER OVER A DECADE



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1.

## Summary

Smart Issuance Technology is a pioneering company based in the United Arab Emirates, specializing in innovative E-Payment solutions. The Project Managers and higher management of Asfar Group have identified a unique market opportunity to introduce a pre-paid card system tailored specifically for the needs of both tourists and residents in the region. This concept stands out as it encompasses a personalized pre-paid card, which will be conveniently dispensed through self-service kiosks strategically located throughout the country, enhancing accessibility and user experience.

The pre-paid card is designed to be multi-currency, enabling seamless transactions across different currencies, which is particularly beneficial for tourists. Additionally, it will offer functionalities such as bill payments and cash withdrawals, providing users with a versatile financial tool that meets a variety of spending needs, whether for everyday purchases or emergency cash access.

### Project Objectives

The primary objective of this initiative is to assist the management of Asfar Group in making informed investment decisions regarding the launch of this product and service within the UAE. By offering comprehensive insights into the potential viability of the investment, the goal is to ensure that Asfar Group can strategically position the pre-paid card within the competitive landscape of the financial services sector.

To achieve this, it has been agreed to undertake thorough market research and analysis. This research will focus on evaluating the pre-paid card industry in Dubai, alongside assessing other relevant industries that may impact the new company's establishment. Key areas of study will include the identification of market trends, analysis of consumer perceptions, a review of the pricing structure, and the development of a market forecast that will guide strategic planning and decision-making.

# 2.

## Market Analysis

1. Addressing Your Need
2. Current situation in the UAE
3. Tourism Sector
4. Consumer Lending & Consumer Credit
5. Pre-Paid Cards in UAE
6. Billing Kiosk in UAE

# 1. Addressing Your Need

## Market Study Methodology

We adopted a practical yet structured methodology to effectively prepare our market research, closely aligned with the project's primary objectives. This comprehensive approach ensures we gather meaningful insights that reflect true market dynamics and support our strategic decisions.

The following outlines the main steps of the methodology undertaken in preparing the market study.

### a) Market Research

In order to collect the required data and information, an extensive market research initiative was executed, targeting key players such as construction and real estate companies, contractors, and building material manufacturers. This approach allows us to gain a holistic understanding of the industry landscape.

A brief description of the steps executed during the market research follows:

- **Data collection:** Field surveys were conducted through a combination of phone calls, site visits, and interviews. Structured interviews with targeted parties played a critical role in our efforts to gather valuable data and insights necessary for the market study.

To complement our data collection efforts, we also undertook various quality control measures to ensure the integrity of the data gathered. These measures included:

- **Quality control measures:** A series of quality control protocols were implemented to guarantee the high quality of the collected data. This primarily involved random spot checks led by the project manager, which facilitated immediate feedback on the collection process and enabled quality assurance.

Furthermore, accuracy in data handling was a priority for us:

- **Data entry and verification:** The scrutinized data from the questionnaires was systematically entered into a custom-made data entry program in Excel. The accuracy of this input was meticulously verified against the original questionnaires, with any discrepancies being promptly addressed to maintain the reliability of the dataset.

To derive actionable insights, we employed robust analytical techniques:

- Tabulation and analysis: The collected field questionnaires were digitized and analyzed using Excel and SPSS programs, facilitating detailed insights into market trends and consumer behavior.

#### b) Desk Research

In addition to primary data collection, secondary sources of information were crucial in achieving the study's objectives. We collated relevant data from official sources operating within the UAE. This secondary information comprised insights from various governmental agencies such as the Ministry of Economy and Planning, regulatory bodies, the National Chamber of Commerce and Industries, municipal offices, Bureau Statistics, Central Banks, and well-indexed online directories.



## 2. Current situation in the UAE

### 2.1 Country Profile

#### Geographic Location

- The UAE is strategically located on the Arabian Peninsula, positioned between Oman and Saudi Arabia while bordering both the Gulf of Oman and the Persian Gulf, contributing to its significant geopolitical importance in the region.
- The total area of the UAE encompasses 83,600 sq km; without the inclusion of the three islands located in the Strait of Hormuz, the area is reduced to 77,700 sq km, underscoring the vast space available for development and population.
- The UAE's land boundaries stretch 867 km; of these, the emirates share a border with Oman to the north and east, which spans 410 km and with Saudi Arabia to the west and south, covering 457 km.

In 1974, an agreement between Abu Dhabi and Saudi Arabia was made to settle territorial disputes, including the Al Buraymi Oasis, though this Draft Agreement has yet to be ratified or recognized by either nation. This complexity of border negotiations highlights the diplomatic aspects of governance in the region.

- The UAE successfully signed and ratified a boundary agreement with Oman in 2003, which covers the entire border, incorporating areas such as Oman's Musandam Peninsula. However, the specifics of this agreement and maps related to it have not been publicly released, supporting the need for transparency in regional agreements.
- In a historical context, Iran took unilateral action in 1992, establishing full control over three strategic islands in the Strait of Hormuz—Greater Tunb, Lesser Tunb, and Abu Musa—which had been under shared administration with the Sharjah Emirate since 1971.
- In February 2007, the 22-member Council of Arab Parliamentary Union reaffirmed the UAE's sovereignty over these islands, emphasizing the regional political dynamics and ongoing sovereignty issues involving the UAE and its neighbors.

#### The Seven Emirates

##### Abu Dhabi

The largest emirate, Abu Dhabi covers an area of 67,340 sq km, which represents a staggering 86.7% of the country's total land area when excluding the islands, serving as the capital of the United Arab Emirates.

Its extensive coastline, exceeding 400 km, is divided into three primary administrative regions: the city of Abu Dhabi, the eastern region, and the western region, allowing for effective governance and regional development.

## Dubai

As the second largest emirate, Dubai spans an area of 3,885 sq km and is recognized as a leading commercial hub, being a key venue for trade fairs and conferences across the Middle East.

This emirate has transformed significantly over recent decades, emerging as the economic capital of the UAE, strategically located between Abu Dhabi and Sharjah, and is a major global financial center, attracting millions of tourists annually with its extensive attractions and vibrant lifestyle.

## Sharjah

Known for its emphasis on education and the arts, Sharjah was designated the Cultural Capital of the Arab World by UNESCO in 1998, highlighting its commitment to cultural preservation and development.

The emirate hosts over 20 museums rich with unique artifacts and art collections along with comprehensive exhibits covering science and natural history, reinforcing its status as a center for intellectual growth.

Sharjah uniquely has access to both the Arabian Sea and the Indian Ocean, showcasing its diverse geographical advantages. The area of Sharjah is recorded at 2,590 sq km.

## Ras Al Khaimah

Regarded as the historical capital of the UAE, Ras Al Khaimah spans an area of 1,680 sq km and is characterized by its longstanding agricultural practices and lush greenery.

The city is distinguished by its historical significance stemming from its prosperous port and pearling industry, which played a vital role in its economic development. It is the only emirate situated on the eastern flank of the UAE, bordering the Gulf of Oman, which not only affects its trade routes but also its climate and economic diversification.

The geography of Ras Al Khaimah includes varied landscapes, with an emigration plan of 1,300 sq km that consists of mountains, plains, and deserts. Fujairah's economy was traditionally reliant on fishing and agriculture.

## Ajman

Situated along the Arabian Gulf coastline, the emirate of Ajman extends for approximately 16 km between Um Al-Qaiwain and Sharjah, covering an area of 259 sq km, which is just 0.3% of the country's total area, excluding islands.

This small emirate is gradually evolving, focusing on enhancing its urban landscape and tourism potential, while maintaining its core industries such as fishing and traditional crafts.

### Umm Al-Qaiwain

As the second smallest emirate, Umm Al-Qaiwain lies between Sharjah, Ajman, and Ras Al Khaimah, and stands out for its smaller population and developing infrastructure.

This emirate traditionally relied on fishing and palm cultivation for livelihood, but currently, it is focusing on architectural advancement and tourism development, signaling a shift in its economic emphasis. The area of Umm Al-Qaiwain spans 777 sq km.

### Education and Literacy

The UAE government reports a commendable literacy rate of approximately 91%. This reflects proactive efforts to meet its ambitious goal of achieving universal literacy, which was set prior to 2010.

Education holds a crucial place in the national budget, accounting for approximately 25% of total federal government spending. This investment underpins the UAE's commitment to fostering a well-educated populace, necessary for future economic growth.

Public education is provided free of charge for both male and female citizens up until the university level. This policy facilitates equal opportunities for education among citizens and is a significant element of the country's social development.

The Ministry of Education has rolled out "Education 2020," an initiative comprising five-year strategic plans aimed at modernizing educational methodologies, fortifying innovative skills while emphasizing autonomous learning capabilities among students.

To support this vision, an enhanced curriculum for mathematics and integrated sciences was introduced at the first-grade level during the 2003-2004 academic year in all government schools, aiming to lay a strong educational foundation from an early age.

At the higher education level, UAE University (UAEU), established in 1976 in Al Ain, Abu Dhabi, plays a pivotal role as the premier teaching and research institute in the country, comprising nine colleges and serving a large student body.

## 2.2 Political System

The political landscape of the United Arab Emirates (UAE) operates within a federal, presidential, elected monarchy framework. Comprising seven constitutional monarchies—Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah, and Umm al-Qaiwain—the UAE's governance combines traditional monarchic elements with modern federal structures. This unique blend enables the leadership to balance traditional authority with contemporary governance, which has been crucial in maintaining stability and prosperity in this rapidly developing region.

Convention dictates that the ruler of Abu Dhabi serves as the President of the UAE, acting as the head of state, while the ruler of Dubai holds the role of the Prime Minister, acting as the head of government. This power-sharing arrangement reflects the importance of both emirates and their roles within the federation. The interdependencies among the emirates are reflected in this allocation of high offices, ensuring that the leadership remains representative of the largest and most economically significant regions in the country.

As an administrative federation, the UAE is organized into seven emirates, each governed by its own ruler. The momentum for local government reforms in each emirate is largely determined by the ruler's decisions. The provisional constitution of 1971 provides a framework for governance while allowing each emirate to maintain significant autonomy, particularly concerning local resource management, especially oil—which is a major revenue source for the UAE. The gradual development of federal powers illustrates the complexities of unifying diverse regions with established political traditions prior to the nation's formal inception.

The constitution distinctly delineates powers across executive, legislative, and judicial branches, ensuring a balanced approach to governance. Furthermore, legislative and executive powers are allocated between federal and emirate jurisdictions, facilitating local governance while maintaining federal oversight for national interests. The federal responsibilities cover essential domains, including foreign affairs, national security, and various public services such as education and health, which are vital to promoting both social infrastructure and a robust economy.

Each emirate maintains considerable autonomy; however, progress towards increased federal integration has decelerated in recent years. A fundamental principle within the UAE government's development as a federal system is the expectation that a notable portion of each emirate's revenues will contribute to the central budget, reinforcing the collaborative nature of governance within the federation. While major emirates like Abu Dhabi and Dubai have established their own Executive Councils, smaller emirates engage in local decision-making with a degree of independence that reflects their unique circumstances.

Some emirates, including Abu Dhabi, may also be divided into multiple municipalities, with key cities governed by their own municipalities and municipal councils. This division

allows for more responsive local governance, as each municipality can address the specific needs and aspirations of its population. Additionally, the presence of National Consultative Councils in emirates like Abu Dhabi and Sharjah mirrors the functions of the Federal National Council, bridging local and federal legislative efforts.

The political landscape can be further assessed through a SWOT analysis, where the strengths, weaknesses, opportunities, and threats provide insights into the governance framework. Among the strengths, high living standards have effectively mitigated demands for increased political representation, creating a relatively stable socio-political environment. However, the ambiguity surrounding lines of succession within leadership raises concerns regarding long-term stability, highlighting a potential weakness in governance that may need to be addressed in future reforms.

Opportunities abound for the UAE, particularly through its robust cooperation with other Gulf Cooperation Council (GCC) states in security and economic matters. The UAE's role as a conciliatory player within OPEC enhances its international relations, positioning it as a mediator and collaborative partner in addressing regional energy concerns. Yet, challenges persist with territorial disputes, notably with Iran, which threaten regional security and necessitate ongoing diplomatic efforts. Additionally, the relatively poor living conditions for some foreign workers can pose a threat to domestic stability, especially given the substantial size of the expatriate community. Such factors underscore the intricacies and the need for nuanced approaches to governance and social policy within the UAE's political framework.

The political landscape of the United Arab Emirates (UAE) can be analyzed through a SWOT framework, which allows for a nuanced understanding of both internal strengths and weaknesses as well as external opportunities and threats. This structured approach provides valuable insights into how the UAE navigates its complex political environment and the interplay of various factors affecting its governance and international relationships.

#### Strengths:

- The elevated standards of living for nationals have mitigated demands for expanded political representation, contributing to social stability. This economic prosperity is largely attributed to the UAE's wealth from oil exports and diversified investments, which have fostered a robust welfare system, enabling citizens to enjoy quality healthcare, education, and housing. In essence, this stability allows the government to focus on strategic long-term policies without being undermined by public unrest, thus fostering a sense of unity and national pride among the populace.

## Weaknesses:

- The ambiguity surrounding the succession lineage may elicit concerns regarding the long-term political stability of the nation. This uncertainty can create an atmosphere of speculation among both citizens and investors, potentially undermining confidence in future governance and policy continuity. Without a clear and publicly supported plan for leadership transition, fears about sudden shifts in policy direction can inhibit long-term investments and may lead to heightened anxiety among stakeholders relying on stable governance.

## Opportunities:

- The UAE engages in substantial collaboration with other Gulf Cooperation Council (GCC) states, particularly in areas of security and economic policy, which enhances regional stability and economic growth. These partnerships are vital, as they allow the UAE to leverage collective resources in addressing shared challenges, including security threats and economic diversification. By actively participating in joint initiatives, the UAE not only strengthens its geopolitical position but also solidifies its role as a leader in regional cooperation.
- Positioning itself as a 'dove' within the Organization of the Petroleum Exporting Countries (OPEC), the UAE demonstrates a sympathetic stance toward consumer states, which positively influences its diplomatic relations. This strategic positioning not only enhances the UAE's reputation but also fosters stronger ties with major global economies dependent on petroleum, facilitating trade and investment opportunities. By balancing the interests of oil-producing and consumer nations, the UAE establishes itself as a reputable intermediary, which can lead to a more stable economic environment for all involved.

## Threats:

- The protracted territorial disputes with Iran have longstanding implications for bilateral relations, potentially impacting trade and regional security. These disputes not only strain diplomatic channels but could also escalate into broader regional conflicts, affecting not just the UAE but its neighboring states as well. The ongoing tensions compel the UAE to enhance its defensive strategies and engage in diplomatic maneuvers that may distract from other pressing domestic priorities, such as economic development and social cohesion.
- Suboptimal living conditions for certain foreign workers have engendered strikes and demonstrations, which, given the substantial expatriate population, could threaten domestic stability. Such unrest poses risks to the deeply interwoven social fabric of the UAE, where expatriates play a critical role in the economy, necessitating careful management of labor policies to maintain harmony and productivity. Ensuring fair

treatment and improving living standards for foreign workers will not only alleviate social tensions but also enhance the overall economic dynamism of the nation.

## 2.3 Macro Economic Analysis

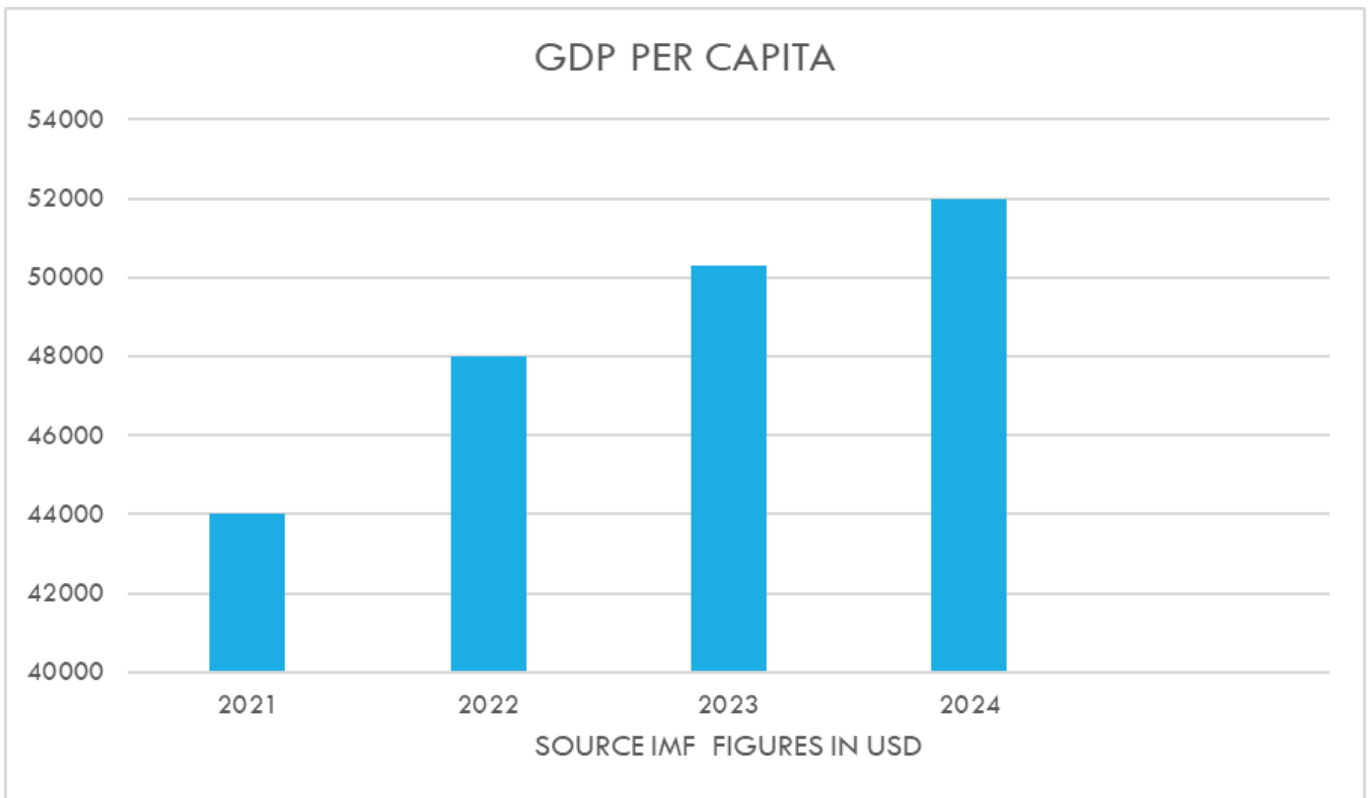
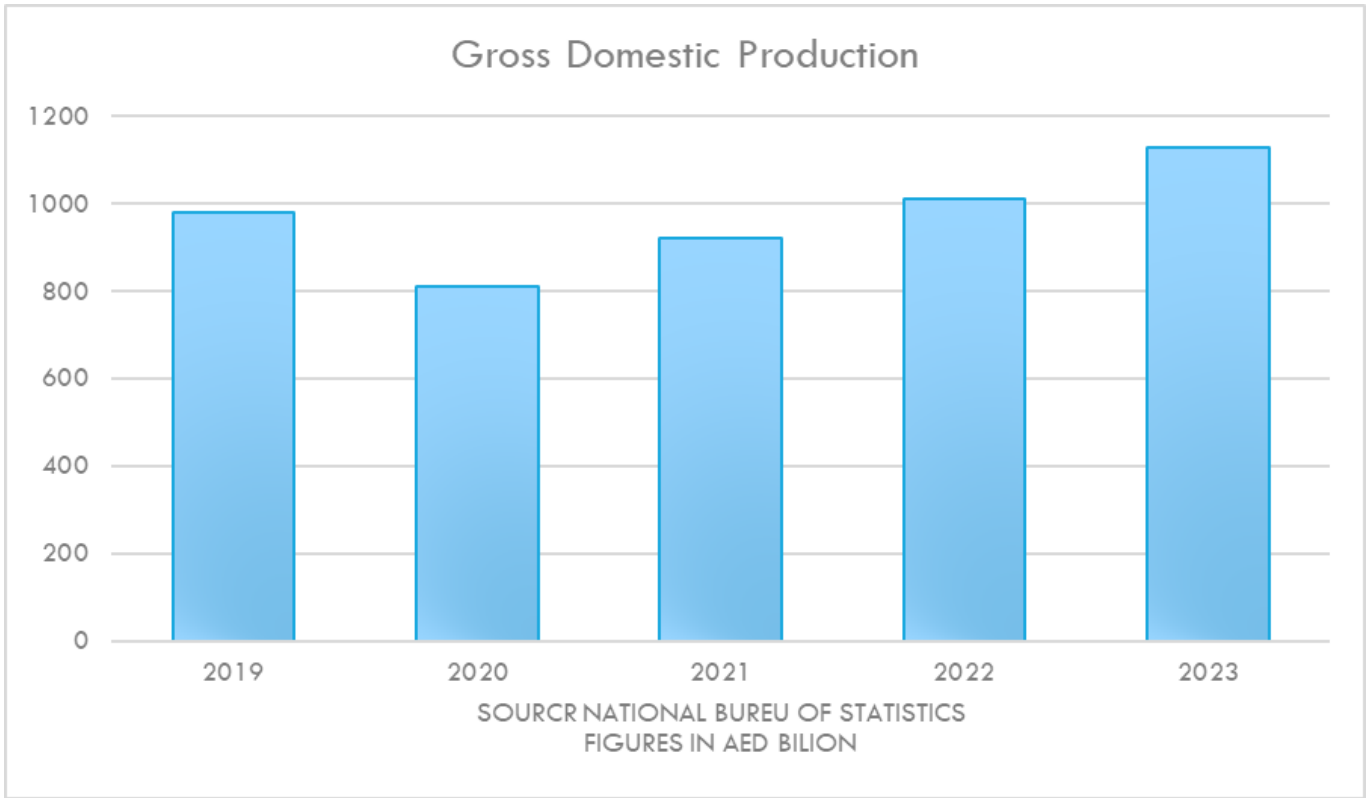
The robust economic landscape of the United Arab Emirates (UAE) is a testament to its strategic initiatives and overall resilience. As the nation continues to advance its economic diversification programs, the reliance on oil and gas has notably diminished. This shift is not simply strategic but also a response to global market dynamics, where fluctuating oil prices can pose risks to economic stability. The non-hydrocarbon sectors, such as tourism and manufacturing, have not only grown in volume but have also become vital contributors to the GDP, enabling the UAE to mitigate potential vulnerabilities associated with oil dependency.

For instance, the UAE's position as a global tourism hub has led to significant investments in infrastructure and hospitality, fueling demand in ancillary markets such as retail and entertainment. Events such as the Dubai Expo 2020 serve as catalysts for further economic engagement, attracting international investments and bolstering the service sectors. Additionally, advancements in technology and innovation are fostering a more competitive environment, encouraging startups and established firms alike to invest in sustainable business practices and digital transformation.

Furthermore, ongoing public investment projects across the seven emirates reflect a commitment to future readiness, focusing on long-term sustainability and economic diversification. In this evolving economic landscape, cooperative trading and inter-emirate collaboration have also increased efficiency and market reach, establishing the UAE as a central business hub in the GCC and a pivotal player in MENA. As we assess the macroeconomic performance, it is crucial to recognize the importance of these initiatives in solidifying the UAE's growth trajectory and enhancing its attractiveness for investors.

Looking forward, while the oil and gas industries are expected to remain significant, the potential for growth in renewable energy and technology sectors will play a pivotal role in shaping a resilient economy that can weather future uncertainties. With continued local and foreign investments, the UAE's economic framework remains dynamic, poised for sustained growth, and adaptive to the global economic climate.





## GDP by Economic Sector

The analysis of Gross Domestic Product (GDP) by economic sector reveals critical trends regarding the structural composition of the economy. In 2020, the contribution of non-oil sectors to the state GDP at constant prices was approximately 67.3%, a marginal decline

from 68.7% in 2019. This subtle decrease indicates a shift in economic dynamics as nations grapple with resource dependency. Conversely, the oil sector's contribution notably increased to 32.7% from 31.3% during the same period. Notably, non-oil sectors achieved a growth rate of 3.5% in 2020, slightly above the 3.1% registered in 2019. The oil sector recorded a positive growth of 6.2% in 2020, albeit a decrease from 6.7% in 2019, coinciding with a dip in global oil prices to 107 dollars per barrel, down from 109 dollars per barrel in the previous year. This dual trajectory highlights not only the resilience of diverse economic sectors but also the ongoing volatility inherent in oil market dynamics.

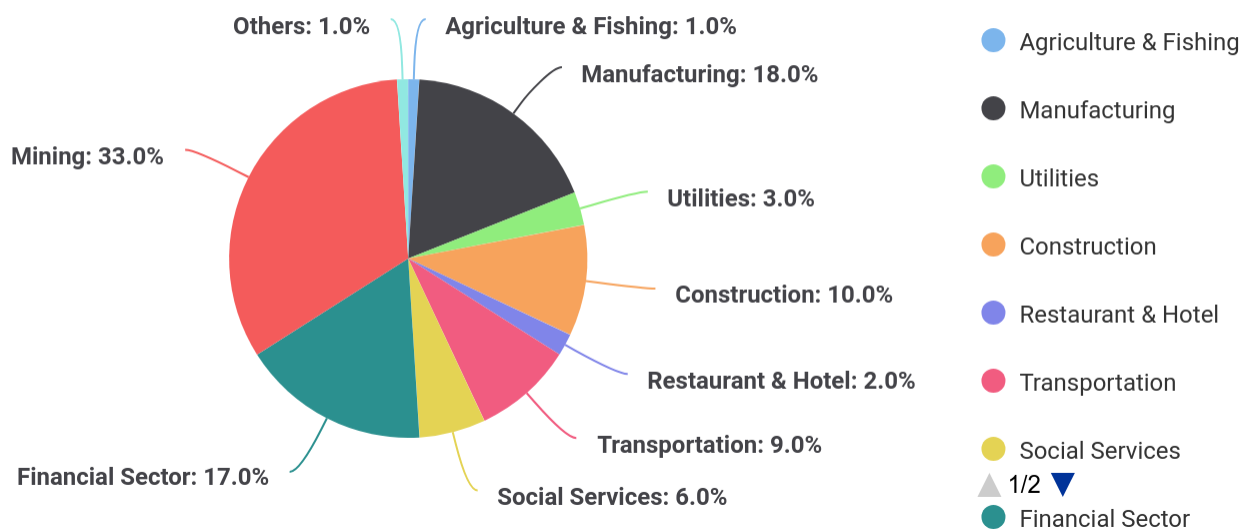
Within the commodity sector, the crude oil segment demonstrated significant influence, contributing 32.7% to the GDP in 2020, an increase from 32.1% in 2019. Such evidence underscores the oil sector's pivotal role in the national economy, which remains heavily reliant on this abundant resource. The manufacturing sector, meanwhile, contributed 8.9% of the GDP in 2020, representing a reduction from 9.2% in the previous year. This decline has prompted state policymakers to prioritize manufacturing, reinforcing initiatives aimed at fostering small and medium enterprises while enhancing the role of free zones in supporting these industries. The emphasis on innovation and diversification within manufacturing is vital for achieving long-term sustainability and economic resilience.

The construction and real estate sectors, characterized by the urban development initiatives witnessed across the nation, accounted for 20.5% of the GDP in 2020, slightly down from 20.9% in 2019. With sustained investments in infrastructure and housing, this sector is anticipated to play a crucial role in lifting the economy out of its pandemic-induced slowdown. Furthermore, the contribution of the electricity, gas, and water sector remained stable at 2.7% for both years under consideration, reflecting the essential services these utilities provide. The industrial development sector has emerged as a critical driver of economic diversification, contributing approximately 6% to the UAE's GDP. Key industrial pillars include petrochemicals, aluminum, and steel, with other sectors such as automotive, chemicals, cement, electrical machinery, power equipment, and food processing exhibiting consistent growth momentum in 2020.

Tourism is another essential engine of economic growth, accounting for AED 193.6 billion (US\$53 billion), or 14% of the UAE's GDP in 2020, with projections indicating significant growth in forthcoming years. The UAE has established a target of increasing tourism arrivals from approximately 15 million in 2020 to an ambitious 26 million over the next decade. This goal is supported by initiatives to enhance the tourism experience, which includes entertainment and cultural offerings. Concurrently, the enhancement of transportation infrastructure through the construction and expansion of port and airport facilities, as well as a nationwide rail network, supports these ambitions. The aviation sector alone contributes around 15% to the UAE's GDP, reaching as high as 28% in the emirate of Dubai, showcasing its significance as a regional transport hub.

As per 2020 statistics, the real estate sector represents approximately 10.5% of the national GDP. The stability in both economic and political domains positions the UAE as a favorable environment for international investors amidst regional uncertainties, a factor that has positively influenced the real estate sector's resilience. The diversified offering of real estate products caters to both domestic and foreign investors, further solidifying its importance in the broader economic landscape. Furthermore, the banking and finance industry has sustained its pivotal role in the economy, contributing around 7% to the total GDP. The UAE banking sector experienced an 8% increase in total assets, amounting to AED 1.8 trillion (US\$490 billion) in 2020, thereby affirming its status as the largest banking sector in the Arab region by asset volume. This robust growth reflects an ongoing confidence in the banking system and underscores its integral role in facilitating economic activity across the various sectors of the economy.

GDP by Economic sector



Financial Year	Units Sold
Agriculture & Fishing	1
Manufacturing	18
Utilities	3
Construction	10
Restaurant & Hotel	2
Transportation	9
Social Services	6

Financial Year	Units Sold
Financial Sector	17
Mining	33
Others	1

## Foreign Trade

The trade activity in the United Arab Emirates (UAE) exhibited robust growth in 2020, with both imports and exports experiencing notable increases. This net expansion can be attributed in part to the sustained elevation in oil prices, alongside the government's ongoing diversification initiatives. Remarkably, the UAE demonstrated resilience against the adverse effects brought about by regional unrest. Overall, exports surged by 7.4%, reaching US\$30 billion, while imports increased by 9%, amounting to US\$220 billion. Notably, non-oil foreign trade recorded an estimated growth of 15% during the same year, further emphasizing the UAE's strategic focus on diversifying its economy and reducing reliance on oil revenue.

In terms of revenue composition, the oil and gas sector accounted for approximately 42% of total export revenues, a significant rise from 32% in the preceding year. Crude oil exports remained strong in 2020, following a substantial increase of 50.8% observed in 2019. This growth not only underscores the continued global demand for petroleum but also highlights the UAE's effective production and export capabilities, positioning the nation as a critical player in the global oil market. The government's efforts to streamline production processes and enhance extraction technologies have contributed significantly to this improved performance.

By the end of 2019, the UAE had established itself as the world's twentieth-largest economy. Dubai played a pivotal role in this growth, handling nearly 80% of the UAE's merchandise trade, including exports and re-exports. Furthermore, it is home to the Middle East's largest port, Jebel Ali, and its most significant airport, making it an essential hub for international trade. These key infrastructural assets have not only bolstered the UAE's logistics capabilities but have also attracted a myriad of global businesses seeking access to emerging markets in both the Middle East and Africa.

Trade activity within the UAE's free zones reached nearly Dh13 billion (US\$3.5 billion) during the first nine months of 2020. This included Dh6.2 billion in imports, Dh1 billion in exports, and Dh5.5 billion in re-exports, highlighting the importance of these zones in the UAE's overall trade strategy. The free zones, characterized by their tax incentives and regulatory framework, have emerged as a critical mechanism for fostering entrepreneurship and attracting foreign direct investment, facilitating a diverse range of trade activities.

UAE re-exports to foreign markets totaled Dh153 billion (US\$42 billion) in the first nine months of 2020, reflecting a decrease compared to Dh161 billion during the same period in the previous year. This decline primarily stemmed from significant reductions in re-exports to Iran, largely due to the impact of international sanctions. The fluctuations in re-export dynamics highlight the complex interplay of geopolitical factors affecting

economic transactions in the region, underscoring the need for businesses operating in this landscape to remain agile and responsive to changing conditions.

## 2.4 Inflation and Monetary Policy

The inflation and monetary policy landscape in the UAE presents a nuanced picture of economic health and stability. In 2020, inflation eased to an annual rate of 0.7 percent, a slight decrease from 0.9 percent in 2019. This stability can be attributed to various factors, including sustained growth in the Central Bank's foreign assets driven by rising oil prices, and a moderate expansion in the money supply. As a result, inflation metrics showed a steadiness into 2021, indicating a resilient economic framework amidst global challenges.

The Consumer Price Index (CPI), a critical indicator of inflation, revealed varying impacts across different sectors. Significant decreases in housing and utility costs, particularly a remarkable drop of 2.6%, were noteworthy contributors to the overall inflation dynamics. Conversely, food prices, which historically tend to rise beyond 5% on an annual basis, added complexity to the CPI's trajectory as they account for about 14% of the CPI basket, highlighting the ongoing volatility in essential commodities.

Expanding on regional differences, Dubai's consumer prices experienced a decline of 1.7% in 2020, marking the first full-year deflation since 2016, following a modest rise in 2019. In stark contrast, Abu Dhabi recorded a rise of 1.1%, while other regions such as Sharjah, Fujairah, and Ajman witnessed price increases exceeding 3%. These disparities underline the varied economic pressures faced by different emirates, impacting consumer behavior and investment sentiment across the federation.

In the context of global financial trends, a low interest rate environment combined with subdued inflation in domestic markets facilitated a relatively loose monetary policy for the UAE. Under the fixed exchange-rate regime, the UAE dirham, pegged to the US dollar since November 1997, provides advantages in oil transactions and economic stability. This peg underpins greater predictability in exchange rates, enhancing the UAE's appeal to foreign investors and bolstering confidence in the financial system.

The benchmark interest rate, maintained at just 1% throughout 2021, reflected the influx of foreign capital and the overall favorable investment climate. Historical data illustrates that interest rates set by the Central Bank of the UAE have averaged around 1.38% since 2007, with a peak at 4.75% in November 2007. Such data indicates a long-term commitment to keeping borrowing costs low, further incentivizing both local and foreign investments, crucial for sustaining the UAE's economic growth.

Year	2015	2016	2017	2018	2019
CPI	120.95	122.76	124.58	126.65	127.24

Inflation Rate %	1.42	1.50	1.48	1.53	1.1
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Inflation 2015-2019

Year	2020	2021	2022	2023	2024
CPI	113.95	118.65	121.42	124.72	126.33
Inflation Rate %	- 9.83	5.22	1.90	2.98	1.74

Inflation 2020-2024



## 2.5 Demographic

According to the National Bureau of Statistics estimates, the total UAE population is projected to reach 9.13 million inhabitants, reflecting a notable growth rate of 10.5% compared to the 2010 figure of 8.26 million. This dynamic growth is indicative of the UAE's thriving economy, which continues to attract individuals from diverse backgrounds seeking opportunities in various sectors, ranging from technology to hospitality.

The last comprehensive population census took place in 2005, with a subsequent evaluation anticipated in 2010. However, timeline delays and logistical challenges have hindered efforts to obtain current and accurate demographic data. Conducting a population census is critical to provide clarity not only on total numbers but also on age distribution, employment statistics, and other vital socio-economic factors that affect planning and resource allocation within the UAE.

It is important to note that the initial population estimates might not fully capture the fluidity inherent in the UAE's demographic landscape. With over 85% of the total population being expatriates, as indicated by 201 Restinates, counting the population remains a challenging task. The significant influx and departure of expatriates due to varied international economic conditions results in constant fluctuations, making it difficult to rely solely on past estimates without up-to-date census data.

Gender distribution within the UAE population exhibits unique characteristics; as of 2011 estimates, males numbered approximately 5.4 million in comparison to 2.41 million females. This skewed ratio can be attributed to various factors including labor market demands which heavily recruit male labor for sectors such as construction and hospitality. Understanding these demographic nuances is essential for businesses aiming to tailor their products and services effectively.

The urban distribution of the population considerably favors the primary emirates of Abu Dhabi and Dubai, which collectively house over 50% of the UAE population. Specifically, 60% of UAE nationals reside in these two emirates, reinforcing their status as pivotal economic and cultural hubs. This concentration not only shapes market dynamics but also influences infrastructure development, housing, and urban planning initiatives to accommodate the growing population.

## 2.6 Business Environment

The business environment within the United Arab Emirates (UAE) is characterized by a multifaceted legal framework that is gradually evolving to promote foreign investment; however, it continues to present specific challenges. The regulations surrounding foreign ownership of land and equity exhibit significant variability across the emirates, with current policies predominantly favoring local citizens. For example, while Dubai has pioneered the allowance of foreign property ownership, such provisions are restricted to designated developments, which serve as the sole areas offering freehold land to offshore entities.

Foreign property owners in Dubai face considerable constraints, particularly regarding the registration of property titles with the Dubai Land Department. This registration is paramount, as it facilitates access to legal protections and promotes a frictionless transaction process, which is essential for safeguarding property rights. Additionally, the relatively nascent concept of freehold ownership in Dubai remains clouded with ambiguity, largely due to the dearth of substantial judicial precedents regarding property rights and inheritance laws. Such uncertainties, alongside the complexities surrounding property ownership and residency status, pose significant deterrents to potential investors.

Historically, numerous developers have misrepresented the implications of property ownership, leading foreign buyers to erroneously believe that such acquisitions would automatically confer residency permits. Subsequent clarifications from UAE authorities that property ownership does not guarantee residency further complicate the investment landscape. Nevertheless, in a move to enhance the environment for expatriate homeowners, the Dubai government announced in June 2011 the availability of a renewable, multi-entry visa for a three-year duration, representing a marked improvement compared to the previously restrictive six-month visa provision.

On the infrastructure front, the UAE is equipped with an extensive network of approximately 1,000 kilometers of paved roads interlinking the various emirates. With the absence of an established railway system, road transportation remains the predominant modality for travel between emirates. The UAE's strategic positioning for international trade is further augmented by state-of-the-art port facilities present in all seven emirates. Notably, Dubai captures a significant share of the cargo and re-export markets, attributable to its well-established ports, namely Port Rashid and Jebel Ali, which facilitate extensive trade operations.

Recent upgrades to Abu Dhabi's Mina Zayed port have introduced enhancements to support 21 deepwater berths, thereby augmenting operational efficiency through a reduction in vessel waiting times. While other emirates engage in efforts to penetrate the re-export market, they face inherent disadvantages due to comparatively smaller port facilities. Noteworthy is Sharjah, which possesses ports on both the Persian Gulf and the

Indian Ocean, thereby affording a strategic advantage through the minimization of transit times for international cargo vessels, which consequently reduces associated costs, including those related to insurance and travel durations.

Additionally, the UAE benefits from the presence of two esteemed airline carriers, Emirates Air and Etihad Airways, which provide extensive international connectivity, thereby bolstering trade and tourism prospects. In terms of telecommunications, mobile phone utilization is prevalent, with two primary service providers, Etisalat and Du, dominating the market. Despite a decline in fixed-line service popularity, the broadband segment has begun to gain traction; however, it is not without its challenges regarding service quality and pricing. The competitive landscape is projected to enhance as Du escalates its operational efforts, which should improve service delivery and strengthen the telecommunications sector within the region.

## 2.7 Foreign Direct Investment

### Inward FDI

In the fiscal year 2022, the economy experienced an inflow of international investment totaling US\$9.6 billion, as reported by the United Nations Conference on Trade and Development (UNCTAD). This figure signifies an impressive increase from the previous years, which saw inflows of US\$7.7 billion in 2021 and US\$5.5 billion in 2020. This upward trend in foreign direct investment highlights the growing confidence of international investors in the region's economic stability and potential for robust returns.

Dubai emerged as the predominant recipient of this capital influx, attracting investors primarily due to its sophisticated multi-modal logistics infrastructure. The emirate's strategic location provides rapid connectivity to approximately 2.2 billion consumers across the Middle East, North Africa, and South Asia, enhancing its appeal as a hub for business activities. Between January and June 2022, the emirate recorded an impressive influx of US\$4.5 billion, resulting in the creation of 9,678 job opportunities within its market—further bolstering its labor force and economic growth.

During the same period, a total of 115 foreign direct investment projects were documented in Dubai, affirming its significant share in global FDI activity. These projects collectively represented a substantial capital investment, with business services accounting for 20.9% of the FDI projects initiated within Dubai. The real estate sector has emerged as a pivotal contributor to this investment landscape, reflecting the ongoing urban development and population growth in the region. Other sectors, including leisure and entertainment, chemicals, financial services, food and tobacco, healthcare, IT services, communications, and metals, also attracted considerable investments. Notably, the primary source countries for these investments included India, Qatar, Germany, the United States, Switzerland, the United Kingdom, Saudi Arabia, and France, indicating a diverse range of economic ties and partnerships.

### Outward FDI

Conversely, in 2022, the Middle East and Africa represented an anomaly among global regions, as it was the only area to witness an amplification of its outbound foreign direct investment. According to UNCTAD, enterprises from the United Arab Emirates played a prominent role in this expansion, increasing their outward FDI flows by 26%. This substantial growth is indicative of the UAE's commitment to diversifying its economic portfolio and exploring new markets for investment. Consequently, the UAE's market share of outbound FDI from the Middle East and Africa rose to 34%, with the region recording a total of 220 projects compared to 174 projects documented in the preceding year. This remarkable increase highlights the strengthening of the UAE's investment presence and influence beyond its borders, positioning it as a key player in the global investment landscape.

TABLE - GCC - Annual FDI Inflow & Outflow

Country	2021		2022		2023		2024	
	in	out	in	out	in	out	in	out
UAE	4	2.7	5.5	2	7.7	2.2	9.6	2.5
KSA	32.1	2	28.1	4	16.4	3.4	12.2	4.4
Qatar	8.1	3.2	4.7	1.8	0.1	6	0.3	1.4
Oman	1.5	0.1	1.2	1.5	0.8	1.2	1.5	1.4
Kuwait	1.1	8.6	0.3	1.5	0.4	8.9	1.8	7.5
Bahrain	0.3	1.8	0.2	0.3	0.8	0.9	0.9	0.9

## 3. Tourism Sector

### 3.1 Travel & Tourism Sector

Following a marked decline in growth and a notable shift in spending patterns among residents of the United Arab Emirates in recent years, the travel and tourism sector began to see a revitalization toward the end of 2013. This resurgence was largely spurred by an increase in both domestic and inbound tourism, significantly influenced by the Dubai Expo. Importantly, the UAE capitalized on its reputation as one of the safest holiday destinations in the region, while simultaneously reinforcing its status as a premier global shopping hub. This combination of factors provided a fertile ground for growth in this sector.

Moreover, significant investments in travel accommodations over the previous years have resulted in a notable increase in the availability of rooms. For instance, major hotel chains expanded their portfolios within the UAE, offering a broader range of options for travelers, from luxury resorts to budget-friendly hotels. This diversification in accommodation not only catered to the needs of tourists but also enhanced the overall hospitality infrastructure.

Growth in inbound tourism was further bolstered by airlines that expanded their route networks, with Emirates Airline and Etihad Airways taking the lead in enhancing flight capacity. These airlines, recognized globally for their exceptional service, have strategically increased their presence, making it easier for travelers to access the UAE. Such expansion not only facilitates the arrival of international tourists but also boosts overall tourism-related economic activity within the region.

In addition to airline expansions, UAE airports experienced comprehensive upgrades to their facilities aimed at increasing capacity. A highlight was the opening of Al Maktoum International Airport at the end of 2013, designed to accommodate up to 160 million passengers. This development is a testament to the UAE's commitment to improving its transport infrastructure in anticipation of growing visitor numbers, thus ensuring a seamless travel experience for all.

Looking ahead, the forecast period indicates a promising outlook for the travel and tourism industry, propelled by both local economic growth in the UAE and global trends. Dubai and Abu Dhabi are projected to continue as the primary tourist destinations, where the majority of investments are directed. With anticipated rises in disposable income levels among domestic consumers, there is an expectation of increased spending on travel. Furthermore, the emergence of a growing middle-income demographic across the Middle East will likely lead to a surge in regional tourists. Continuous government investments in infrastructure, the promotion of cultural festivals, and the development of niche markets such as medical tourism are anticipated to be key drivers of this growth.

### 3.2 Balance of Payment

Travel and tourism are indeed vital components of the United Arab Emirates' economy, demonstrating robust growth patterns and a promising future. As reported by the national tourism board NCTA, the sector contributed an estimated 8% to the country's GDP in 2023. This figure is projected to rise further in 2024, signaling an optimistic outlook. Particularly noteworthy is Dubai's substantial contribution, with travel and tourism accounting for an impressive 31% of its GDP in 2023, as highlighted by the Department of Tourism and Commerce Marketing (DTCM). This staggering percentage underscores Dubai's status as a prime global destination, drawing millions of visitors each year.

The balance of payments, which reached AED13.7 billion in 2022, illustrates the positive trends in tourism-related financial flows. This figure marked a significant 15% increase over the previous year. The dichotomy between outgoing and incoming tourist expenditures showcases emerging consumer behavior and market dynamics; while outgoing tourists contributed to AED28.7 billion by spending abroad, domestic consumers began to shift their preferences towards local travel options. This trend indicates a growing awareness and appreciation for the diverse experiences available within the UAE, fostering a sense of national pride among residents.

Alongside these trends, incoming tourist receipts have benefitted from substantial government and private sector investment aimed at enhancing the nation's tourism infrastructure and promotional activities. This effort has been instrumental in attracting a steady influx of international visitors, which has been further catalyzed by the recovery of the global economy post-pandemic. The synergy between government initiatives and private sector engagement is likely to maintain the momentum of growth experienced in recent years, paving the way for sustained increases in tourism revenue and its economic impact.

Balance of Tourism Payment UAE

Description	2021	2022	2023	2024
Incoming receipts	36,196.2	37,624.3	39,663.1	42,410.00
Outgoing Expenditure	26,714.2	27,151.7	27,770.9	28,706.6
Balance of Payment	9,472.6	10,472.6	11,892.2	13,703.4

Figures in AED Billion

### 3.3 Domestic Tourism

The volume of trips experienced an increase of 5%, thereby reaching a total of 4.1 million in the year 2022. This growth can be attributed, in part, to an enhanced consumer confidence, which in turn has motivated a greater number of residents to embark on international excursions while simultaneously increasing expenditure within the domestic tourism sector.

Dubai has retained its status as the primary destination, accounting for approximately 43% of all trips taken; however, Abu Dhabi continues to gain momentum in this regard. Projections suggest that the overall number of trips will continue to ascend at a compound annual growth rate (CAGR) of 5% over the forthcoming forecast period.

Current assessments indicate that domestic tourism has been favorably impacted when juxtaposed with international destinations, as numerous residents of the UAE exhibit a greater willingness to allocate funds toward travel to more distant locales. Still, domestic tourism also reaped benefits stemming from favorable economic conditions, with trip volumes witnessing an incremental rise compared to 2021, albeit at a lower CAGR of 8% than observed during the review period. The overall trajectory of domestic tourism was robustly supported by the population growth experienced throughout the review timeframe.

Whilst Dubai persists as the quintessential domestic destination, Abu Dhabi has recorded a marginally greater growth rate regarding the frequency of trips. Both regions saw an expansion of approximately 6% in 2022, with Dubai accounting for 43% of the domestic travel market. Conversely, Abu Dhabi ranked closely behind, capturing 39% of domestic trips. The emirate has been enhancing its appeal through the development of shopping malls and new entertainment venues, such as Yas Waterworld, which increasingly attract domestic visitors.

#### Domestic Tourism by Destination

City	2021	2022	2023	2024
Abu Dhabi	1,349.00	1,422.20	1,500.4	1,594.2
Dubai	1,589.00	1,612.40	1,685.90	1,784.20
Sharhah	371.9	430	432	454.3
Fujierah	105.1	118.7	122.1	125.9
Rak	148	149.8	152	155
Ajman	13	13	14	14



The payment preferences of UAE residents indicate a strong inclination towards credit card usage while traveling domestically, with credit card transactions constituting 32% of domestic tourist expenditure in 2022, subsequently followed by debit card transactions, which represented 29%. The acceptance of card payments is prevalent in the region, reflecting a broader trend wherein consumers opt to book attractions and accommodations through online platforms. Cash transactions, by contrast, accounted for a mere 15% of domestic tourism expenditure in 2022, while prepaid cards were utilized by 16% of consumers, particularly among lower-income expatriate populations.

It is anticipated that domestic tourism will assume an increasingly pivotal role in the forthcoming periods. While incoming tourist receipts are projected to grow at a constant value CAGR of 6%, domestic tourism expenditure is expected to experience a compelling CAGR of 12% from 2022 to 2024.

### 3.4 Inbound Tourism

The tourism landscape in the United Arab Emirates is on the rise, with inbound trips increasing by a remarkable 7%, culminating in an impressive total of 10.4 million trips in 2022. This surge is not merely a statistic; it is a testament to the resilience of the global economic recovery, the strategic positioning of the UAE as a tourism hotspot, and the shifting dynamics caused by regional instability. The combination of these factors paints a vibrant picture of growth and potential in the tourism sector, positioning the UAE as an alluring destination for travelers from around the world.

Saudi Arabia and the United Kingdom have solidified their status as the foremost contributors to incoming tourist receipts, each accounting for an impressive 16% share in 2022. Following closely are India and Russia, showcasing the global interest that the UAE commands. The trajectory is promising, with an expected compound annual growth rate (CAGR) of 9% over the forecast period, indicating not only current momentum but also future opportunities ripe for exploration.

The impressive spike in tourist arrivals in 2022 was fueled by a series of favorable conditions. A recovering global economy instilled a sense of optimism and consumer confidence that transcended borders, encouraging more travelers to explore the vibrant offerings of the UAE. In contrast, ongoing civil unrest in neighboring nations, such as Tunisia and Egypt, positioned the UAE as a beacon of safety, making it an increasingly attractive choice for those seeking adventure and luxury in a secure environment.

Moreover, the UAE has firmly established itself as an unparalleled shopping destination, outshining competitors from nearby countries that either lack the same infrastructure or suffer from instability. This reputation appeals not only to tourists within the region but also to emerging markets like Russia and China, enhancing the allure of the UAE as a shopping paradise. The significant increase in arrivals in 2022, exceeding the previous period's CAGR of 4%, illustrates the strong upward trajectory and the effective strategies that are attracting global tourists.

To encapsulate the profound impact of these developments, the data reflects not just numbers but the burgeoning potential of the UAE as a premier travel destination. The insights gathered reveal a growing confidence among travelers, making now the perfect time to invest in the tourism sector of the UAE, as it prepares to welcome even more visitors and expand its phenomenal reach in the global market.

#### Arrivals by Purpose of Visit

.....	2021	2022	2023	2024
Business	2227.5	2177.1	2359.4	2557.9
Leisure	6507.5	6878.5	7293.4	7797.1
Arrivals	8745	9055.5	9632.7	10355.2

### 3.5 Outbound Tourism

In 2022, the outbound travel sector demonstrated substantial growth, with the number of trips increasing by 9% to reach an impressive 5.3 million, accompanied by an increase in outgoing tourist expenditure of 2%, totaling AED 28.7 billion. This upward trend is indicative of enhanced economic confidence within the country, benefiting both leisure and business departures.

However, despite the increase in overall trip volume, the spend per trip experienced a decline of 5% in current value terms compared to the previous year. Looking ahead, the number of trips is anticipated to grow at a compound annual growth rate (CAGR) of 10%, although the outgoing tourist expenditure may see only a constant value CAGR during the forecast period.

Factors contributing to these encouraging results include robust economic conditions, rising disposable incomes, and population growth. The outbound travel segment witnessed a notable increase of 9% in volume during 2022, largely attributed to the significant expatriate community resident in the United Arab Emirates, wherein a majority engage in international travel.

Notably, the Kingdom of Saudi Arabia (KSA) accounted for 29% of total departures, demonstrating the fastest growth with a remarkable 15% increase in the number of trips compared to the previous year. This surge is largely driven by the appeal of religious tourism, particularly during the Hajj season and throughout the year with many travelers visiting Mecca and Medina.

In terms of expenditure allocation, Egypt and Lebanon emerged as the leading destinations, securing 15% and 10% of total outgoing tourist expenditure respectively in 2022. The primary destinations from the UAE encompassed KSA, Oman, the United Kingdom, Malaysia, Egypt, Thailand, India, and Turkey, with tourism identified as the predominant purpose for travel.

Payment methods for outgoing tourist expenditure reveal a clear preference for credit cards, which accounted for a dominant share of 52%, marking an increase by one percentage point over the previous year. This shift occurred primarily at the expense of prepaid cards, which saw a decline to 7%. The stability of debit cards, holding a 25% share, coupled with cash transactions comprising merely 5%, further underscores the trend toward card-based payments, favored for their convenience and enhanced security features.

### 3.4 Hotel & Receipts

The hotel industry is experiencing a dynamic growth trajectory, with an 8% increase in current value leading to an impressive AED 25.0 billion and a notable 37.8 million bed

nights recorded in 2022. This growth, spurred by a robust influx of visitors and an uptick in domestic tourism, highlights the sector's recovery and resilience. The focus on mid-range hotels in Dubai is particularly pertinent, as financial incentives are projected to stimulate further development in this segment, catering to the growing demand. This is essential in balancing the hotel offerings and maximizing occupancy rates, ensuring that both luxury and budget-conscious travelers find attractive options that fit their needs.

In this fairly consolidated competitive environment, notable industry leaders such as Starwood Hotels & Resorts Worldwide, Rotana Hotels Management, and Jumeirah International are setting the standard. These companies, along with Accor Hotels and Hilton, command significant market shares, with the three top players collectively holding 42% of the value sales in 2022. Starwood's lead position with a 17% value share underscores its competitive edge while fostering a landscape where collaboration and competition co-exist, enabling innovative practices and enhanced guest experiences. As these industry leaders continue to refine their service offerings and expand their portfolios, the benchmark for quality and hospitality in the region rises, benefiting consumers and establishing a strong foundation for future growth.

The bed nights are projected to continue their upward trend, with a compound annual growth rate (CAGR) of 6% in constant value expected over the forecast period. This growth is indicative of broader market trends, wherein the overall travel accommodation sector noted an impressive 8% growth in current value in 2022 compared to the previous year. This marked improvement, especially against a backdrop of a 3% CAGR during the review period, exemplifies the sector's robust recovery post-pandemic. As travelers increasingly return to seeking unique and diverse experiences, the hospitality sector is well-positioned to adapt and thrive by leveraging this positive momentum.

Hotel operations benefitted significantly from increased capacity, with a 9% rise in the number of outlets and a 4% increase in available rooms being reported in 2022. This capacity growth is crucial for meeting the rising demand and ensuring sustained profitability, as evidenced by a 9% current value growth for hotels that corresponded with the increased number of bed nights. The relentless price competition, fueled by the influx of visitors, ensured that hotels remained vigilant in their pricing strategies while maximizing occupancy. Successful operators are using advanced data analytics and dynamic pricing models to optimize their revenue management and enhance customer engagement, solidifying their position in this competitive realm.

As of 2023, the UAE's hotel landscape boasts a total of 203,000 establishments, generating an annual revenue of AED 117.6 billion according to the Ministry of Tourism. This impressive figure illustrates the sector's potential and signifies the robust market that investors and operators can expect to navigate in the coming years. The anticipated growth in visitor numbers and the strategic push towards expanding mid-range hotel options further solidifies the prospects for profitability and sustainability within the UAE's

hospitality sector. Stakeholders are encouraged to continue monitoring emerging trends and adapting to consumer preferences, ensuring long-term success in this vibrant and evolving market.

## 4. Consumer Lending & Consumer Credit

### 4.1 Consumer Lending

The consumer lending landscape in the United Arab Emirates experienced significant fluctuations during the recent review period. Following notable growth at the year's onset, a downturn in both the outstanding balance and gross lending terms became evident in 2019, largely attributed to the country's economic challenges. This decline not only impacted consumer borrowing but also shifted the strategies of major banks as they navigated a more cautious financial environment.

In 2021, as signs of economic recovery began to surface, leading banks pivoted their strategies from merely attracting deposits to prioritizing consumer lending. This pivotal shift led to the lowest lending rates seen in eight years. The reduction in interest rates had a particularly favorable impact on auto lending, which witnessed a resurgence toward the end of 2022, as consumers responded positively to the more accessible financing options available to them.

Enhanced lending practices were facilitated by regulatory improvements introduced by the UAE Central Bank, which streamlined lending criteria for personal loans, auto financing, and credit cards. These advancements not only encouraged banks to increase their loan offerings but also significantly decreased the prevalence of non-performing loans across all consumer credit categories. By 2022, banks were better positioned to extend credit, reflecting a meaningful turnaround from previous periods of tighter lending conditions.

A widespread competitive environment emerged as banks strove to enhance their market share in consumer lending toward the end of the review period. Prominent players—namely Emirates NBD, Mashreq, and Abu Dhabi Commercial Bank—continued to dominate the landscape while implementing aggressive strategies to capture consumer interest and engagement in lending products.

As we look ahead, the economic forecast for the United Arab Emirates suggests steady growth, albeit at a moderate pace. Real GDP is anticipated to showcase annual growth of around 3%, indicating a stable economic environment that is conducive to gradual recovery. This baseline economic performance is expected to foster a notable uptick in consumer spending driven by robust income levels and the expanding tourism sector, specifically shopping tourism.

Shopping in the UAE is not only a favored pastime but also a driver of substantial economic activity. Given the high income levels, consumers are poised to increase their expenditures significantly as their confidence in economic recovery solidifies over the forecast period. This renewed consumer spending is likely to be coupled with a growing trust in the security of credit card transactions, paving the way for a thriving credit market.

As a result of these dynamics, card lending is projected to outperform other segments of consumer lending. Notably, the establishment of a centralized credit bureau is set to bolster the uptake of credit cards, providing both banks and consumers with greater confidence in borrowing. Forecasts indicate that card lending will witness a compound annual growth rate (CAGR) of 6% in gross lending terms throughout the forecast period and is expected to command the largest share of consumer credit by 2025, accounting for 35% of the total gross lending volume.



## 4.2 Consumer Credit

Consumer credit represents non-mortgage debt that is extended to individuals for personal or household purposes, encompassing various forms of financial instruments such as installment loans and credit cards. The outstanding balance of consumer credit experienced a notable 6% growth in current value from 2021, culminating in a total of AED 147.9 billion in 2022. This growth trajectory can be attributed in substantial part to prevailing lower interest rates and the increasing availability of Sharia-compliant products that cater to diverse consumer needs.

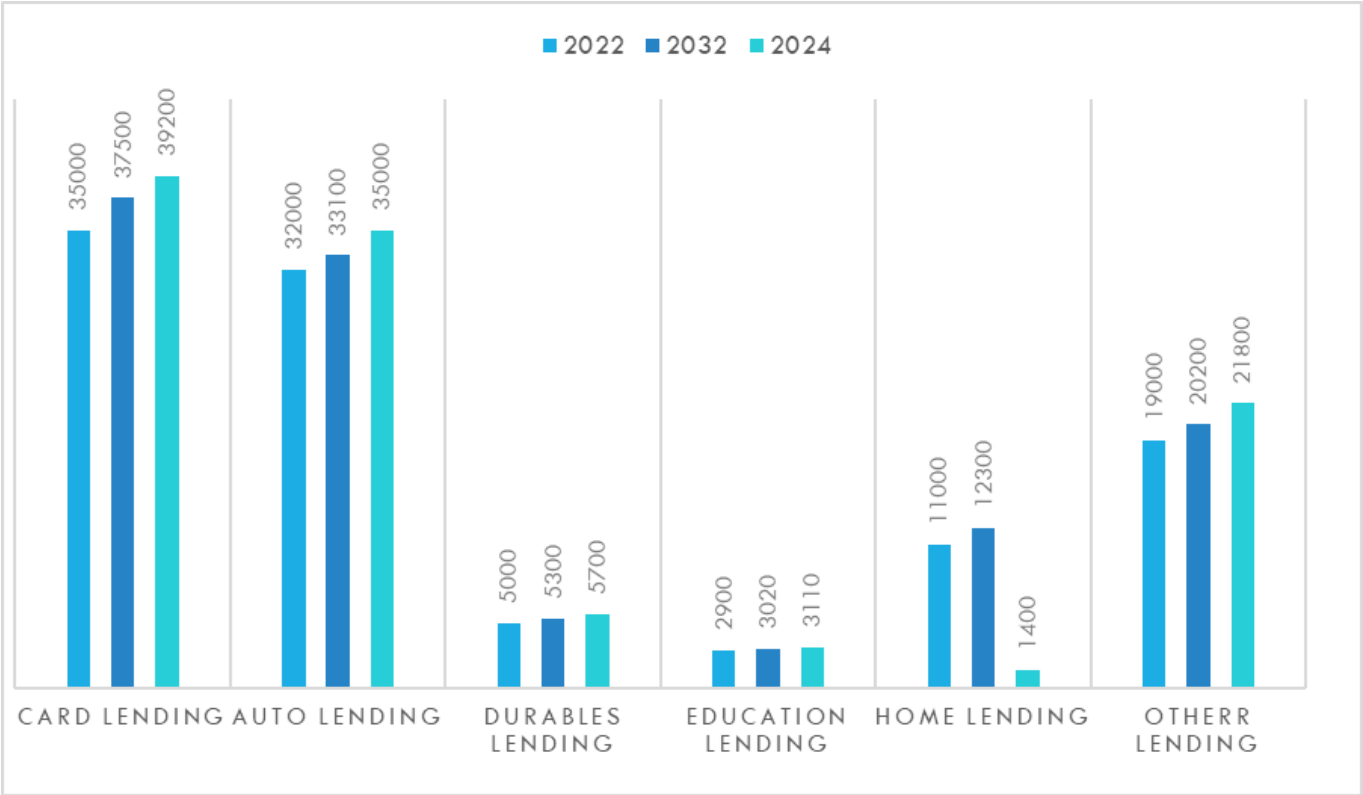
Gross lending, another key metric, also reflected a positive trend, achieving a 5% increase in current value from 2021 to reach AED 113.1 billion in 2022. Noteworthy players in this market, particularly prominent financial institutions such as Emirates NBD, have maintained a leading position in the consumer credit sector, highlighting their pivotal role in shaping lending practices. Furthermore, an annual constant value compound annual growth rate (CAGR) of 5% is projected for overall consumer credit throughout the forecast period.

It is essential to note that enhanced lending practices, particularly within the auto lending segment, emerged as a vital factor contributing to this sector's growth at the end of the review period. Auto lending, in particular, recorded the most significant absolute growth in both current value outstanding balance and gross lending terms during 2022, with increases amounting to AED 3.4 billion and AED 1.9 billion, respectively. This was facilitated by the UAE Central Bank's introduction of loan caps in March 2021, which have led lenders to adopt a more favorable lending posture.

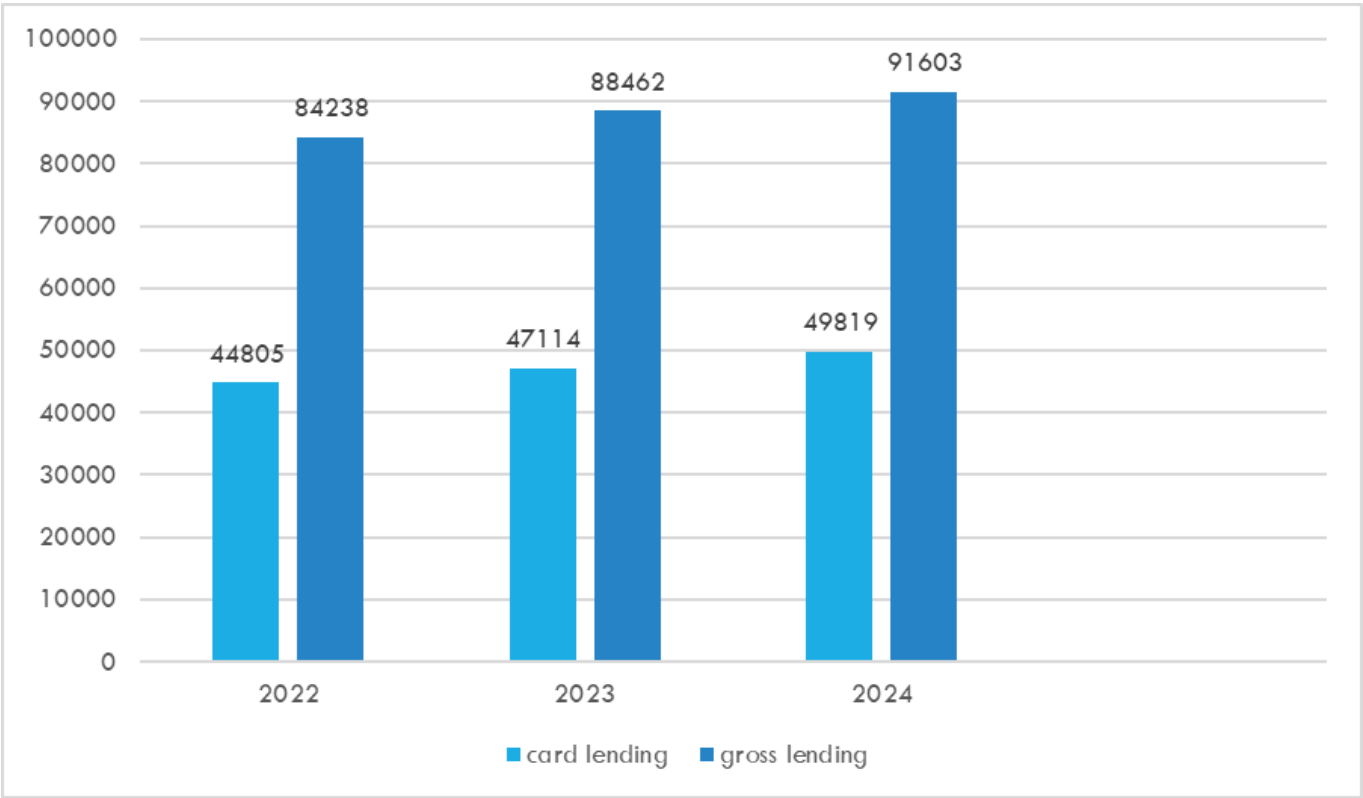
The established loan caps stipulate that personal loans must not exceed 20 times the monthly salary or income of the borrower, with repayment installments restricted to a maximum of 50% of this sum, and a loan repayment period not surpassing 48 months. Furthermore, credit card issuance is limited to individuals with an annual income threshold of AED 60,000 or more, while auto lending is capped at 80% of the vehicle's value, with a maximum repayment period set at 60 months.

Looking ahead, card lending is anticipated to exhibit the most robust growth in gross lending during the forthcoming forecast period, with an impressive constant value CAGR of 6%. This segment is expected to receive significant attention from leading financial institutions, culminating in enhanced product development and extensive marketing strategies. As consumer comfort with financial cards grows, card lending is poised to become increasingly mainstream. The establishment of a centralized credit bureau within the UAE is expected to further broaden the consumer base eligible for cardholding, thereby enhancing banks' willingness to extend credit to mid-income consumers. Concurrently, the rising trend of shopping as a leisure activity is likely to solidify card lending as the preferred choice among consumers seeking flexible credit options.

Consumer Credit by Category: Gross Lending: Value



CARD LENDING - GROSS LENDING: VALUE



## 5. Pre-Paid Cards in UAE

### 5.1 Pre-Paid Cards in UAE

The financial projections indicate a substantial growth trajectory within the prepaid card sector, evidenced by a remarkable 13% increase in card volume from 2022, thereby achieving 2.7 million cards in circulation by 2023. Additionally, the transaction value is anticipated to escalate by 17%, culminating in a total value of AED 7.3 billion within the same timeframe. This growth is further supported by labor legislation reforms that bolster economic prosperity, particularly enhancing the expatriate workforce's status as a significant consumer base.

In terms of market share dynamics, Emirates NBD and Citi Bank are poised to sustain their competitive advantage, collectively commanding a value share of 23.3% and 7.8%, respectively, in 2023, compared to the previously recorded shares of 16.2% and 7.4% in 2022. Projections suggest that by 2026, the volume of prepaid cards will expand further to approximately 4.5 million, demonstrating the sector's resilience and growth potential.

Forecast models anticipate a compound annual growth rate (CAGR) of 19% in constant transaction value from 2023 through to 2026, indicating a robust forecast for continued expansion. A significant differentiation in growth rates is expected, with closed-loop prepaid cards anticipated to outpace open-loop prepaid cards in terms of market development.

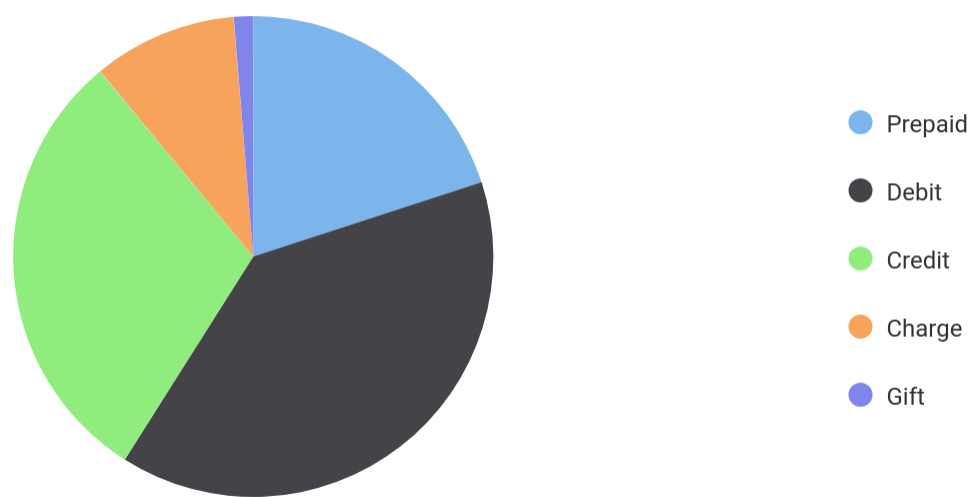
Despite an overall decline in growth momentum in 2023, compared to preceding years characterized by vigorous growth rates, prepaid cards remained dynamic. Specifically, card volume growth diminished to 13% in 2023 relative to a review period CAGR of 26%, while transaction volume growth realized an 18% increase in 2023, down from a review period CAGR of 21%. The initial phase of the review period experienced heightened growth, largely driven by employers' compliance with new electronic payment regulations, along with the expansion of parking, toll, and gift cards within the closed-loop prepaid card segment.

Notably, open-loop prepaid cards exhibited the most significant growth in transaction volume during 2023, achieving a 19% increase, as opposed to the 17% growth observed for closed-loop prepaid cards. This disparity can be attributed to the lower transaction volume base in the open-loop segment. It is crucial to highlight that closed-loop prepaid cards dominated the market, representing 95% of transaction volume in the prepaid card category in 2023. This growth is underpinned by advances in transportation, parking, toll cards, and a resurgence in economic activity that has revitalized merchant gift card sales.

Conversely, open-loop prepaid cards demonstrated significant progress in current value terms, with a notable 19% increase in 2023. This performance is closely linked to the

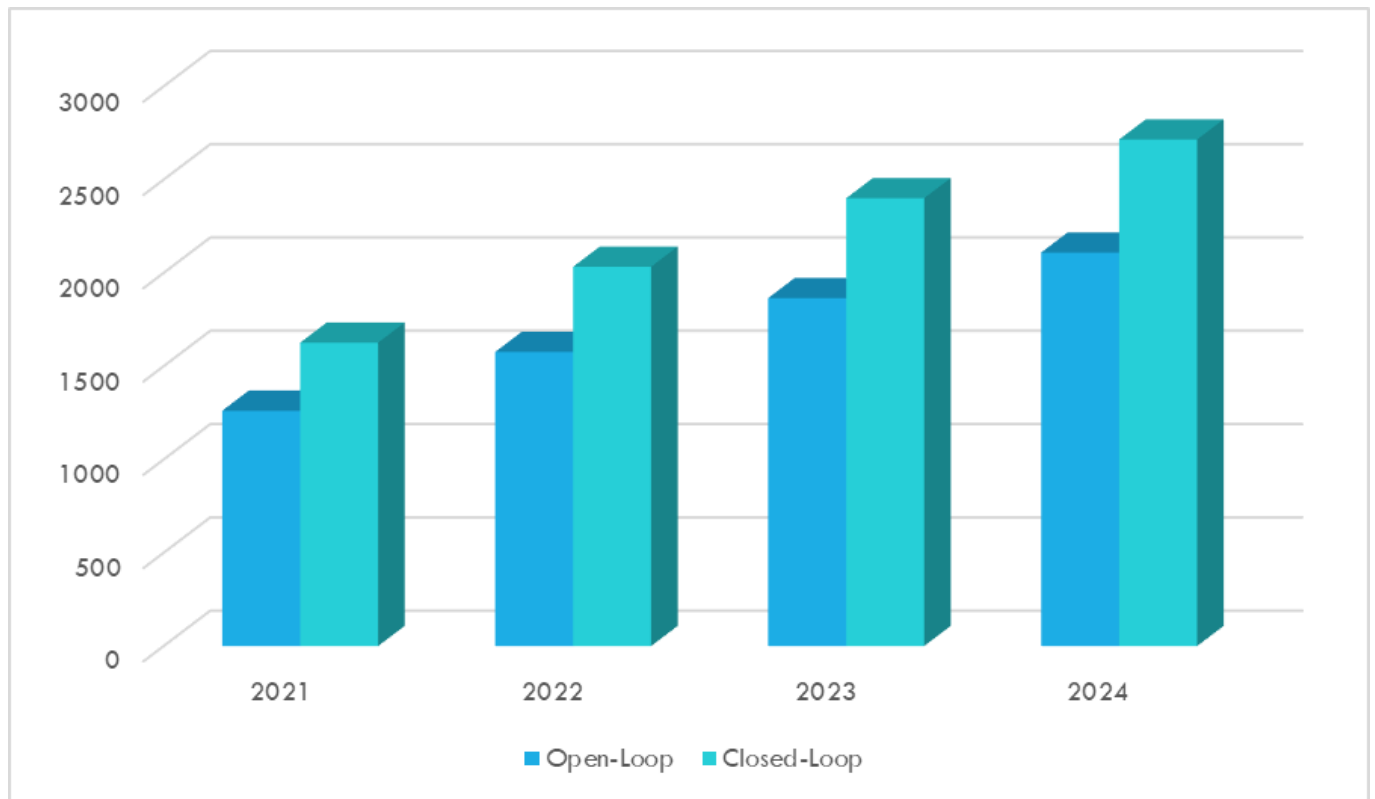
strong uptake of remittance payment cards and payroll cards, which collectively comprised 75% of card volume in this category for 2023. Furthermore, network-branded gift cards benefitted from ongoing enhancements in retailing, thus reflecting the broader market's adaptability and growth potential.

Units Sold v/s Revenue Chart



Card Type	Units Sold
Prepaid	20
Debit	39
Credit	30
Charge	9.70
Gift	1.30

Pre-Paid Card ( Open and Closed Loop) Issuance



## 5.2 Competitive Landscape

Among private entities within the UAE financial landscape, Emirates NBD has emerged as the dominant force in the pre-paid card sector by the end of 2023, surpassing FAB to secure a significant 23.3% of the total pre-paid cards issued during that year, a noteworthy rise from 16.2% in 2022. This impressive positioning not only reflects robust business strategies but also a keen understanding of market demands and customer preferences. The bank's proactive approach in embracing technological advancements and customer-centric services has undeniably contributed to its success in a highly competitive arena.

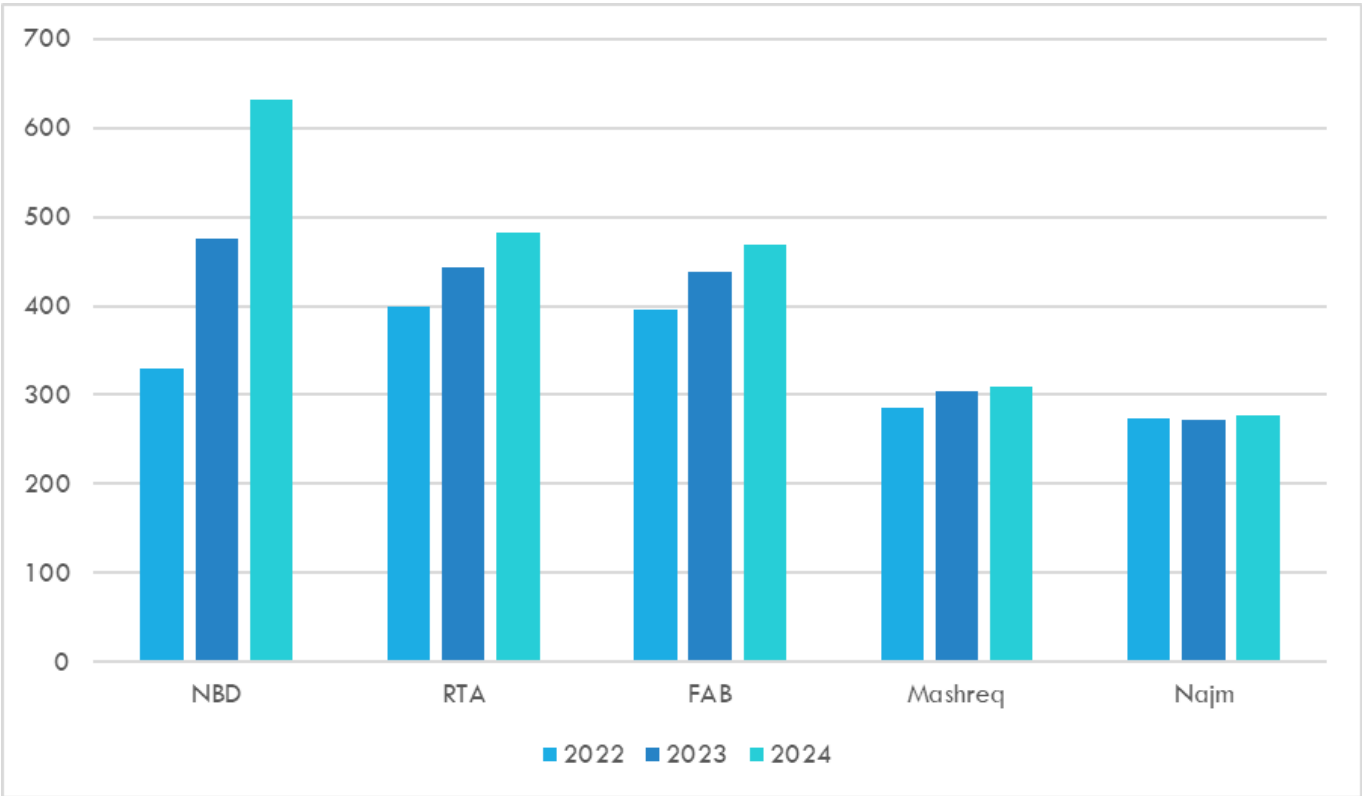
Emirates NBD's advantage is further amplified by its stronghold in open loop payroll and remittance payment cards, which have become increasingly popular among employers seeking reliable banking solutions. Many companies choose to partner with FAB for these services due to the convenience of being existing customers, underscoring the immense value of customer loyalty in the banking sector. Additionally, the bank's commendable reputation for quality services, paired with an extensive ATM network across the United Arab Emirates, further solidifies its competitive edge, making it a preferred choice for many cardholders who prioritize accessibility and reliability.

Within this competitive landscape, Emirates NBD, alongside other leading banks such as HSBC, FAB Bank of Abu Dhabi, and CitiBank, collectively accounted for a substantial 53.7% of the market share. However, it's noteworthy that aside from Emirates NBD, none of these established banks recorded an increase in their market share compared to 2022. This stagnation highlights the dynamic nature of the financial market and the potential challenges faced by these players in sustaining growth, thus making Emirates NBD's rise all the more significant in the context of market dynamics.

Meanwhile, in the realm of closed-loop pre-paid cards, the Road & Transport Authority (RTA) has maintained its leader position at the end of the review period, despite a decline in market share from 18.5% to 17.8% in 2023. Interestingly, RTA reported a 9% increase in the number of pre-paid cards issued, which underscores the growing demand for its Nol transportation cards. This example illustrates that while market share can fluctuate, the underlying volume of issuance can still indicate positive growth trends, reflecting consumer interest and engagement.

The expansion of the Nol card distribution network has played a crucial role in this growth, as RTA has effectively forged agreements with various currency exchange providers, such as Al Fardan Exchange, as well as supermarket operators like Al Maya and Aswaq. This strategic move has enabled Nol cards to be available in over 1,000 retail outlets, significantly enhancing their accessibility for consumers. Such initiatives underscore RTA's commitment to adapting to the evolving needs of transportation card users throughout the UAE, facilitating an efficient public transport experience.

Additionally, the pre-paid cards offered by Majid Al Futtaim Finance have also showcased impressive growth, with the number of issued cards increasing by 26% in 2023 compared to the previous year. Established in 2010, Majid Al Futtaim Finance has swiftly evolved into one of the major players in the market, largely due to its diverse array of facilities cards and customer-focused offerings. Their resilience and adaptability in response to changing market conditions not only reflect their strategic foresight but also underscore the potential for continued success and innovation within the pre-paid card sector.





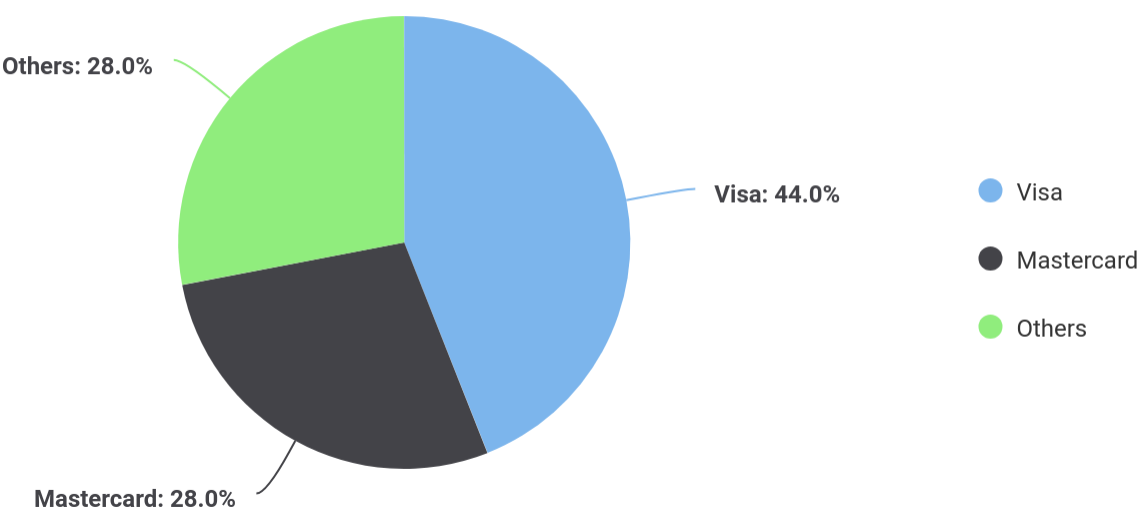
### 5.3 Card Operators

As of 2023, VISA continues to assert its dominance within the pre-paid card sector, attaining a notable market share of 44.2%, which reflects a marginal escalation from the preceding fiscal year. This sustained growth underscores the brand's strong positioning and recognition within the industry, as it consistently meets the evolving demands of consumers. Factors contributing to this success include innovative features offered on their cards, strategic partnerships with various merchants, and an expanding digital infrastructure that enhances user experience.

Following VISA in market representation is MasterCard, possessing a consistent market share of 27%, a figure that has remained stable since 2020. This consistent performance indicates a robust and established consumer preference for both VISA and MasterCard in the pre-paid card market. MasterCard's commitment to security and user-friendly transactions also bolsters its attractiveness, ensuring that it remains a favored choice for consumers seeking reliability in their financial transactions.

Furthermore, government departments and entities collectively account for 18.7% of market share. Despite an upward trajectory in the total issuance of pre-paid cards by these government sectors, there exists an observable contraction in the overall market since 2009. This phenomenon merits further examination to understand the underlying factors contributing to the decreasing market share within this segment, which may include shifts in consumer preferences, the introduction of alternative payment methods, and the impact of economic conditions on government spending and initiatives aimed at expanding prepaid offerings.

#### Card Operatore In UAE



## 5.4 Pre-Paid Card Prospects

Beginning in April 2013, the integration of the Nol card within all Dubai Taxi vehicles was officially implemented, concurrently with the acceptance of credit cards within these transport modalities. The Roads and Transport Authority (RTA) has delineated a strategy to extend the utility of the Nol card beyond transportation, envisioning its applicability to grocery acquisitions, cinema visits, and consumer food service transactions.

The RTA's initiative is informed by the successful implementations of analogous systems, such as the Octopus card in Hong Kong and the EZ-Link system in Singapore. Furthermore, the RTA is intent on expanding the Nol card's infrastructure beyond the borders of Dubai, seeking collaborative opportunities with other transportation networks both within and outside the United Arab Emirates.

Additionally, negotiations are underway with leading telecommunications providers, namely Etisalat and du, for the incorporation of Near Field Communication (NFC) technology, facilitating the embedding of Nol cards into smartphones. Such advancements are anticipated to enhance user convenience and broaden the card's functionality.

Forecasted trends indicate a continued robust growth trajectory for pre-paid cards during the upcoming period. This growth is anticipated to be reinforced by several prevailing factors within the country, including an upward trend in the expatriate workforce, which is expected to elevate the demand for remittance payment cards within the spectrum of open-loop pre-paid card offerings.

Moreover, the ongoing development of retail frameworks and the UAE's rising stature as a hub for shopping tourism are projected to augment the utilization of both merchant-issued gift cards in closed-loop pre-paid systems and network-branded gift cards within the open-loop paradigm. The escalating tourism influx and congested urban streets similarly favor the adoption of transportation cards within closed-loop pre-paid systems, as consumers are increasingly inclined to utilize public transport for its efficiency compared to private vehicle use.

The anticipated advancements in transportation card systems, particularly the Nol card, are expected to further stimulate the adoption and application of these cards across the populace. Consequently, a Compound Annual Growth Rate (CAGR) of 11% is projected for the overall volume of pre-paid cards during this forecast period, while transaction volumes are expected to experience a CAGR of 17%.

Despite the promising growth outlook, it is pertinent to note that this expansion is projected to decelerate significantly compared to the dynamic growth observed during the preceding review period. During that phase, growth was catalyzed by the low initial sales base and the introduction of products such as remittance payment cards and Nol cards.

The review period witnessed a card volume CAGR of 26% for overall pre-paid cards, alongside a transaction volume CAGR and value CAGR of 21% and 37%, respectively.

## 6. Billing Kiosk in UAE

Self-service kiosks, evolving significantly in recent years, are more than mere digital interfaces; they represent a revolution in how businesses engage with their customers. Equipped with cutting-edge computing devices, as well as various supporting hardware and software solutions, these kiosks are crafted to enhance service delivery and optimize business processes. In the context of Dubai and the wider UAE, the unnoticed ubiquity of self-service kiosks is noteworthy. For instance, an ATM is a prime example of such a kiosk, allowing users to conduct financial transactions independently. Beyond banking, when visiting telecom service centers, customers frequently utilize these kiosks, which not only assist in service selection but also streamline queue management, amplifying overall operational efficiency.

Another notable category of self-service kiosks thriving in the UAE is the mobile top-up and utility bill payment solutions. Strategically situated near high-traffic areas such as grocery stores, shopping malls, and building entrances, these kiosks offer a varied range of service delivery options, catering to the needs of tech-savvy consumers. Their presence simplifies everyday tasks, making transactions more accessible and convenient for individuals on-the-go. Over the past two years, the impact of societal shifts, particularly those stemming from the events of 2020, has drastically altered consumer behavior and business operations. This period has birthed an increased reliance on self-service kiosks, encouraging businesses across numerous sectors to adopt these innovative solutions. By integrating self-service technology, companies not only improve customer interaction but also enhance their operational efficiency, positioning themselves favorably in a rapidly evolving marketplace.

## 6.1 Self-Service Checkout Kiosk

The self-service checkout kiosk represents a sophisticated digital solution tailored to enhance the efficiency of the self-checkout process within retail environments. Retailers frequently grapple with the challenge of extended queues, which not only deter potential sales but also significantly degrade the customer experience. When patrons encounter prolonged waiting times, they are more likely to seek alternative shopping venues that offer a more expedited purchasing experience, thereby adversely affecting client retention and overall sales performance. Implementing these kiosks can mitigate such issues by streamlining the checkout process, reducing the likelihood of customers abandoning their purchases due to frustration.

Moreover, the presence of long lines acts as a deterrent to prospective customers. Observing congested checkout areas often leads individuals to opt against entering the store, thus driving up customer attrition rates. Customer churn is particularly concerning as it reflects the number of consumers who, despite their intent to make a purchase, abandon their transaction due to excessive wait times. This phenomenon not only hampers immediate sales figures but also tarnishes the store's reputation, as word-of-mouth regarding inefficient service can spread rapidly. Efficient self-service kiosks can effectively address this issue by providing an alternative that allows customers to check out at their convenience, positively influencing their overall satisfaction and likelihood of return.

In the United Arab Emirates, the adoption of self-service kiosks has gained immense traction, with these units integrated into a plethora of services by 2017, encompassing all government services without exception as well as over 500 entertainment-related options. Service providers actively compete for optimal placements that maximize visibility and enhance sales opportunities. Currently, these kiosks are strategically located in more than 10,000 sites across the nation, including shopping malls, public thoroughfares, government institutions, and marketplaces. This widespread placement exemplifies their pivotal role in modern retail strategy, as retailers can leverage these kiosks not just for transaction processing but also as a platform for marketing and customer engagement. As the retail landscape continues to evolve, the integration of such advanced systems will be crucial for maintaining competitive advantage in a dynamic marketplace.

## 6.1 Self-Service Checkout Kiosk Hardware

The self-service checkout kiosk is fundamentally constructed on widely accessible hardware technology, ensuring both functionality and user engagement.

This sophisticated kiosk encompasses a touch screen interface, facilitating user interaction while executing essential checkout operations, complemented by requisite hardware accessories designed to efficiently scan products.

This integrated system is interconnected via a central computing board, which is also linked to the network infrastructure, thereby managing power distribution across its components. The following delineates the essential constituent elements of the

self-service checkout kiosk:

- Medium Size Touch Screen Display or iPad Kiosks with Capability to Multi-touch and On-Screen Keyboard
- In-built Computer (Windows and Android both OS available)
- Barcode/QR Code Scanner
- In-built Speaker
- Network and Connectivity (LAN, WiFi, 3G/4G, etc.)
- POS Machine (Credit/Debit Cards)
- Cash Acceptor (Optional Component)
- Receipt Printer
- In-built Cooling and Power Management
- Physical Security Features

## 6.3 Advantages of Self-Service Checkout Kiosk

The implementation of self-service checkout kiosks presents numerous advantages, functioning as a substantial mechanism for enhancing the efficacy of retail operations while concurrently alleviating the demands placed on staff. In the competitive landscape of retail, businesses—regardless of their scale, whether local or multinational—constantly strive to achieve sustainable expansion and growth. A critical component of such growth is the cultivation of a loyal customer base, which serves as an essential pillar for ongoing development. Empirical research indicates that the cost associated with acquiring a new customer can range from nine to twelve times greater than that of retaining an existing one, underscoring the imperative of fostering customer loyalty, which is intrinsically linked to customer satisfaction.

The foundation of customer satisfaction is predominantly rooted in the quality of customer interactions and the overall shopping experience. Self-service checkout kiosks not only enhance this experience but also present retailers with unique opportunities to market additional products effectively during the purchase and checkout process. By utilizing algorithms and data analytics, these kiosks can suggest relevant items tailored to the consumer's purchasing behavior. Market analysis reveals that approximately 20% of consumers are inclined to include ancillary items in their shopping carts when relevant suggestions are made based on their current selections or behaviors. Consequently, retail businesses can capitalize on self-service checkout kiosks to augment their revenue streams, exploiting the key moments of consumer decision-making at checkout to maximize sales potential.

Furthermore, self-service kiosks have demonstrably increased the volume of transactions in government sectors, achieving a notable 284% rise. This marked improvement has positioned the United Arab Emirates, and Dubai in particular, as a leader in the global landscape of government transactions. This surge reflects not only the efficiency brought about by technological advancements but also the growing expectation from customers for quicker and more convenient service options. The profound impact of technology on operational efficiency and service delivery is evident across various sectors, indicating a broader trend that can offer valuable insights for retail businesses seeking to harness similar advancements in order to improve their own service offerings and operational capabilities.

# 3.

## SIT Project in UAE

1.1 Instant Card Issuance (ICI)

1.2 ICI machine features

1.3 Billing Main Services



Imagine a world where convenience and efficiency converge into a single device, transforming the way we interact with billing and issuance systems. Our project encapsulates this vision, as we set out to create a groundbreaking Super Machine that seamlessly merges an issuance machine, a billing kiosk, and an array of intelligent services into one powerful solution. This innovation is not just a product; it's a game-changer that promises to redefine the user experience.

By fabricating the Super Machine, we are poised to revolutionize how businesses and consumers engage in multi-tasking interactions. No longer will individuals be burdened by separate devices for each task; instead, they will experience the richness of streamlined functionality. Picture customers swiftly processing payments, issuing tickets, and accessing various services, all within seconds. The Super Machine is designed to cater to diverse needs, making it an indispensable ally for any modern establishment.

Our competitive advantage lies not only in the multifunctionality of the Super Machine but also in its user-centric design, which delivers unmatched ease of use. With a focus on ergonomic and intuitive interfaces, we ensure that every user, regardless of their tech-savviness, can navigate the system with confidence. This level of accessibility will not only attract a wider audience but will also foster loyalty, as customers embrace the convenience embedded in our innovative technology.

The potential for this Super Machine extends far beyond just operational efficiency; it opens doors to new revenue streams, enhances customer satisfaction, and positions our company as a leader in the tech industry. This is an opportunity to invest in the future of service delivery, where the fusion of technology and user needs creates a landscape full of possibilities. Join us on this exciting journey as we bring the Super Machine to life and pave the way for a smarter tomorrow.

## 1.1 Instant Card Issuance (ICI)

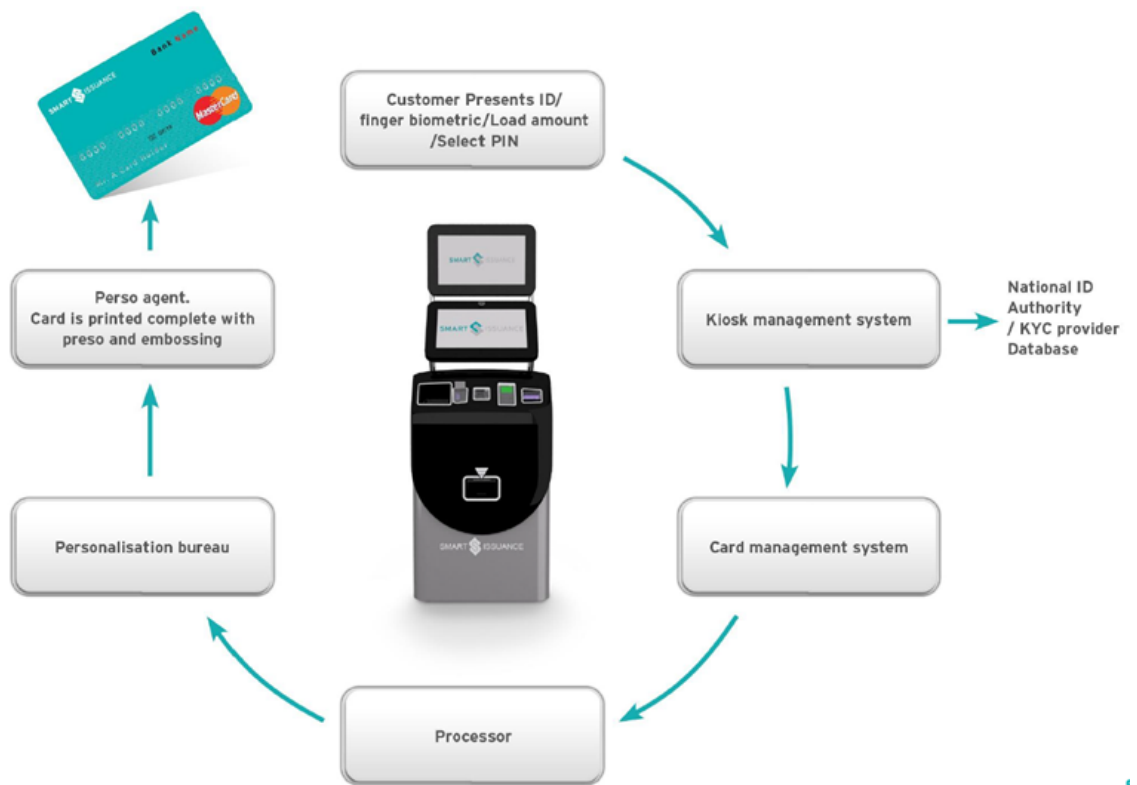
Instant card issuance represents a pivotal advancement in the banking sector, whereby financial institutions can generate and activate payment cards in real time, facilitating immediate usage. This capability is indispensable in the contemporary marketplace, as it allows banks to onboard new clients swiftly, thereby enhancing customer satisfaction and retention through prompt access to banking services. Moreover, this rapid card issuance process is particularly attractive to tech-savvy younger generations who seek convenience and efficiency in their banking experiences, further underscoring the necessity for financial institutions to adapt to evolving consumer expectations.

In addition to granting immediate access for new clients, instant card issuance serves as a crucial mechanism for emergency card replacement. This feature offers reassurance to existing cardholders, ensuring that their financial activities can proceed uninterrupted even in the unfortunate event of card loss or theft. Implementing this system allows banks to mitigate the stress and inconvenience associated with lost or stolen cards, fostering a sense of security. Such reliability ultimately strengthens customer loyalty and trust in financial institutions, with research indicating that consumers are more likely to remain with banks that demonstrate proactive service measures in times of need.

The implementation of instant card issuance can be executed directly from the bank's internal servers; alternatively, it is available as a managed cloud-based solution, providing an expedient pathway for market deployment. This flexibility in deployment strategies allows banks to respond swiftly to consumer demands and technological advancements. By leveraging cloud-based solutions, financial institutions can also benefit from reduced infrastructure costs and quicker integration with existing systems, making it easier to keep pace with competitive pressures in the rapidly evolving financial landscape.

Moreover, the solution enables financial institutions to seamlessly integrate EMV (Europay, MasterCard, and Visa) technology into their operations. The availability of cards for immediate issuance within the branch not only enhances customer experience but also allows for in-person education on card features and security benefits at the point of issuance. This educational aspect is critical in empowering customers to make informed choices regarding their banking, thereby increasing the adoption of advanced security features such as contactless payments and fraud protection measures.

Additionally, instant card issuance empowers cardholders to select and establish their Personal Identification Number (PIN) directly at the kiosk. This functionality not only enhances the user experience by granting autonomy and efficiency but also reflects an institution's commitment to providing superior service in an increasingly competitive environment. The ability to create a personalized PIN on-site fosters a greater sense of ownership and security among customers, which can ultimately enhance their overall satisfaction with the banking experience and encourage greater brand loyalty.



## 1.2 ICI machine features

The project incorporates a spectrum of services aligned with Know Your Customer (KYC) regulations, specifically recognized by the ICP authority in the United Arab Emirates. This certification ensures compliance and fosters trust in our financial products.

Furthermore, the system facilitates the real-time replacement of expired, lost, or stolen cards, thereby enhancing the customer experience through reduced downtime and increased security. Instant issuance capabilities for both branded open and closed-loop cards contribute to operational efficiency and consumer satisfaction.

The infrastructure allows for these cards to function as strategic touch points for transaction reloads, promoting convenience for users. Additionally, the integration of third-party applications broadens functionality and enriches user engagement.

This arrangement lessens the necessity for cash transactions at retail locations, promoting a shift toward digital solutions in contemporary commerce. Online account services enhance accessibility, enabling seamless transfers that comply with industry standards.

The card system is designed to accommodate a capacity of 700 cards, featuring state-of-the-art edge-to-edge full-color printing. Personalization options such as embossing and indenting further enhance the appeal of our products, adding a unique touch for users and reinforcing brand identity.

## 1.3 Billing Main Services

### - Cooperation

In today's rapidly evolving digital landscape, the trajectory of services is increasingly inclined toward self-service smart technology. This innovative self-service technology has been meticulously designed to optimize time and reduce effort in the lives of consumers, thereby enhancing the overall efficiency and accuracy of service delivery.

Our self-service machines empower users to seamlessly engage with their preferred shop catalogs, issue prepaid cards, obtain cash through vouchers, and pay utility bills in a quick and uncomplicated manner. These advancements eliminate the reliance on direct employee interaction, thereby allowing providers to connect with their clientele more effectively.

The implementation of our self-service kiosks presents an opportunity for providers to significantly lower labor costs, elevate customer satisfaction, and ensure the consistent delivery of high-quality self-service experiences. We are committed to providing a superior kiosk solution that operates around the clock and aligns perfectly with your business needs.

### - Landlords

Maximize small spaces for substantial returns.

We assert that every landlord and business owner should capitalize on the potential of self-service kiosks to attract additional clientele and drive increased sales. By strategically installing a self-service kiosk in your supermarket, retail outlet, hotel, or pharmacy, you are making a sound investment in that limited space, which could lead to considerable revenue growth through a higher influx of customers.

The presence of user-friendly self-service kiosks will draw more foot traffic, as patrons utilize these payment services, simultaneously fostering additional purchases within your establishment.

### - Advertisers

Enhance your brand visibility.

Our experts have strategically positioned our SIT kiosks in high-visibility locations to guarantee maximum exposure for your brand. This placement not only ensures that your advertising reaches your targeted demographic but also significantly enhances the visibility of your brand to prospective clients.

### - Governmental Projects

SIT equips governmental organizations with the tools to connect with citizens and residents of the UAE, facilitating timely payments. With installations in high-traffic areas, SIT machines provide governmental entities with the ability to serve a broad demographic. For representatives of governmental organizations, you can be confident that your services will be accessible to those in remote areas as well as to individuals who prefer convenient payment methods.

This pioneering approach not only drives efficiency within public administration but also significantly improves the overall experience for end-users.

### **- Online Shopping**

The United Arab Emirates has emerged as a prominent trade hub, uniting a myriad of multicultural markets within a single, dynamic environment. As a nation that values cultural diversity, the UAE is distinguished as a regional leader in e-commerce, affording its residents the numerous benefits associated with online shopping. This thriving digital marketplace not only enhances consumer convenience but also fosters economic growth through increased accessibility to a variety of goods and services.

### **- Agents**

We are excited to present an opportunity for individuals to become our agents and promote our innovative products and effective business solutions. By joining our team as an agent, you will benefit from a competitive fixed income and the flexibility to work on your own terms. We recognize that enthusiastic agents play a critical role in elevating our brand visibility and will gain valuable experience while contributing to our growth.

### **- Investors**

Automated payment services have become essential globally, offering practical solutions for consumers while presenting advantageous investment avenues. As an owner of a turn-key solution featuring SIT kiosks or InDoor.TV promotional screens, you will have the opportunity to expand and enhance your business operations through transformative technology. We encourage all business owners and companies to invest in SIT kiosks, which not only facilitate seamless transactions for clients but also possess the potential to significantly boost business profits in a short span of time.

## **MANAGED SERVICES**

**We'll Do the Heavy Lifting While You Focus on Growing Your Business**

- Timely Cash Collection
- Timely Cash Collection

- Monitoring
- Reporting
- PCI Compliant
- Business Manager
- Customer Care
- Technical Support

# 4.

## Strategies

1.1 SIT Strategy.

1.2 One mobile banking app to rule them all

E-wallet

1.3 Multi Currencies travel Card



## 1.1 SIT Strategy.

This procedural document delineates the comprehensive guidelines pertinent to the acquisition of a Travel Card by individuals of any nationality, alongside the protocols for processing travel-related transactions. It encapsulates directive specifications regarding the permissible usage of the card, which encompasses expenditures related to conference registrations, accommodation, meals, car rentals, and various sundry business-related costs incurred during travel as well as the utilization of General Appropriated Funds.

The Travel Card program is sanctioned by the XXXXBANK Comptroller's Office, governed through a contractual agreement with Asfar Travel Group. It is imperative to note that NPAY Travel Cards are affiliated with either VISA or MasterCard. The primary intention of the Travel Card program is to markedly diminish the reliance on personal funds for official business travel, thereby alleviating the financial burden associated with cash advances and the subsequent processing of travel expense reports. Adherence to the established procedures for the use of the Travel Card, alongside the maintenance of requisite documentation, is mandatory to ensure operational compliance.

The functionality of the Travel Card resembles that of a personal prepaid card; however, it is crucial to emphasize that it is not linked to the cardholder's personal credit. The possession of a Travel Card represents a privilege bestowed by the Asfar Travel Group upon the cardholder. Eligibility for issuance of a Travel Card is contingent upon the individual possessing a National ID and a passport. The cardholder, whose name is inscribed on the Travel Card, assumes exclusive responsibility for its governance and utilization. Furthermore, the cardholder must affirm their understanding and acceptance of all responsibilities articulated in the Card Holder Agreement, pledging to comply with all relevant procedural directives.

Individuals seeking to obtain their initial Travel Card are required to complete the Travel Card Application Form via the NPAY application. Upon submission, the form will be electronically routed to the Department Account Administrator for requisite approval. The virtual card will become accessible in the application immediately upon approval. Should a physical card be necessary, Payment Card Services will facilitate the forwarding of relevant information to the NPAY issuance system for the production of plastic cards upon request. The card can be replaced at any NPAY machine at any given time.

It is noteworthy that the card is operational from the moment of issuance and does not necessitate an activation code. Furthermore, the usage and sharing of Travel Cards are strictly prohibited outside the authorized cardholder; it is solely intended for utilization by the individual to whom it has been issued.

The strategic plan encompasses the establishment of partnerships with an extensive array of financial institutions to facilitate the issuance of bank cards. In addition, the integration of multifunctional features, such as lost card replacement and alterations, is

intended to leverage the sophisticated technological capabilities inherent within the devices. It is pertinent to observe that each individual device possesses the capacity to connect with an unlimited number of banks, thereby amplifying support in this domain.

Moreover, finance and exchange companies that deliver the WPS service represent a crucial target segment and are prioritized for contractual agreements due to their capacity to handle a substantial volume of transactions and significant exchanges of deposited funds. The incorporation of governmental payment functionalities within the agreement with E & Money is expected to enhance the utility of kiosks not only for card issuance but also for balance replenishment.

Additionally, forming alliances with Tasheel and Aamer emerges as a critical endeavour, as these partnerships could potentially contribute to up to 40% of the project's overall revenue. This multifaceted approach underscores the intent to create a comprehensive service ecosystem that caters to diverse financial needs, thus bolstering both operational efficacy and revenue generation.

**Note:** The mentioned contracts are 80% ready.

## 1.2 One mobile banking app to rule them all

The NPay Card functions as an open-loop, prepaid multifunctional card operating under the Mastercard or Visa networks, specifically designed to serve as a personal financial concierge. This card embodies numerous advantages typically associated with Mastercard, with a focus on simplicity and convenience, particularly beneficial for individuals lacking a traditional banking account or established banking history.

In the context of everyday transactions, the NPay Card streamlines financial interactions, providing a secure alternative for cash payments. Users can efficiently utilize the card for a spectrum of activities, including shopping, bill payments, and effective spending management. The NPay Card facilitates a straightforward, practical, and more manageable means of handling personal finances.

Moreover, the availability of supplementary cards enhances familial financial autonomy and convenience. Individuals no longer necessitate cash withdrawals for daily expenses incurred by family members; instead, they can conveniently issue Supplementary Credit Cards, thereby enabling seamless purchasing capabilities.

In educational contexts, the NPay Card serves as an invaluable tool for instilling financial literacy in children. By providing children with allowances through the card, parents can instruct them in money management principles, as expenditures are constrained to the funds allocated to the card account.

Furthermore, the NPay Card constitutes an optimal gifting solution, universally accepted wherever Mastercard is displayed. Recipients possess the autonomy to select their desired items, rendering it more versatile than traditional gift options such as checks or gift vouchers, which require banking processes. This card facilitates immediate utilization of gifts, with any unspent balance preserved for future transactions.

The NPay Card also proves advantageous for travelers, enabling users to distinctly segregate their travel expenses from general financial outlays. It provides a secure alternative to carrying substantial cash amounts, particularly valuable for individuals without access to conventional bank accounts or international payment cards.

Accessing the NPay Card is characterized by ease; there are no credit checks or bank account prerequisites involved. Users are afforded the convenience of leaving cash at home while concurrently enjoying select banking benefits without formal account ownership.

In terms of acceptance, the NPay Card can be utilized wherever Mastercard debit cards are honored, and users can even arrange for direct salary deposits to their registered cards. This feature significantly enhances financial management capabilities, eliminating the need for cumbersome transactions such as obtaining money orders.

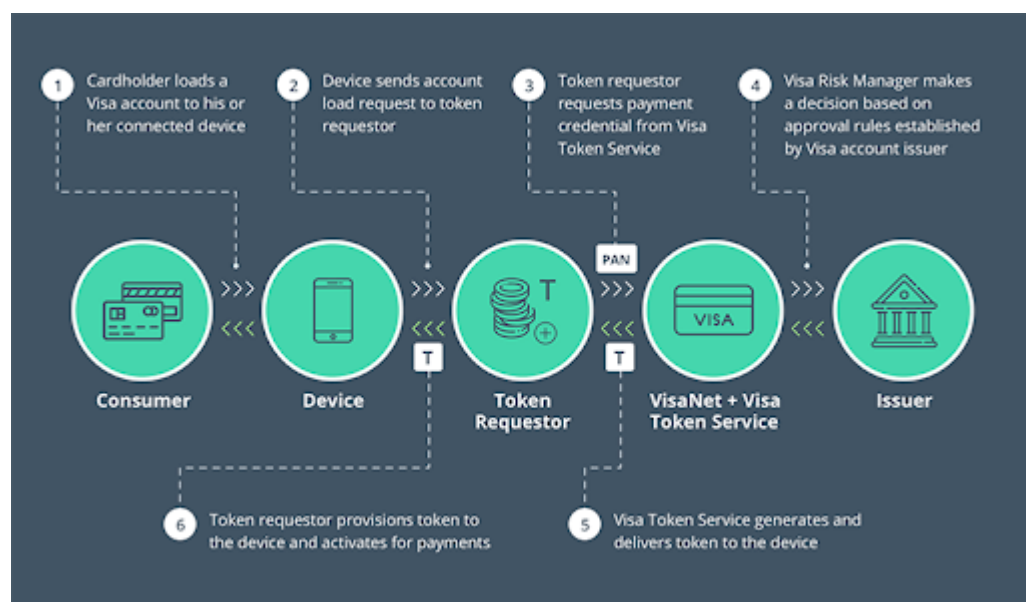
Lastly, the card emphasizes security through Mastercard's Zero Liability protection policy, safeguarding users against unauthorized purchases in the event that their card is misplaced or stolen. The overall design of the NPay Card promotes an effective and secure approach to managing personal finances, with the added convenience of various top-up methods including debit card transactions or cash deposits at kiosks.

## E-wallet

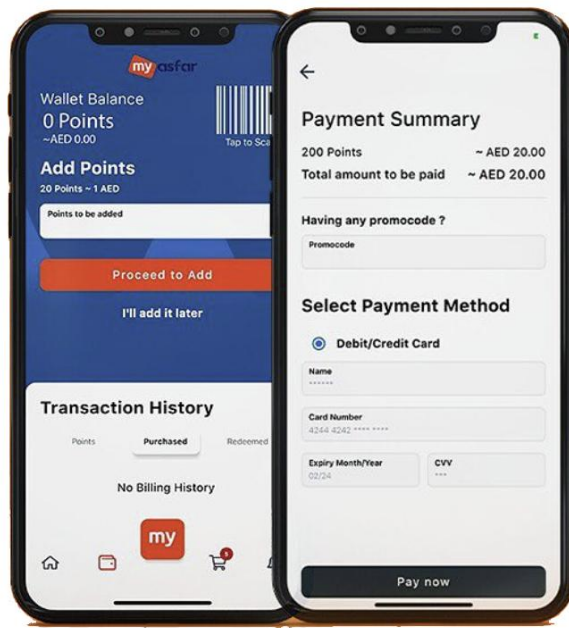
A digital wallet represents an innovative software application, online platform, or electronic device dedicated to securely storing users' payment information and facilitating transactions. In addition to financial data, these e-wallets encompass a variety of personal information storage options, including passwords, essential documents, boarding passes, and assorted vouchers, thereby enhancing user convenience and efficiency.

To elucidate the operational mechanics of an e-wallet, we can consider a representative scenario involving several key participants in the transaction process:

- Consumer (cardholder)
- Device (smartphone, tablet, etc.)
- Token requestor (managed by the payment service provider)
- Token service (such as VISA, Mastercard, etc.)
- Issuer (SIT).



In practical terms, when a consumer inputs their card information into a payment service provider, such as GooglePay, their device transmits an authentication request through the token requestor to the relevant token service. Upon approval of the request, the token service subsequently relays the necessary transaction details to the issuer, SIT, enabling the successful clearance of the transaction.



### 1.3 Multi Currencies travel Card

In the current environment characterized by globalization and enhanced interconnectedness, the significance of possessing a multicurrency card is profoundly evident, particularly for individuals involved in cross-border transactions. These financial instruments not only streamline transactions on international e-commerce platforms but also adequately meet the diverse financial requirements of individuals who frequently travel. By enabling users to hold, exchange, and utilize a range of currencies or cryptocurrencies, multicurrency cards bestow a degree of adaptability and fluidity that conventional banking frameworks often fail to provide.

Travelers, in particular, derive substantial advantages from the capabilities afforded by multicurrency cards. For example, a travel card tailored for international journeys enables users to secure advantageous exchange rates, which may result in considerable financial savings. This feature proves especially beneficial for individuals orchestrating vacations or business engagements overseas, as it mitigates the complications associated with currency exchange and engenders a sense of financial security while traveling.

The fundamental utility of a multicurrency card pertains to its facilitation of effortless transitions among multiple currencies, a functionality that is paramount for enterprises engaged in global commerce. For instance, a corporation procuring merchandise from suppliers across various countries can optimize its cash flow management through the utilization of such a card. Furthermore, for digital nomads and regular travelers, these cards provide accessible financial resources while simultaneously averting the significant conversion fees that are typically incurred through traditional banking methods.





The multi-currency card's ability to serve as a digital wallet adds significant value by allowing users to manage their finances more effectively in an increasingly interconnected world. This functionality supports a variety of financial transactions, including but not limited to making purchases at local and online merchants, accessing cash at ATMs, and sending funds internationally. Users can enjoy competitive exchange rates, thus maximizing the value of their money when traveling or engaging in cross-border commerce.

Furthermore, the advantages extend beyond simple transactions; users can also take advantage of real-time currency conversion and tracking through mobile applications linked to the card. This feature means that individuals can monitor their spending habits, set budgets for different currencies, and even receive alerts for favorable exchange rate movements. The security protocols embedded in the digital wallet further safeguard transactions, assuring users that their funds are protected from potential loss or fraud.

Asfar Travel Company's jurisdiction coverage enhances the card's appeal, as it allows for substantial geographic flexibility. By partnering with a range of financial institutions and service providers, Asfar ensures that cardholders can enjoy seamless monetary exchanges in numerous countries, thereby fostering trust and encouraging user engagement. Such comprehensive service provision positions the multi-currency card as an indispensable tool for modern consumers and travelers alike.

5.

## Financial Plan

Businesses Model Options

The revenue model is strategically aligned with our comprehensive corporate contracts within various sectors in the UAE. Our primary focus includes partnerships with banks, currency exchange companies, finance organizations, government services, and airports, among others. This diverse targeting not only diversifies our revenue streams but also positions us favorably within essential economic segments that are crucial to the UAE's growth.

Having cultivated a robust network over more than 15 years in this industry, we possess the vital relationships and insights necessary for executing these contracts effectively. Our deep understanding of the local market dynamics and regulatory landscape empowers us to navigate potential challenges and seize opportunities, ultimately leading to substantial profitability for the company.

These contracts are underpinned by a nuanced comprehension of institutional operations in the UAE, which enables us to forge strong, cooperative relationships with key stakeholders and influential figures in the field of entrepreneurship. By aligning our goals with the interests of these entities, we can ensure mutual benefits and growth.

The successful execution of these contracts is crucial to achieving our stated objectives. It sets the foundation for constructing a robust financial plan that addresses the anticipated revenue streams and operational expenditures, thereby ensuring the sustainability and scalability of our business in the competitive landscape of the UAE.

## Businesses Model Options

The core vision of our initiative focuses on deploying a remarkable 600 innovative devices within an ambitious timeframe of no more than two years. This plan embodies a commitment to excellence, as SIT will not only secure the necessary contracts but will also carefully select the ideal locations for our operations, ensuring that every device serves its purpose effectively and efficiently. Moreover, SIT will take full responsibility for manufacturing these devices, adhering strictly to the predetermined features and specifications tailored to the needs of each location.

Our partnership hinges on a solid financial framework, where our financing partner will invest in the manufacturing of all 600 devices, with a flexible timeline of two to three years based on our mutual agreement. This strategic collaboration lays a strong foundation, reinforcing the project's viability while ensuring that all logistical aspects are smoothly managed. To further streamline our operations, an intermediary company will be established, co-owned by both parties, which will manage all contracts and supplies—creating a dedicated focus on the success of this project.

The investment into each device averages around 15,000 US dollars, representing a judicious allocation of resources for high-quality output. Additionally, the costs associated



with issuing a bank card are minimal, equating to just 1 US dollar, or adjusted to a manageable 3 dollars, allowing for an enticing net profit of 2 dollars per transaction. This clever pricing strategy perfectly positions us to capture market share while ensuring fiscal responsibility.

Notably, the expected lifespan of our devices is five years, during which they are engineered to perform their tasks with exceptional reliability. Our proactive approach includes developing a comprehensive maintenance and renewal plan post-implementation, guaranteeing sustained performance and customer satisfaction. Furthermore, all software development and related services will fall under SIT's expertise, clearly delineating responsibilities and ensuring that our technological framework remains cutting-edge and robust.

Please scan the QR code to access approximate finance reports based on the expected plan related to the agreements and contracts outlined in the strategy section



While these statistics may appear as mere estimates reflecting the current work situation, they represent a critical preliminary analysis that guides our vision for future success. The true potential of these figures will come to life once the required contracts are finalized and the project kicks off. Imagine the possibilities that await: clear direction, defined goals, and a set path to achieving remarkable outcomes. With each completed contract, we inch closer to unlocking significant value, paving the way for a transformative journey that will not only meet but exceed expectations. The anticipation of what lies ahead fuels our commitment to excellence, driving us to bring this vision into reality with vigor and precision.

