

The Emirate of **SHARJAH**

Charging Ahead

Special report prepared by Strategic Media

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Cultural Capital Meets Industrial Prominence

The emirate of Sharjah, the most central of the United Arab Emirates (UAE), has managed to merge its cultural objectives with a dynamic economic development, creating an authentic Arab hub for industry, education, culture, and tourism.

As it quickly rose in international distinction, the emirate of Sharjah sought to develop a new identity brand. Commissioned by the Sharjah Commerce and Tourism Development Authority (SCTDA), the branding had to accentuate the sum of Sharjah's qualities. Having fostered its rich cultural heritage and earning Sharjah City the prestigious Cultural Capital of the Arab World accolade by UNESCO, the emirate has made a name for itself in facilitating industrial activity, a budding tourism industry, and many business opportunities. Located at the heart of the UAE, with the Persian Gulf off its west coast and the Gulf of Oman off the east, Sharjah lies at the junction of global trade routes, another aspect that deserved strong visual representation. And so in April 2008, Sharjah's new integrated brand identity was unveiled to highlight the emirate's attractions for tourists and investors alike. The five colors in the Sharjah symbol each represent a unique facet: Gold for business and industry, light blue for well-being and the east coast, deep blue for education, purple for its exemplary art, heritage and culture, and orange for both tourism and retail.

Sharjah's impressive developments are subscribed to the vision of His Highness Sheikh Dr. Sultan Bin Mohammed Al Qasimi, member of the UAE's Supreme Council and ruler of Shar-



■ We have done enough building with concrete, it is now time to build up the individual human being.

Sheikh Dr. Sultan Bin Mohammed Al Qasimi, Ruler of Sharjah ■

jah. A pragmatist when it comes to business, Sheikh Sultan turned his emirate into a business center, complementing that of Dubai, by setting up industrial facilities that feed the country's trade and real estate boom. The emirate today accounts for more than 40 percent of all industrial activity in the UAE. As historic values and heritage are very close to the ruler's heart, great attention has been given

to developing local human capital by nurturing free education at all levels, as well as promoting their talents and intellectual aptitude. "The curriculum for schools in Sharjah

includes art, dance, music, information technology, but we also teach democracy," explains Sheikh Sultan.

Sharjah's modern transportation infrastructure, including the seaports at Mina Khalid and Hamriyah on the west coast and Khor Fakkan on the east coast, has attracted global businesses and boosted foreign investment through the establishment of the Sharjah Airport International Free Zone (SAIF Zone) and the Hamriyah Free Zone. The Chairman of SCTDA, Sheikh Sultan Bin Ahmed Bin Sultan Al Qasimi, says Sharjah offers a natural synergy of both business and leisure sectors. "Our new brand makes it easier for us to promote our different colors. And as far as tourism goes, the east coast is one of the forgotten jewels of Sharjah. We have achieved very good planning for future development." ■

Shaping a Modern Arab Knowledge Society

Economic development must be led by the people and should never undermine the roots of civilization. This avid belief is carried not only by the ruler of Sharjah, but resounds throughout the emirate. Efforts in developing the local human capital, in order to maintain the high standards of development in the emirate, have been manifold. The importance of culture and art, and of the family as a healthy, productive entity, are central to Sharjah's economic foundations. As Her Highness Sheikha Jawaher Bint Mohammed Al Qasimi explains in her capacity as chairman of the Supreme Council for Family Affairs, this has not just been a recent fad. "We started the social change and evolution in Sharjah a long time ago," says the wife of Ruler Sheikh Sultan. "The Council of Family Affairs is working together to develop the well-being of the family unit. The family is the base of a society."

In 1982, Sheikha Jawaher founded the Sharjah Ladies Club, which today serves a dual role as a top-class leisure facility and as a community body committed to the intellectual and social development of Sharjah women and their children. "The Ladies Club was the first of its kind in the UAE, first as a social place, and now it takes an important place in many areas of society," explains the club's founder. Through lectures, seminars, workshops, conferences, and other daily activities the club attends to the needs of twenty-first-century women. Sharjah's women today are active members of society, especially in politics. Of the 101 candidates from Sharjah for the UAE's Federal National Council, 29 were women, the highest number of female candidates from all the emirates.

Sheikh Sultan believes that every single human being needs to have the same things in life. "If a person is against democracy, then he is disabled. If he is against human rights, he is disabled. All our educational programs value this understanding and we start from the children," remarks the ruler. It is clear that Sharjah has taken culture, education, and democratization to heart in its quest for universal excellence. ■



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Funding Fathers

Industry and Trade is at the Root of the Banking Sector's Success

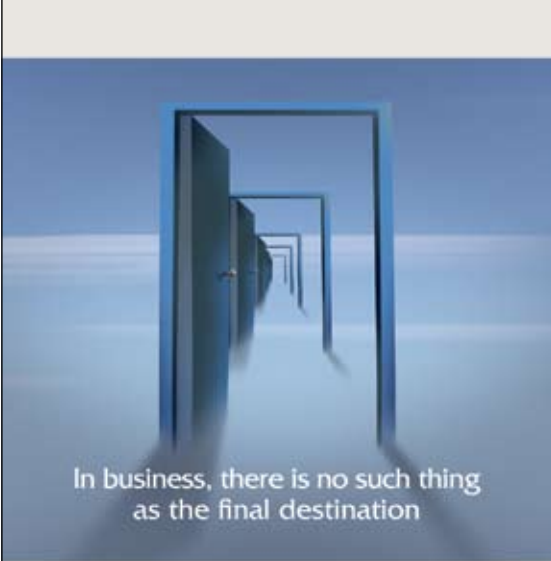
In the early 1970s, when the federation of emirates was constituted, Sharjah's oil reserves were just enough to start building a diversified economy. "Oil income was used in a very wise way to create a global and complementary economy with industry and trading," says Varouj Nerguizian, general manager of the Bank of Sharjah. "In order to attract industry, Sheikh Sultan's first and major decision was for Sharjah to be the only one in the emirates at the time to offer foreign nationals, Arabs of the Middle East, the possibility of acquiring land in their own name. This created an influx of industries from all over the region." At one stage, Nerguizian recalls, 48 percent of the UAE's industry was based in Sharjah, making it the central emirate in the Gulf Cooperation Council (GCC).

Around 1973, Sharjah's economy emerged victorious along with the young, yet promising banking sector. As the first establishment in Sheikh Sultan's emirate, the Bank of Sharjah targeted corporate banking in industry and trade, two fields in which it remains a leading player today. "They constitute the secure, high-liquidity basis of our success," Nerguizian points out. The bank's original shareholders were the government of Sharjah, BNP Paribas, and regional investors. In 2002, during a period of remarkable growth, Paribas sold its remaining stake, making the government and ruling family of Sharjah the major shareholders, with a combined 30 percent stake.

The Bank of Sharjah (BOS) has since been active in IPO lending, frequently retaining stakes of substantial size as part of a medium-term regional equity investment strategy, as well as engaging in acquisitions, most recently in Lebanon, where its ventures included the transformation of Banque de la Bekaa SAL into the Emirates Lebanon Bank (ELBank). BOS's net income for the most recent quarter reached \$23.9 million, representing a 38 percent increase over last year's figure of \$17.4 million during the same period. "The bank is effectively creating two poles: one at the Mediterranean

level and one at the level of the Gulf. In the last five years, the bank's capital went from \$245 million to \$1.75 billion," reveals Nerguizian. As for the risk involved in investing in an unstable region, Nerguizian says that BOS has a solid reputation for knowing the system and being able to make decisions quickly. "The riskier acquisition is met by higher equity injection. In fact, Fitch reassessed the Bank of Sharjah rating and reconfirmed A-!"

According to the Bank's general manager this offers corporate clients an unlimited perspective. "For us it does not stop at basic account management or advice on financial investments. It evolves with your business. Because every corporate vision is unique, its development demands very specific input critical to each stage. Employing expert minds, using innovative tools, we strive to provide financial solutions that deliver results, not just promises." ■



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Rigged and Ready to Roll

Amid concerns about future fossil fuel depletion and oil's current price of around \$150 per barrel, 50 percent of the world's oil still remains in the Arabian Gulf region. This is reason enough for Lamprell, leader in the refurbishment and upgrade of offshore jackup rigs (self-contained drilling and floating barges), to decide upon a significant expansion project after thirty years of progressive growth. The company, born and raised in the United Arab Emirates, has embarked on a \$100 million quayside facility at the Hamriyah Free Zone on Sharjah.

Having recognized a shortage of jackup rig repair skills in the region, Lamprell focused on developing this business unit. To date, it has completed more than one hundred rig upgrades and refurbishment projects, positioning itself as a leading refurbishment contractor. On top of that, Lamprell's debt-free track record is sure to become a hit with investors once it lists on the main board at the London Stock Exchange, increasing its likelihood to emerge as the next big name in construction within the offshore oil and gas sector.

"We have made a very big commitment in Hamriyah building a state-of-the-art marine facility," says Lamprell CEO Peter Whitbread. "We are going to create 250,000 square meters of newly developed, deep-water berthing. We specifically selected Hamriyah because of the fact that it has a very enlightening policy towards encouraging business. Sharjah is recognizing the need to have the industry and the support business." The new facility will be operational at the beginning of 2009, offering capacity for up to ten rigs and sufficient space for major refurbishment and new building work. "A lot of people, like in Dubai, are pushing marine business away because they have got a big focus on tourism, nature, beachfront, and housing. Sharjah, on the other hand, is still recognizing the need to have the industry and the support business."

Whitbread adds that it was the UAE's highly advantageous position within a major oil-producing region that helped Lamprell achieve its current status and monopoly in rig refurbishments and upgrades. Revenues from its operations in both Sharjah and Dubai increased by 41.8 percent year-on-year, to \$467.3 million, with net profits registering \$86.2 million in 2007. It has inspired Lamprell to replicate its successful Sharjah model on new horizons; a similar project was recently set up in Thailand. Indeed, entering the highly competitive Asian scene marks a big step for this local, private company, one that paid and invested its own way up the ladder.

The global jackup fleet includes 299 rigs that are a quarter-century old or more, 346 that are 20–24 years old, and only 64 that have been around for less than two decades. In addition, Lamprell's position close to the key land-rig market of the Kingdom of Saudi Arabia enables it to hold a significant advantage in the land-rig refurbishment and upgrade business. In the long run, the company may even take on new and potentially lucrative renewable-energy projects, having received a number of inquiries from Europe about doing so.

It all adds up to a company that is on a roll, able to make a mark on the FTSE 250 as a mid-capital company, all from its heart of operations in the emirate. "Sharjah is a pretty safe place," concludes Whitbread. "It is sophisticated and very dynamic among industrial structures that exist here. Until people have been here, they can not recognize what can be achieved in the UAE." ■

Strategic Media

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